

FIBONACCI GOLDEN ZONE TRADING STRATEGY



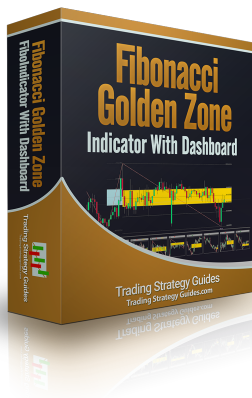
The Problem is that Very Few know How to Draw Fibonacci Lines- This strategy will Teach You The Best Way to use the Fibonacci Indicator with ANY MARKET- Guaranteed!

This is the complete: Fibonacci Golden Zone Strategy Guide

In this strategy report, we are going to share with you a simple Fibonacci Trading Strategy that uses the golden ratio which is a special mathematical number that can be used to model and find patterns as well in nature as in the financial markets.

Note We use our Fibonacci Golden Zone Indicator which you can find here:**

with the Fibonacci Golden Zone Strategy. It is not mandatory, however, makes this strategy 100% easier to follow and has many features we added in that the stock fibonacci drawing tool does not give you!!



There are multiple ways to trade using the Fibonacci Retracement Tool, but we have found that one of the best ways to trade the Fibonacci is by focusing on the golden ratio 1.618 or 0.618 which is probably one of the most important numbers in mathematics and in our day to day life as well.

The Fibonacci Retracement tool was developed by Leonardo Pisano, who was born around 1175 AD in Italy was known to be "one of the greatest European mathematicians of the middle ages."

The Fibonacci sequence and The Golden Ratio

The Fibonacci numbers involve a lot of mystery and we're going to have a lot of fun explaining them to the ordinary trader.

So, what is this Fibonacci sequence?

Well, let's first imagine a sequence of numbers which start with number 1. The second number is also 1 and then going forward every next number is equal to the sum of the previous two numbers.

1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, ...

So, the next number, in this case, will be 2, followed by 3 (the sum of previous two numbers $1+2$), followed by 5 ($2+3$).....next one should be 8 and so on and so forth. The Fibonacci sequence keeps going forever. So, what's so great about the Fibonacci sequence that makes it so famous?

To answer this question let's plot the number 1 and number 2 on a horizontal axis.

Now, what we're going to do is we're going to go through the Fibonacci sequence and take every number in the series and divided by the previous number in the sequence and plot our answer on the same axis.

We start with $1/1$ which is equal to 1.

Continue with $2/1$ which is equal to 2.

Next, $3/2$ equals 1.5.

$5/3$ equals 1.666.

$8/5$ equals 1.600

$13/8$ equals 1.625

$21/13$ equals 1.615

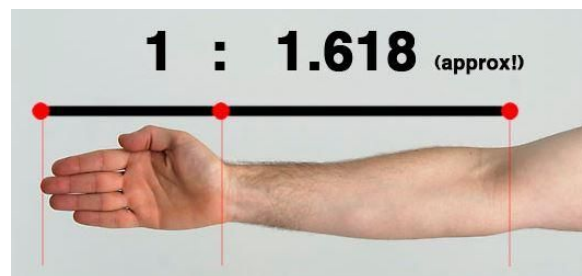
You kind of see that the further we go with this exercise the closer and closer we get to one specific number and that number is 1.6180339...



This number is known as the golden ratio which approximately equals 1.618.

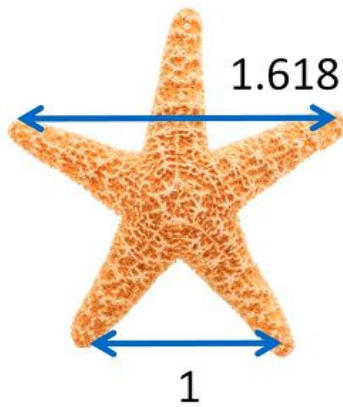
I know this is math and for many it can be quite boring. So, you might be asking what the purpose of the Fibonacci sequence is.

Well, let's have a look at some of the examples where you can find the golden ratio that will probably blow your mind.



First of all, if you measure the distance between the edges of your fingertips and your wrist and then you measure the distance between your wrist and your elbow it will be approximately 1.618.

Next, if you take an x-ray of any starfish and you measure its base and take it as 1 then the distance between the superior limbs will be 1.618.



