Fib For Life

Trading Fibonacci Power Zones

Identifying razor sharp reversal zones for low risk, high reward entries.

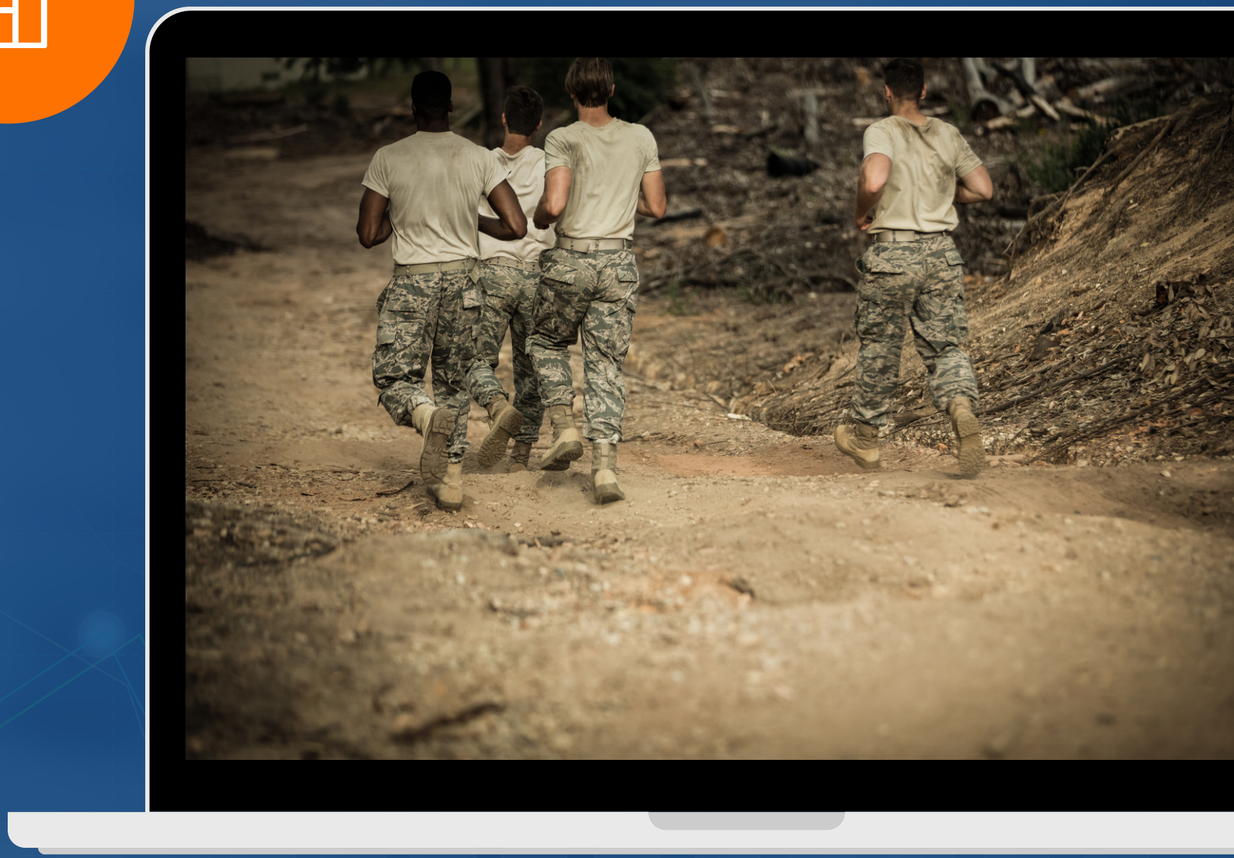
TRADING ANALYSIS

PREMIUM TRADER TRAINING



Presented By Todd Gordon

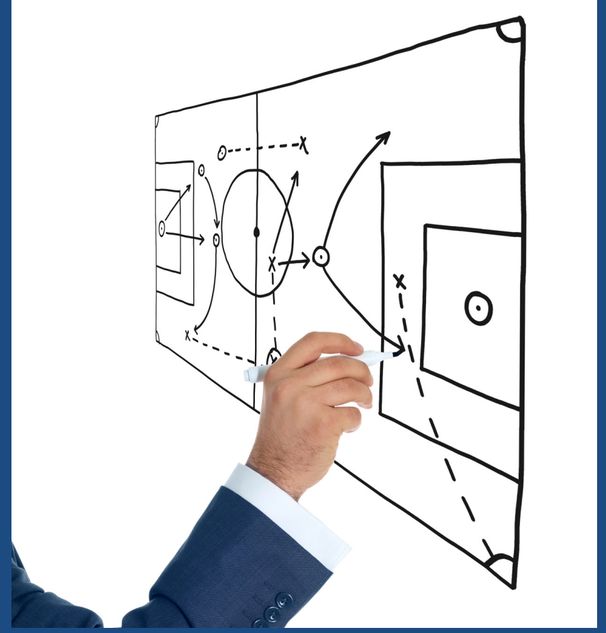




After 7 years, I'm doing my first Fibonacci Training Class

3-weeks of intense training

Here’s What I Have Planned For You



1. I want to get to know you!
    a. You will have a homework assignments
    b. What do you want to get out of this boot camp?
    c. You will write a trading game plan
    d. One-on-one calls for those that qualified
2. Understanding the 4 tools of Fibonacci
    a. Retracements
    b. Extensions
    c. Projections
    d. Expansions
3. Installing and understanding the Swing Waves Indicator
4. Thinking as a trader
    a. Learn the mindset that works for me (not everyone)
    b. Learn when to be aggressive, when to scale back
    c. How to manage profits and losses with options trading
5. The tools that will help you get the most of out of this class
    a. Charting software
    b. Trading platform
    c. Cloud documents
6. Managing your valuable trading capital as a professional
    a. Define the “ART” of the trade
    b. Understand / define what your trading account represents to you and your overall investment account
7. Stock and vehicle selection - what to trade and why?!
    a. We’re going to learn sector rotation, and how to find the best stocks within the leading / lagging sectors to trade
    b. Build our key stock watch lists within each sector that will be trading candidates
8. Advanced Fibonacci harmonic patterns
9. Applying Fibonacci to long-term market projections

Questionnaire That You'll Receive



1. What is your current skill level with Fibonacci
    a. Newbie - teach me!
    b. Up and running, but still green
    c. Well on my way, but still a good amount to learn
    d. I feel fairly confident and I'm looking to round out my gameplan
    e. I'm very accomplished and looking for a few tips and tricks
    f. Other - tell me about it.
2. Which trading platform are you using?
    a. ThinkorSwim
    b. Interactive Brokers
    c. Schwab
    d. TastyWorks
    e. IB
    f. Other (what is it)
