

Abonacci Trading

Credit : Bobi Abonacci

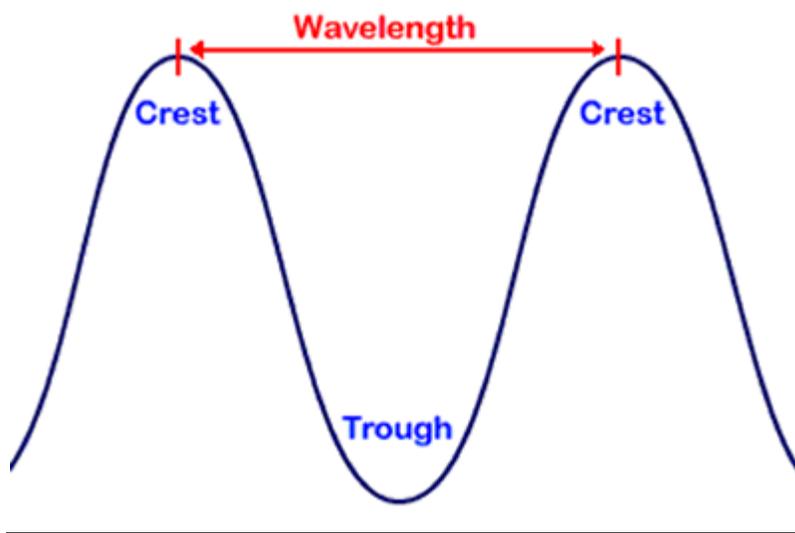
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Basics :

The movement of price is constant and never changes . To say better and clear , suppose a man is moving . each step is taken 0.5 a meter . This man never runs,never slows down , never goes fast and technically its wavelength is constant .

Previous candles are not important .Price is moving based on last month's high,low,close and daily ranges only are playing a role of pressure to get to its targets . Other pairs like GBP/USD is almost finished and needs some works to do on it.

This system can be traded mostly on EUR/USD and OIL. Become expert in a pair because our job is pip collecting and its better to work in one or two pairs and this way we can control your account better.



Every month the phase is calculated starting from a base number (e.g 1.2642 for sept) . The base number (starting point) is calculated using range of the previous month, pair's frequency and a unique base number (which is 7 for eur and 13 for gbp) .

The size of this phase is depending on the specific number of pips (e.g. 127 pips for Sept. Each month has its own range for phases . sometimes its 122 pips or less and sometimes its 158 pips and is calculated from last month's range .

The parameters used for forecasting are High , Low , Close of last month .

This phase is then replicated as prices move up and down.

All the fib levels, templates and phases are valid only for the current month. All fib levels are drawn from starting of the month and are constant until end of the month.

Templates:

Phase template :

Use !Abonacci indicator to display phases and their fib level.

Rules:

If price goes 301 pips away from Base Line (or passed 2.38 phases of the month), then trend will be in that way . For example if price goes 301 pips up away from Base Line , then you can say that month is in uptrend . In that case price will reach to 4th phase.

If %38.2 of yellow fibonacci levels are broken from down , then it will meet 100%.

White lines are important ranging and break outs. The best reversal point is 38.2 of the white Fibonacci. (e-valtrg is working on the code to automate white and blue lines)

Breakout template:

Load Abonacci_sep2010_Breakouts templates to display breakout fib levels. (Hopefully e-valtrg will also automate these levels in the indicator, though he hasn't mentioned this in his post)

Rules:

if price cross 50% fib, I will tend to finish the current phase.

When 100% level is passed , price should not go back to its 50% level and pass it . If goes back and passes 50% , then it should reach to 0%

If 38 pips has passed from 0% or 100% levels then it can be said broken.

NY Closing fib:

There is another fib that can be drawn at New York Closing. Draw Fib starting from NY close price until range of specified number of pips. For example this month's range is 74 pips, so every day at NY close, draw fib starting at NY close price and end it after 74 pips.

Abonacci pivot Calculator :

Use this calculator to get daily Buy/Sell breakout levels and targets. We may recalculate new values of calculator and get new breakout and target levels, after price reaches its targets or price reaches major S/R level (Reversal point).

Input :

Close : Enter close of NY Market

Monthly Value : Enter 50% of yellow fib level of current phase.

Entry :

Buy/Sell breakout level 1 and 2

Exit:

Buy/Sell Target 1 and 2

Rules:

Price should cross sentiment point to establish a trend.

If breakout level and Target have same values, it means this level is a main S/R level and should not be broken. If broken , we should take a long/short order.