Now, if you want to go in even more depth we have something called the Fibonacci spiral which is constructed of the Fibonacci numbers. You can find the Fibonacci spiral in many places in nature like a grain of wheat or sunflowers and even in a single cell or human DNA.

No one knows why they are so common in nature and in the world, but what we can do is maybe take advantage of it including in trading. If the Fibonacci sequence has applicability in so many parts of our day to day life, many market practitioners have found out that the financial markets respect the Fibonacci numbers and especially the golden ratio.

By now you should be impressed by the many applicability of the Fibonacci sequence.

Fibonacci Retracements and the Forex Market

Leonardo Pisano developed a simple series of numbers that created ratios describing the natural proportions of things in the universe.

And these numbers have been used by traders now for many years!

Your charting software should come with a standard Fibonacci retracement tool; however, you are the one that puts this on your chart.

The bottom line is that many traders use this tool which is why it is highly important to have a trading strategy that uses this.

You are going to need to know where to apply these fibs. You will need to place them on the swing high/swing low.

A **Swing High** is a candlestick with at least *two lower highs* on both the left and right of itself.

A **Swing Low** is a candlestick with at least *two higher lows* on both the left and right of itself.

If you are unsure of what that means, let's take at a chart to see what this looks like:



So here is what it would look like then on your chart with the Fibonacci Retracement:



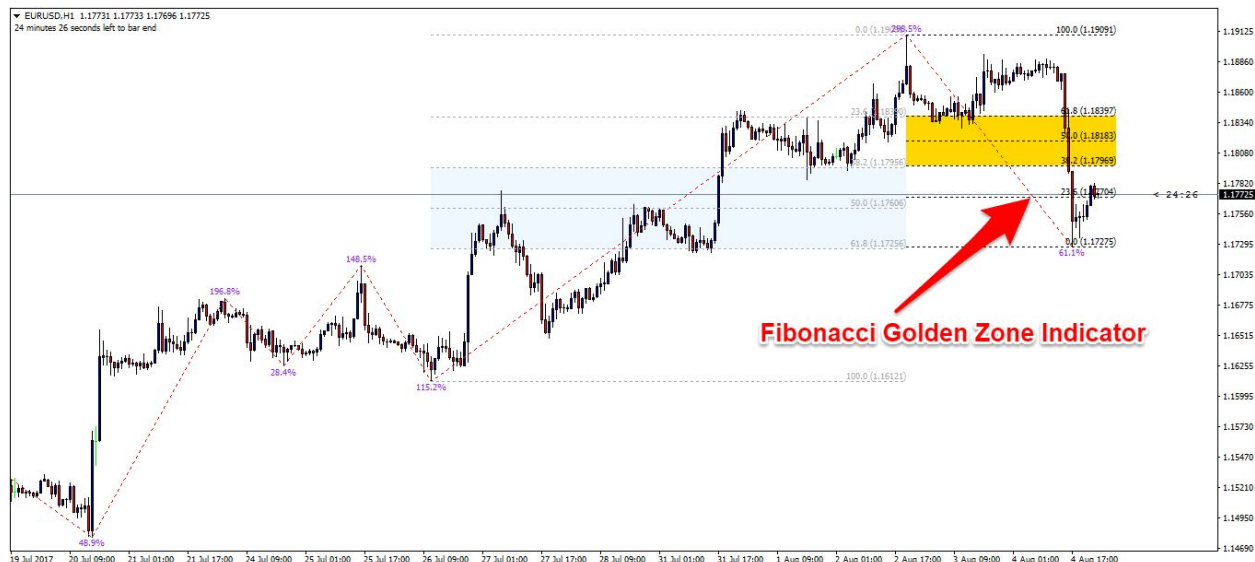
A quick thing to remember about this: if it is an uptrend you want to start with the swing low and drag your Fibonacci level all the way up to the swing high. If it's a downtrend you start with the swing high and drag your cursor all the way down to the swing low.

Now, what if we told you there is a simple way to draw the Fibonacci retracement levels on your price chart.

What if everything is done automatically?

Well, our team at Trading Strategy Guides has developed a proprietary Fibonacci Golden Zone indicator that once placed on the chart it will instantly plot the Fibonacci retracement levels of the last swing.

You'll not need to pick by yourself the swing high/low levels as the Fibonacci Golden Zone indicator will do the job for you.