3. The account that you plan to trade for this class ?
    a. I'm not trading yet, paper trading
    b. This is qualified money (in a retirement account like IRA or 401k)
    c. This is non-qualified money (cash brokerage account)
4. How long have you been trading
    a. 1 year or less
    b. 1 - 5 years
    c. 5-10 years
    d. 10 years +
5. If you are trading in a qualified account, are taxes a concern for you?
    a. Yes
    b. No

Questionnaire That You'll Receive



1. What does this account you'll be trading represent to you?
    a. Meant to hedge longer-term portfolio / positions
    b. Meant to generate income for longer-term portfolio / positions
    c. Slow and steady capital appreciation
    d. Moderate capital appreciation
    e. Rapid short-term capital appreciation
2. What percent of your overall investment accounts (in stock, bonds, commodities, crypto, or if you use real estate as a investment) does your trading account represent?
    a. 0-5%
    b. 5.1% - 10%
    c. 10.1% - 20%
    d. 20.1% - 35%
    e. 35.1% - 50%
    f. 50.1% - 99%
    g. 100%
3. How much do you think you are comfortable risking per trade ?
    a. 0.25% - 1.00%
    b. 1.01% - 2.00%
    c. 2.01% - 4.00%
    d. 4.01% - 8.00%
    e. 8.01% - 15.00%
    f. 15.01% +

Here Are The Tools I Use



1. Trading Platforms
    a. Think or Swim for options trading
    b. Charles Schwab for my R.I.A. Wealth Management Company
2. Charting Platforms
    a. MotiveWave - excellent for Elliott Wave Analysis
    b. ThinkorSwim - excellent ‘go to’ and all-around charting software
    c. TradingView - an excellent free resource available for free on the internet
    d. Optuma - advanced scanning / quant models we use for sector and industry rotation
3. News Sources
    a. Economic Data https://www.investing.com/economic-calendar/
    b. Coming Earnings reports
        i. ThinkorSwim Earnings Scan
        ii. https://www.earningswhispers.com/
    c. Watching Fed Funds Futures - very important in today’s markets
        i. https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html?redirect=/trading/interest-rates/countdown-to-fomc.html
4. Journaling
    a. Google Docs and Google Sheets Be sure your trading journals are in the cloud and accessible from multiple devices

