

Best strategies Forex Trading Using Fibonacci (How to Use Fibonacci Retracement in Forex Trading)

In everyday trading, there are often many questions that arise, as to how to find out how far the currency movements, which may be able to continue the trend. First of all, we must realize that no one knows exactly how far the currency pair may continue a trend, or how long it will last sideways. If there is news on the pair you use, so if you use this trading system should not be trading 30 minutes before and 30 minutes after important news.

How to draw a Fibonacci Retracement (The Basics of Fibonacci Retracements)

If the start of a downtrend seen that the price moves back (reversal) upwards, some traders may be wondering, at Which point, the upside movement will be weakened or slowed down? Information was useful because shortly after the movement slows down, traders can systematically arrange the pair return to normality in the direction of the daily trend.

Although there is no indicator or trading tool that can predict accurately, usually a price reversal will occur when the retracement will end. And apparently Fibonacci tool, can help traders in complex situations like this. How, by observing, three line levels are provided, to monitor trading if there is a reversal trend or not.

How to Draw the fibonacci Retracement (Forex Trading using Fibonacci)

By pulling fibo line toward point A (Swing High) and B (Swing Low), we can see that three major fibo retracement level, placed on the chart, at a rate of 38.2%, 50.0%, and 61.8 %. This is the level that will be used as a monitoring tool in the future price. Vice versa, if the trend

turns up, then the withdrawal of the line can be applied on the contrary, that by drawing a line from point B to point A. **Fibonacci Reversal To Measure existence Trends (Fibonacci Retracement Levels)** Ideally, we should look for a retracement to levels in the range of 50% or more preferably at a rate of 61.8%. The farther prices tracked before slowing down, the more likely the currency pair moves down, and then move in the direction of the daily trend. **Using Fibonacci Retracements to Find Tops and Bottom** Here, we can see that price is moving as expected, and seen to be above the level of 61.8%, before then begin to make a strong movement towards the down trend. When using the [Fibonacci tool](#), while the price is still being downtrend (as shown in the chart), you should look for prices that are at a level of 50% or above. The higher the better. Because in the example, there are several long axis at the rate of 61.8%, so based on that, traders can trade at the close of the candle just above the highest wick. **Does Fibonacci analysis Really Work?** **(Fibonacci gives some important information for FX Traders)** It must be remembered, that the method of Fibonacci [analysis](#) is helping your Forex trading. So it does not hurt to use in your trading. In addition, this method is also quite easy and interesting to use. That's because, Fibonacci tool gives some important information and quite useful for traders, especially for traders who try to get the easiest way retracement level on issues that might occur. **By ATO SUGIARTO**