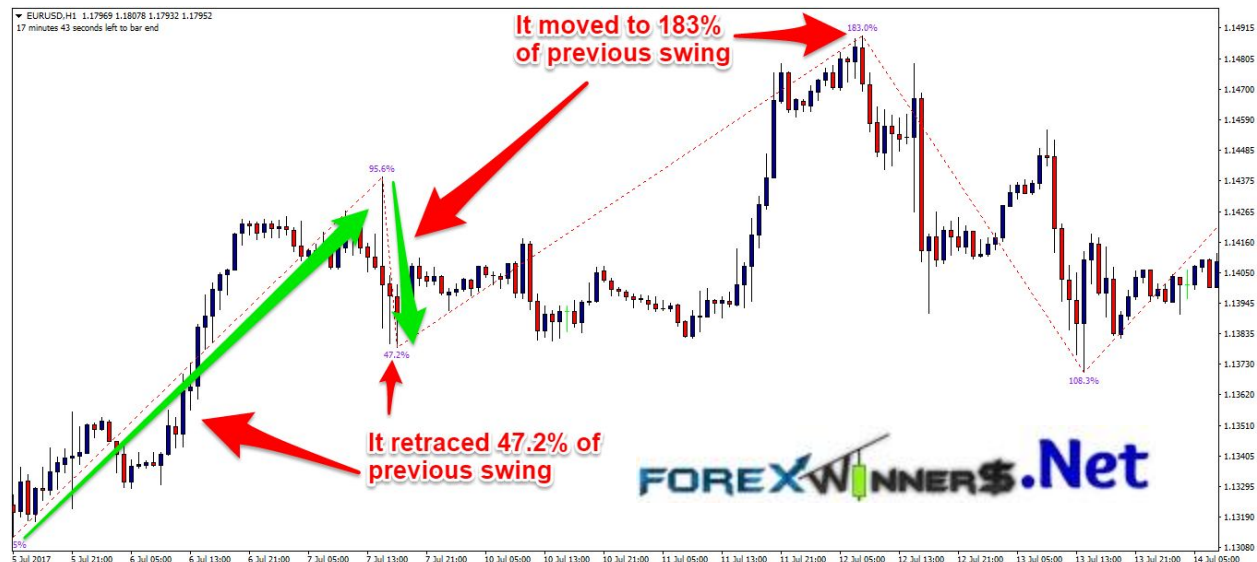
Note * The Fibonacci Golden Zone indicator is compatible with the most popular trading platform used by Forex traders like NT7, NT8, MT4, and MT5.

To Learn more about this Indicator Go here:

<https://info.tradingstrategyguides.com/fibonacci-golden-zone-indicator>

You'll notice that the Fibonacci Golden Zone indicator comes with another interesting feature that plots on all swing high and low waves how far away it has moved in relation to the previous swing high.

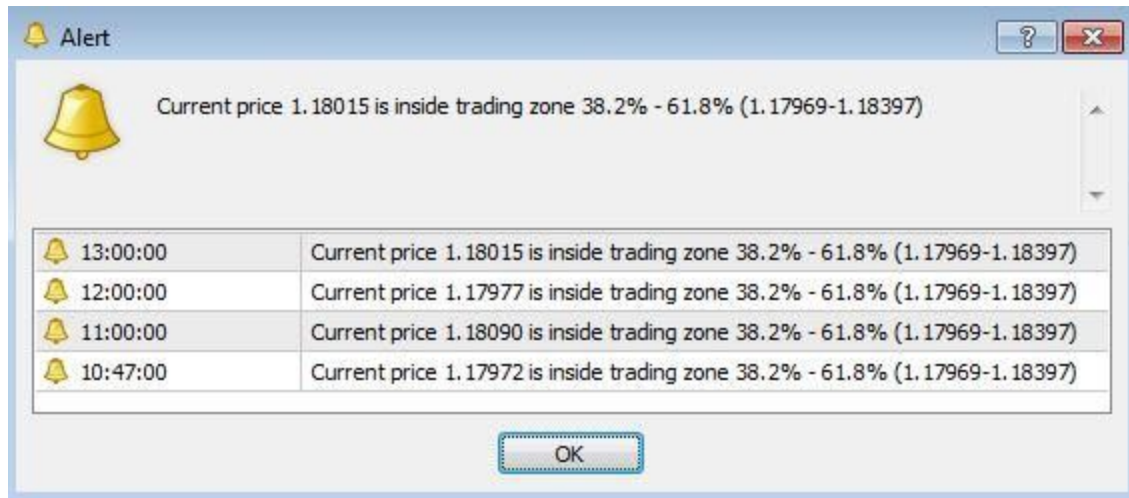
Here is what we mean by this:



In the above figure, we can notice that the first retracement went 47.2% deep into the previous swing. I know this is not a number from the Fibonacci Retracement sequence, but nevertheless, it's useful to have a clear and precise idea of how far away each swing has moved.