Meet Your Presenter

Todd Gordon

- Founder - TradingAnalysis.com
- Founder - Inside Edge Capital Management
- CNBC Contributor Since 2010
- Senior Trader - Gain Capital Asset Management
- Senior Technical Analyst - Forex.com
- Proprietary Trader - 2001-2005
- St Lawrence University, Univ at Albany, Division I alpine ski racer



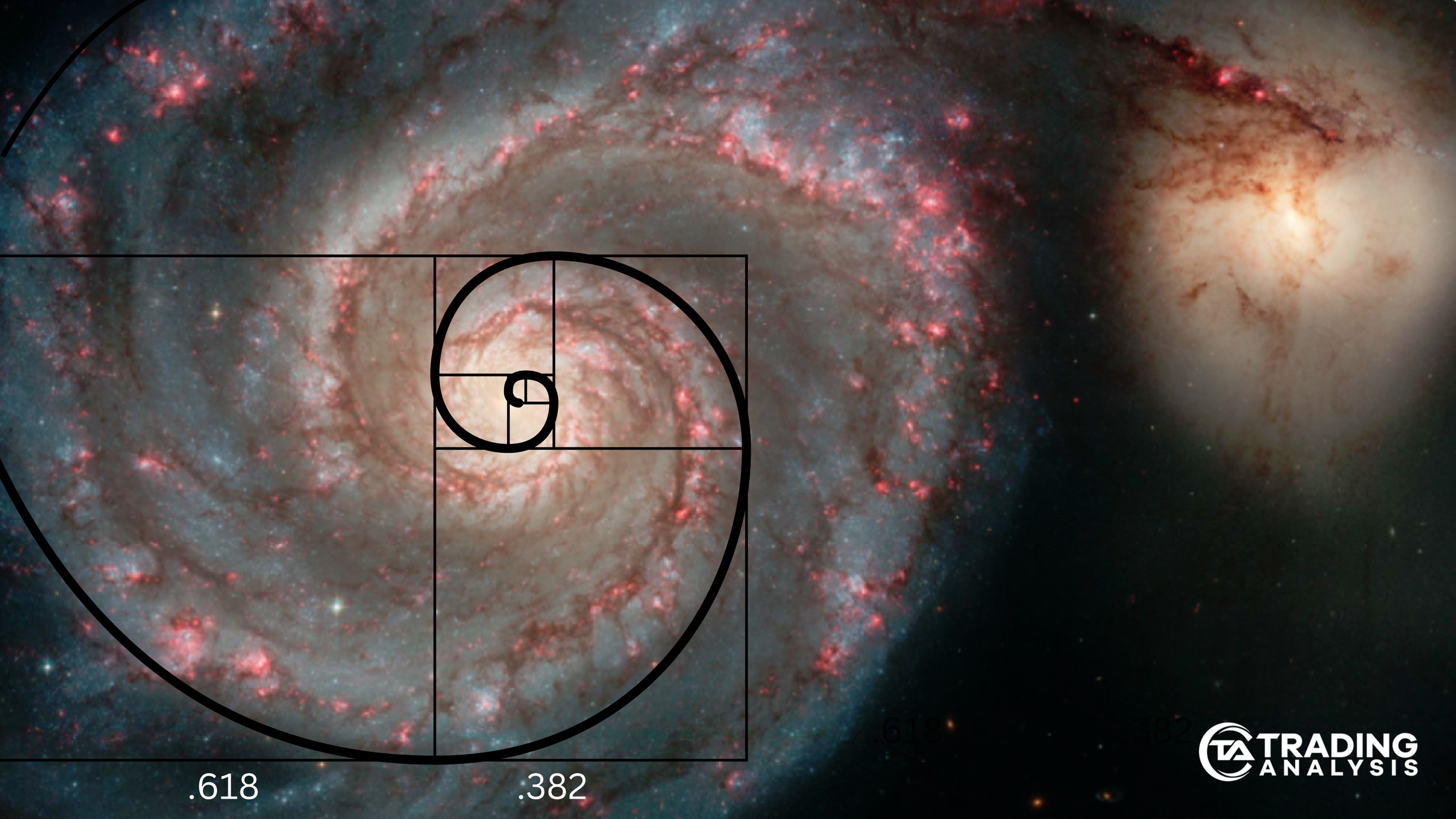




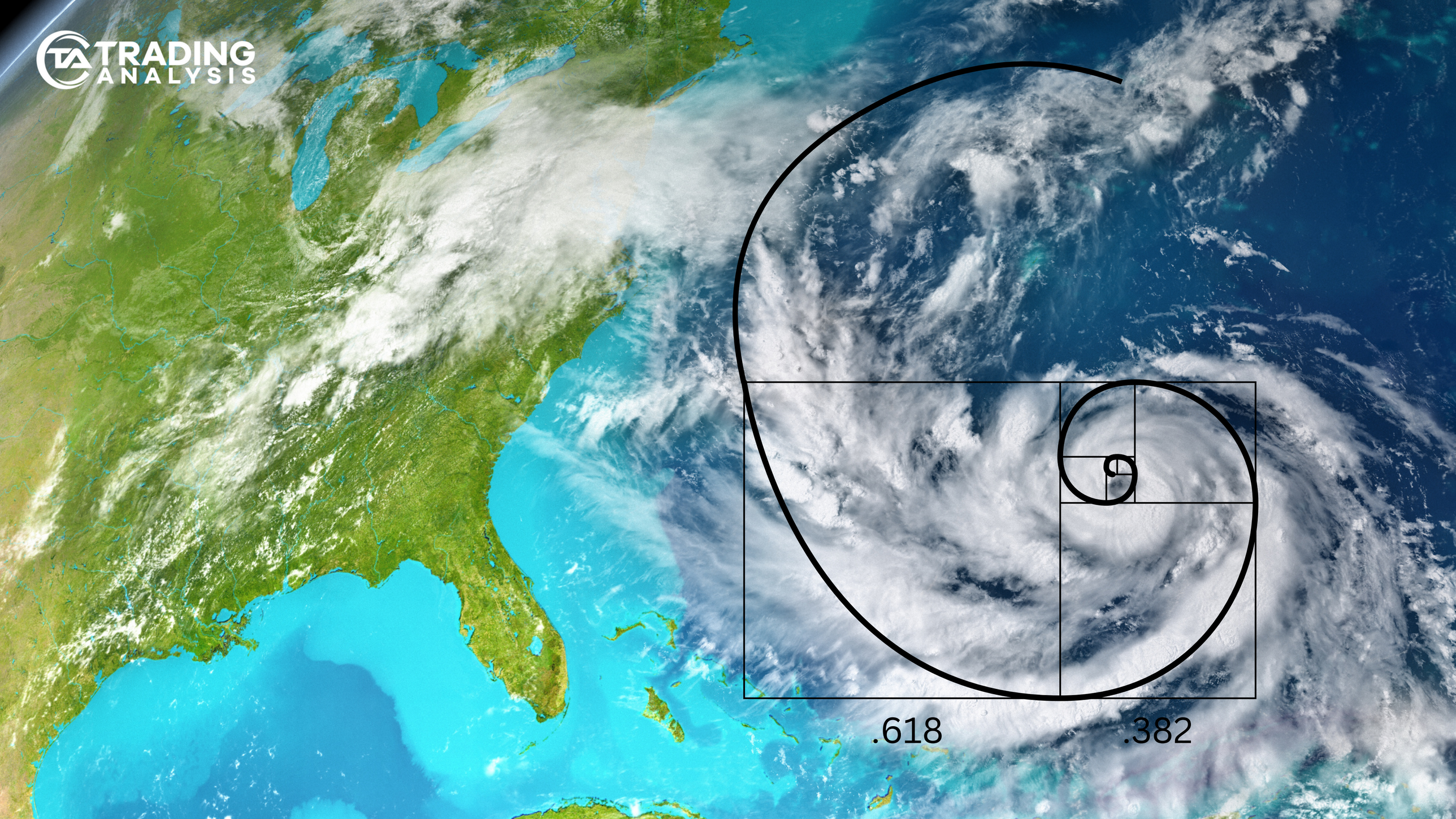