If you try to measure that move with the classical Fibonacci Retracement tool you'll only be able to see the 23.6%, 38.2%, 50%, 61.8% 76.4% and 100%.

It's quite clear that the Fibonacci Golden Zone indicator is superior but we still haven't covered all the trading features. The Fibonacci Golden Zone indicator comes with trading alerts that will notify you whenever the price is near the golden zone between 38.2% and 61.8%.



We believe that in order to have a clear understanding of the current market trends one should apply a multi time frame analysis. In this regard, we have developed a proprietary trading indicator in form of a Dashboard displayed at the bottom of your chart.

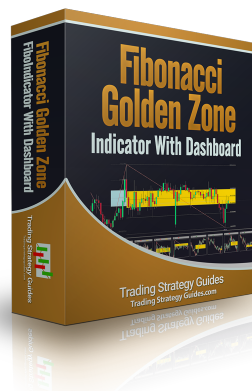


The Fibonacci Golden Zone Dashboard will display all the default time frames starting from the 1 minute time frame all the way to the bigger monthly time frame.

But that's not all the Fibonacci Golden Zone Dashboard will also show you on each individual time frame the golden zone. This is great because if we're on multiple time frames in the golden zone our probabilities of winning increases.

Simple enough! Now, let's go ahead and look at all we will need with this trading strategy:

Trading Tools for the Fibonacci Golden Zone Strategy



1. Fibonacci Golden Zone Indicator
2. Fibonacci Golden Zone Dashboard

To Learn more about this Indicator Go here:

<https://info.tradingstrategyguides.com/fibonacci-golden-zone-indicator>

This trading strategy can be used with any Market (Forex, Stocks, Options, Futures). In our example, we are going to be using Forex currency trading.

It can also be used on any time frame. (1 day, 4 hours, 1 hour, 15 minutes, etc.)

This is a trend trading strategy that will take advantage of retracement of the current trend.

Forex traders identify the Fibonacci retracement levels as areas of support and resistance. Because of this, the levels are watched by many traders, which is why the Fibonacci Golden Zone strategy could be a difference maker to your trading success.

The Golden Zone is represented by the price area between the 38.2% and 61.8% Fibonacci retracement. Obviously, the 61.8% is the most critical number in our strategy.

Now that we've learned the importance of the Fibonacci retracement levels and why they work in analyzing the financial market let's have a look at the rules of the Fibonacci Golden Zone Strategy.

Rule #1: Find a Trending Currency Pair

This is simple enough. We need to make sure it's either an uptrend or a downtrend.



Identifying the market direction should be an easy task. We like to keep things simple, to the core. If you look at your screen and see the market rising from the bottom left corner to the upper right corner that's an uptrend. In other words, a market that does higher highs followed by higher lows is defined as an uptrend.



Conversely, if you look at your screen and see the market falling from the upper left corner to the bottom right corner that's a downtrend. In other words, a market that does lower lows followed by lower highs is defined as a downtrend.

In an uptrend, we want to only buy. Remember the trend is our friend.

Inversely, in a downtrend, we want to only sell because that's how a smart person trades the market.

In order to put to the test and show you the power of the Fibonacci Golden Zone Strategy, we're going first to highlight a sell trade.

Rule #2: Wait for the Market to Reach the Golden Zone 38.2 – 61.8 Fibonacci Retracement

The same rules of the Fibonacci Golden Zone Strategy can be applied on all time frames. However, our preferred time frame is the 1h chart.

In the figure below, we have the AUD/USD 1h chart which is trading in a downtrend and price has already reached the golden zone 38.2% - 61.8% of the Fibonacci Golden Zone indicator.



An interesting feature of the Fibonacci Golden Zone Dashboard is that it displays for each individual time frame whether the price is trading above the golden zone or below the golden zone.

This brings us to the next step that we need to look after before entering a trade:

Rule #3: Look for the Fibonacci Golden Zone Dashboard to Show the price trading below the Golden Zone in the majority of Time Frames

The Fibonacci Golden Zone Dashboard is quite intuitive to be used and in this regard has been developed to make your job much easier.

To Learn more about the Dashboard Go here:

<https://info.tradingstrategyguides.com/fibonacci-golden-zone-indicator>

The Dashboard will display a red rectangle in front of the time frame where the price is trading below the Golden zone, which is a bearish signal.

The Dashboard will display a green rectangle in front of the time frame where the price is trading above the Golden zone, which is a bullish signal.



Note* Refer back to this picture when you use this strategy since this basically shows us what our charts will look like before we make a trade.

Now, we can notice that on the majority of the time frames AUD/USD is trading below the Golden Zone, which overall is bearish for the market and secondly, it supports our sell trade idea.

Obviously, for a buy trade idea, we want the Fibonacci Golden Zone Dashboard to display the majority of the time frames above the Golden Zone.

It's the time to look for our entry catalyst, which brings us to the next step of the Fibonacci Golden Zone Strategy.

Rule #4: Wait for a retest of the 61.8% Fibonacci Retracement but only enter if we close below the Golden Ratio.

We want to trade on the safe side of the market and in this regard as an extra measure of caution we will not enter as soon as the 61.8% golden ratio is hit, but we're going to enter only if we see the market finding resistance and is unable to close above it.

In other words, we wait for the candle to close below the 61.8% before deploying our hard earned cash into the market.



As you can see the Fibonacci golden ratio can give us great entry points, especially in a trending market, which is one of the reasons why we want to trade in the direction of the primary trend.

This rule is the critical step to the strategy so you need to pay close attention.

Because we need to price to hit the golden ratio 61.8%, stall, and go back in the direction of the trend.

If it breaks the golden ratio and keeps going then the trend is obviously broken and you need to look elsewhere because a trade with this strategy would be invalidated at that time.

As I said, the market tends to follow the Fibonacci sequence, but sometimes it will fake traders out and they will end up losing a lot of money when it breaks the trend.

This happens every single day, which is why it is critical to have a strategy that will help you know if this break may occur.

And we do not want any of that to happen to you.

With that being said let's now define where one should hide his protective stop loss.

Rule #5: Place your Stop Loss the 100% Fibonacci retracement

The obvious place to place the stop loss is simply above the 100% Fibonacci retracement which should also coincide with the previous high or the starting point from where the Fibonacci retracement levels are measured.

Obviously, for a buy trade, the stop loss should be placed below the previous swing low.

Our stop loss should not be hit very often if we're correct in our analysis because eventually, the bigger trend should resume.

Inversely, if we were talking about a buy trade example, we would have taken our profits above the previous swing high.

Alternatively, we have a second rule to lock in our profits:

If the market doesn't break below the previous swing high/low but the Fibonacci Golden Zone Dashboard shows the majority of the time frames trading on the opposite side of our trade we want to exit early.



In our example, we can see the market is struggling to break below the previous swing low and at the same time the Fibonacci Golden Zone Dashboard shows the majority of the time frames trading above the Golden Zone which is showing a shift in the sentiment.

In this regard, we want to close at the market our trade and take the profits.

No one has gone broke by taking profits.

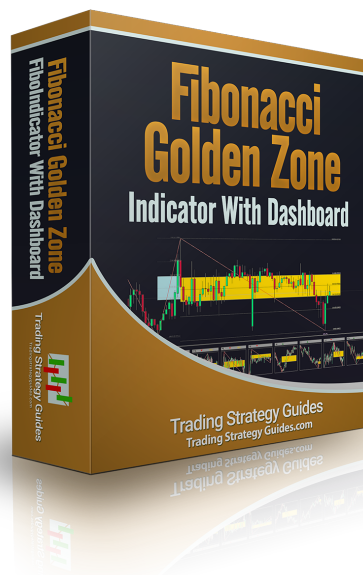
There is no point forcing the market, even though later she might have another attempt and break below the swing low.

Summary

The Fibonacci Golden Zone Strategy one of the most sophisticated strategy that makes use of the golden ratio. It's not sophisticated because somehow is more complex, quite contrary, in essence, it's a very easy trend following strategy.

What makes it unique is our proprietary Fibonacci trading indicators that will help you have a better experience using the Fibonacci retracement levels.

With our proprietary indicators Fibonacci Golden Zone Dashboard and Fibonacci Golden Zone Indicator once can conquer the markets.