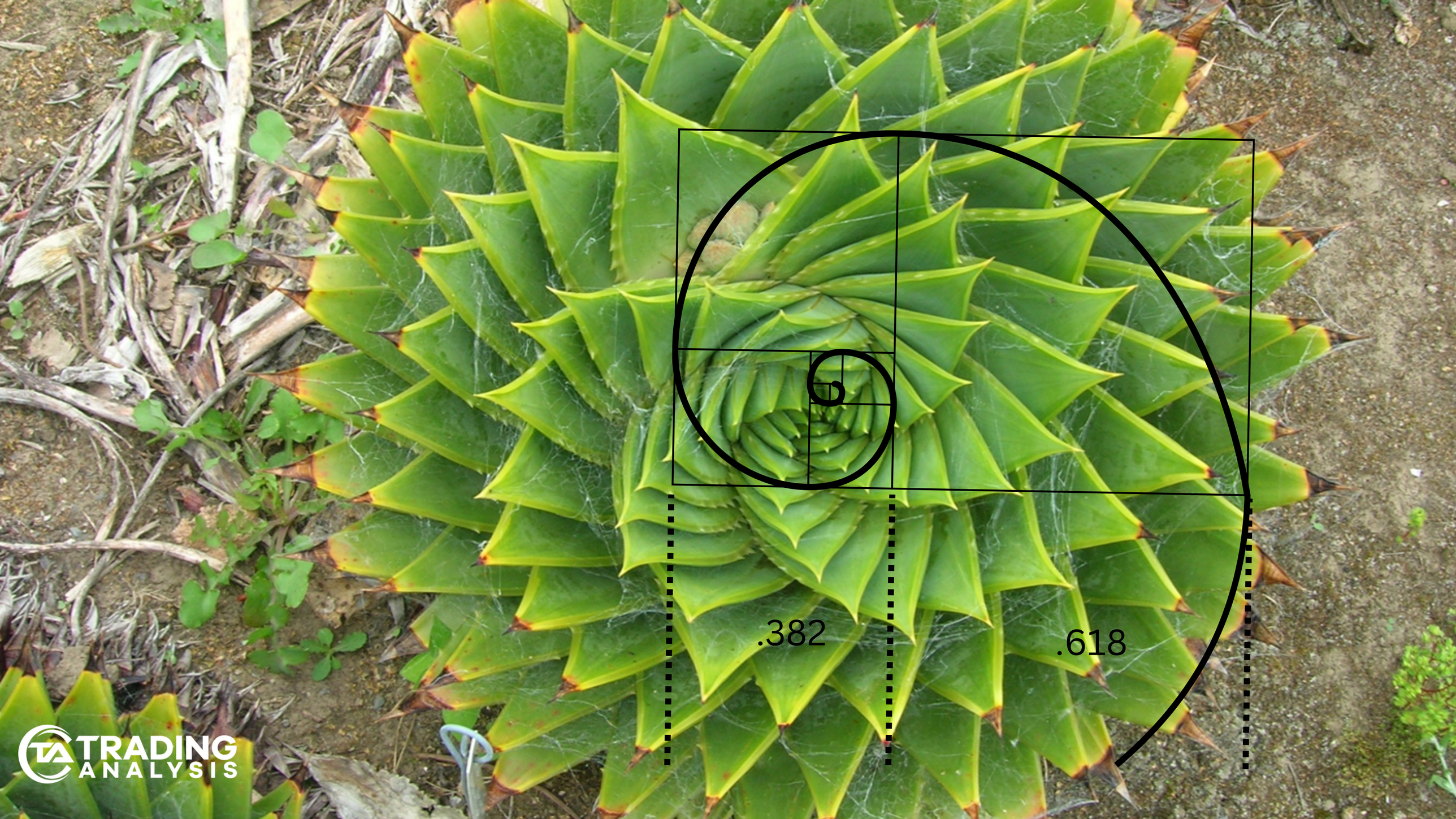


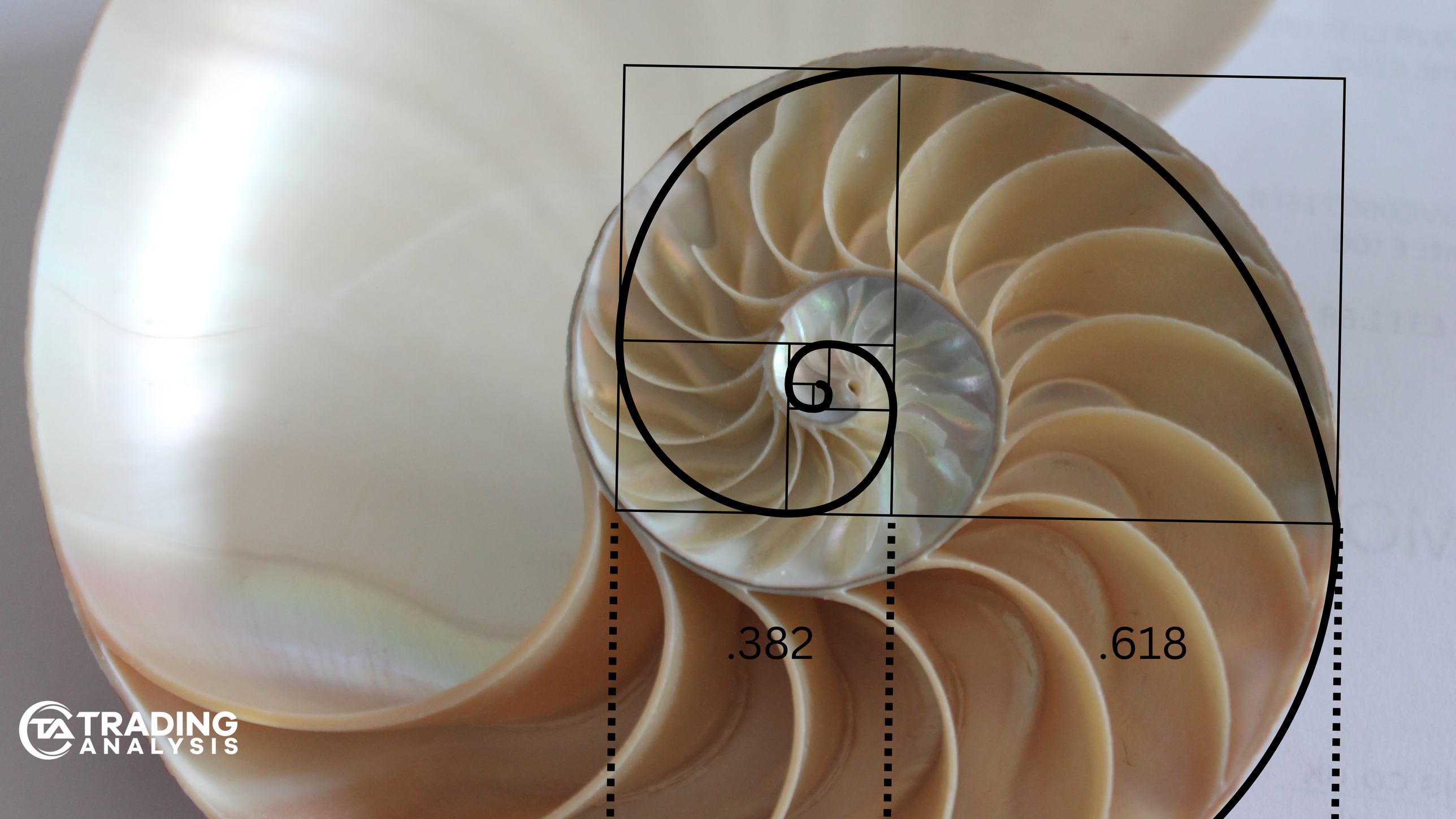
TRADING ANALYSIS



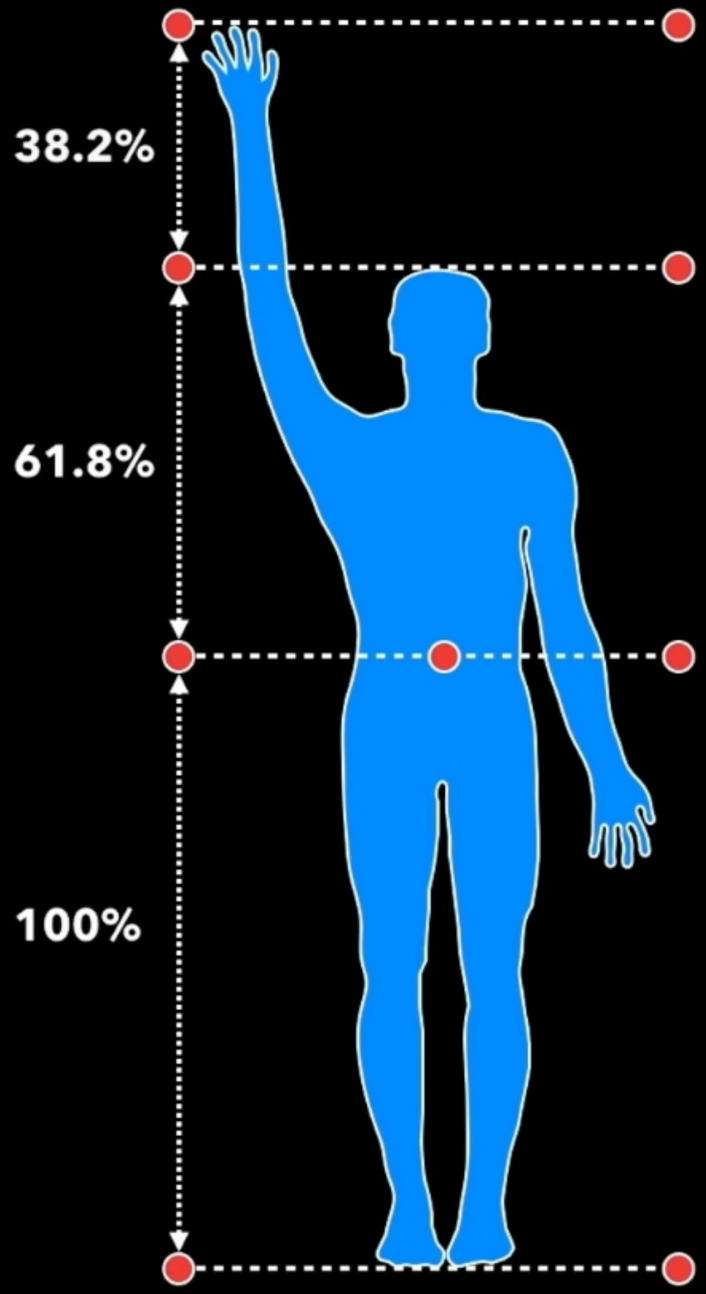
TRADING ANALYSIS

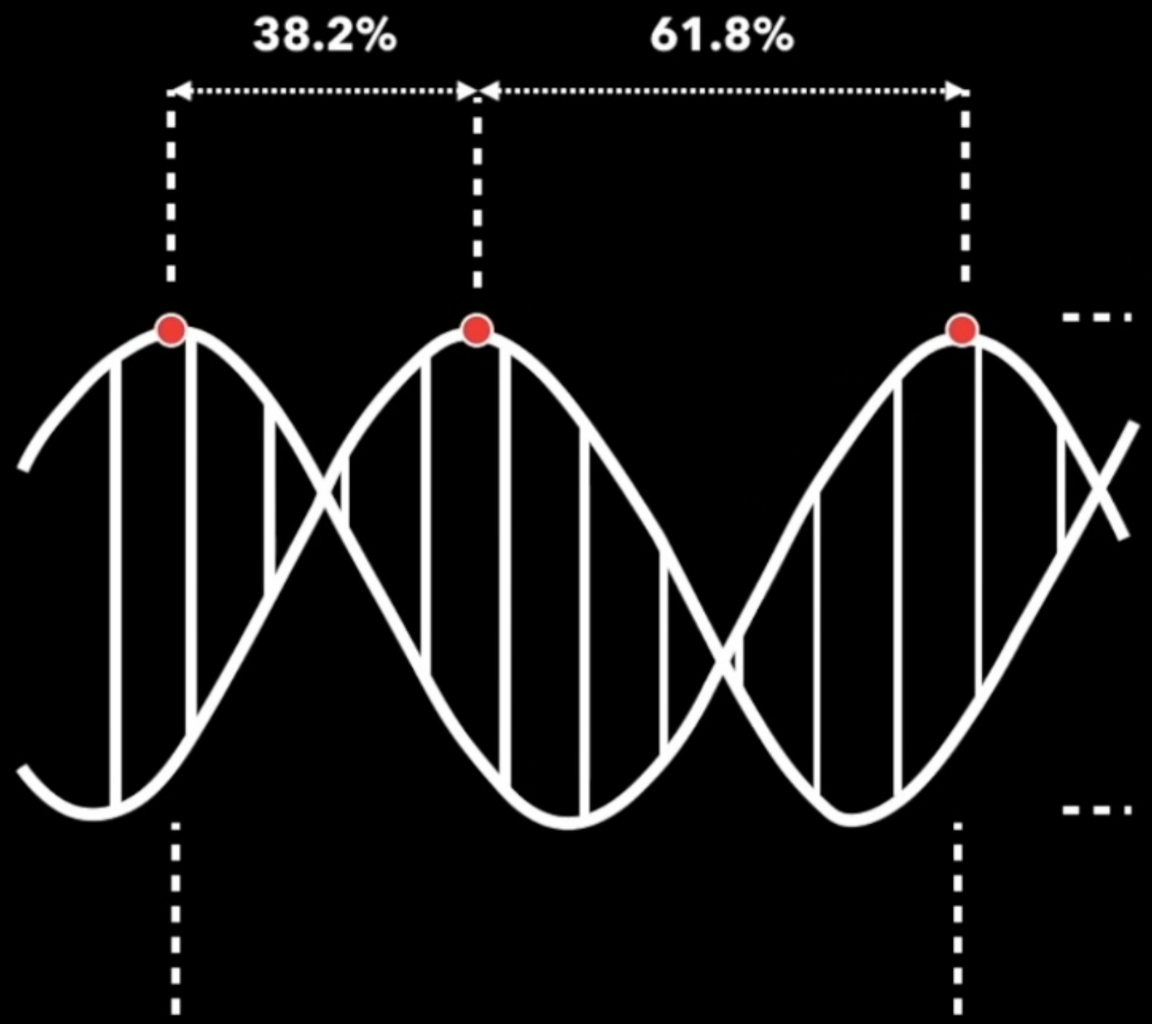