To Learn more about this Indicator Go here:

<https://info.tradingstrategyguides.com/fibonacci-golden-zone-indicator>

With so many currency pairs and so many time frames it can be a daunting task to follow each one of them and it can be quite stressful to watch these fast-moving markets and at the same time to make fast trade decisions.

So, our proprietary Fibonacci indicators really can make the difference between success and failure.

AS A BONUS FOR YOU WE ALWAYS LIKE TO INCLUDE EXAMPLES OF OUR STRATEGY TO HELP YOU PERFECT THIS TRADING SYSTEM.

We all know that not every trade will look exactly like the example that we provided.

So, below you will find some examples (that we backdated) that use the Fibonacci Golden Zone Strategy.

You can do this also, which is actually what we always recommend for any trader who is using a new system. You could also use your demo account and make trades based off of this strategy to help you perfect this.

We look at this as a basic guideline to trading. You can always adjust it or tweak it, based on your rules you use when you trade.

Here are the Rules of the Fibonacci Golden Zone Strategy:

Rule #1 Find the dominant trend (bullish or bearish)

Rule #2 Wait for the market to test 61.8% Fib

Rule #3 Wait for the candle to close above/below the 61.8% Fib

Rule #4 Look for the Fibonacci Golden Zone Dashboard to Show the price trading above/below the Golden Zone in the majority of Time Frames

Rule #5 Sell once we close below 61.8% Fib (Buy once we close above 61.8% Fib)

Rule #6 Place stop loss above/below previous swing high/low

Rule #7 Take profit when the Fibonacci Golden Zone Dashboard shows majority of TF trading in the opposite direction of your trade.

Example #1: USD/CAD 5-Minute Short-Term Trade

Another way to find the dominant trend is to look on the daily time frame and see if we're trading above the golden zone or below the golden zone. You don't have to switch the time frame, simply glance at the Fibonacci Golden Zone Dashboard indicator.

If we're trading above the golden zone the trend is bullish. Inversely, if we're trading below the golden zone the trend is bearish.



Apply the rules from Step #2 through Step #7 to enter the trade, place your stop loss and take your profit.



Example #2: USD/JPY 15-Minute Short-Term Trade

First, we determine the trend by using the Fibonacci Golden Zone dashboard indicator. The majority of the time frames are bearish and on the daily time frame we're trading below the golden zone, which means we're only going to trade in the direction of the bearish trend.



Apply the rules from Step #2 through Step #7 to enter the trade, place your stop loss and take your profit.



Example #3: Use the Fibonacci Golden Zone Dashboard Buy/Sell Signals

Our proprietary trading indicator Fibonacci Golden Zone Dashboard uses a dynamic algorithm to determine what the best trade to take is. You'll notice that for each individual time frame the Fibonacci Golden Zone Dashboard will issue buy and sell signals.

Depending on your preferred time frame you can choose which signals you want to take.

In the example below, we have a buy signal on the GBP/USD daily chart:



Actually, we have a buy signal issued on the 30-minutes time frame as well, but we've chosen to take the daily signal. From here on we can apply the same rules described in the Fibonacci Golden Zone Strategy.



Example #4: Gold Long Trade Example – Weekly Chart

On rare occasions when our proprietary indicator Fibonacci Golden Zone Dashboard will show bullish signals on all time frames than this is one of the most powerful trade signals you'll get.

In the example below, the Gold chart is showing a bullish signal on all time frames. In this situation, it's best to enter anywhere between the 38.2 – 61.8 golden zone because the 61.8 golden ratio will be rarely hit as the prevailing trend is too strong to provide us with such a deep retracement.

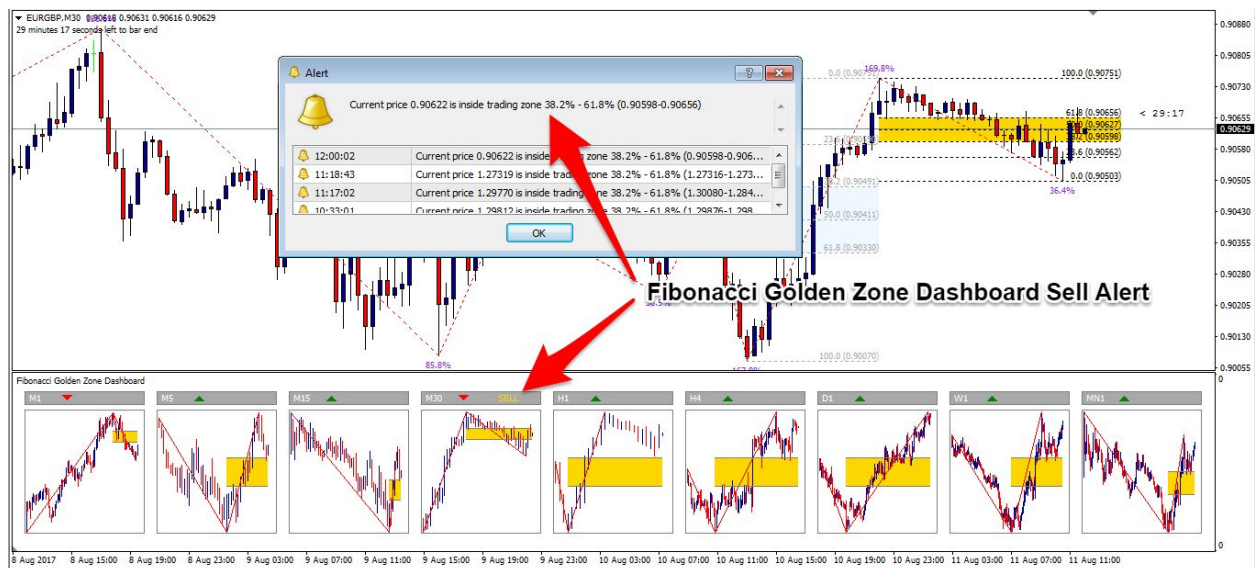


The ideal entry in this example would have been the 50% retracement. The rules of the Fibonacci Golden Zone Strategy remain the same in this example as well.



Example #5: EUR/GBP Signal Alert

When the price is in the 38.2 – 61.8 golden zones an alert will pop-up on your screen giving you an advance notice to prepare for a possible trade. If the Fibonacci Golden Zone Dashboard indicator is issuing a buy/sell signal at the same time – in our case we have a Sell signal on the 30-Minute TF – you're good to enter the market.

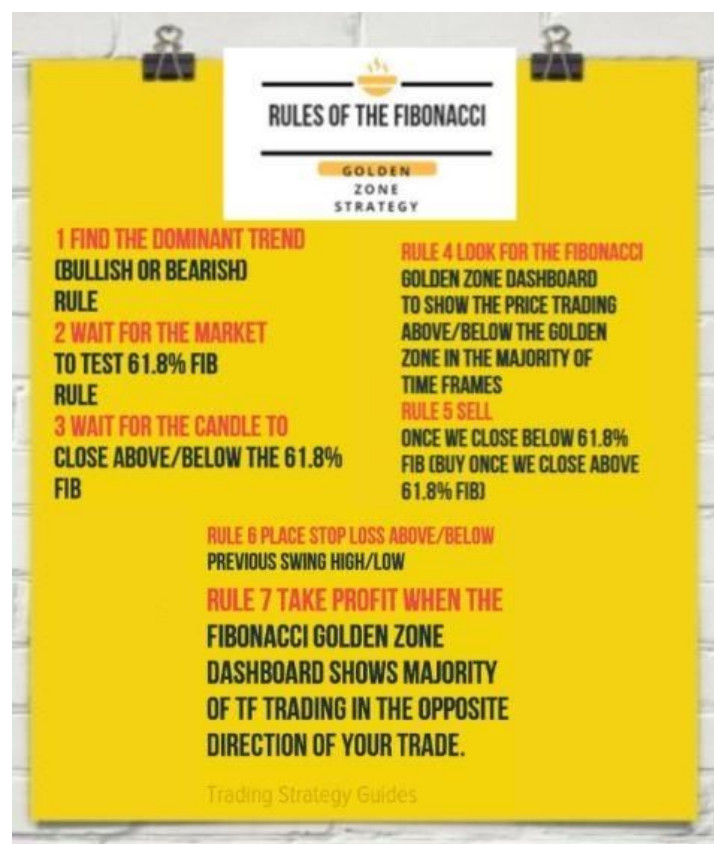


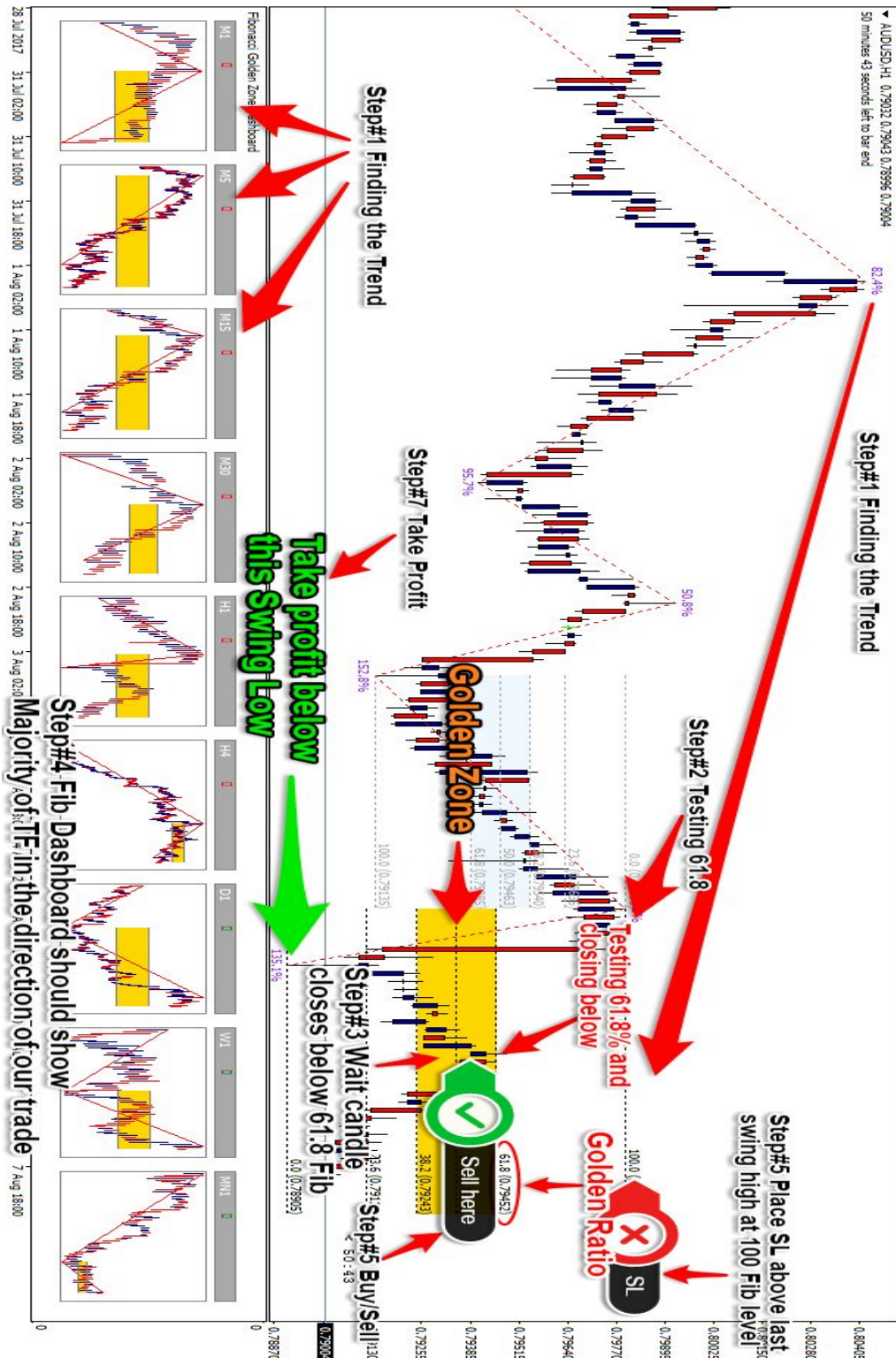
Apply the same rules of the Fibonacci Golden Zone Strategy:



Rules of the Fibonacci Golden Zone Strategy

Note You Can Print out The Pages Below so that you can keep these Rules Handy When you Trade this strategy.**





Fibonacci Golden Zone Strategy

Rule #1 Find the dominant trend (bullish or bearish)

Rule #2 Wait for the market to test 61.8% Fib

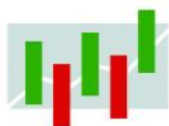
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Rule #7 Take profit when the Fibonacci Golden Zone Dashboard shows majority of TF trading in the opposite direction of your trade.



If you have a question about this strategy, please go ahead and email us directly at info@tradingstrategyguides.com and we assist you.

Thank you for reading!