TRADING
ANALYSIS
.618
.382


.382
.618



TRADING ANALYSIS



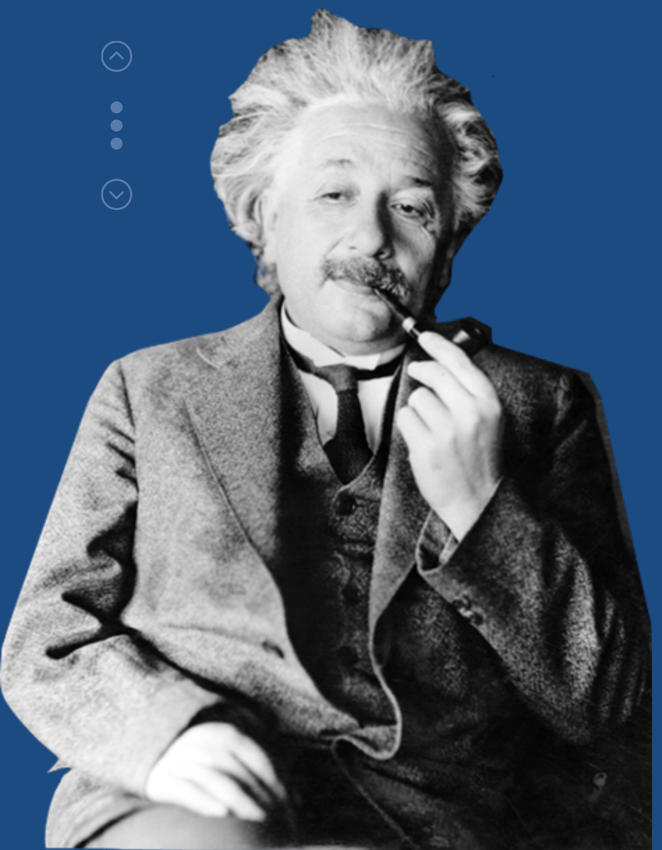


TRADING ANALYSIS

Graphic https://x.com/Sword_Goddess/status/1399460839036440577?s=20

The Golden Ratio or ‘Divine Proportion’

“God does not play dice with the universe”



- Ancient civilizations identified this repeating ratio on a such a frequent and grand scale everywhere in the natural world, they thought it to be an ordained ratio from the gods, hence the name divine proportion
- As it pertains to markets, Fibonacci is the “Da Vinci Code” . It helps to understand the seemingly erratic price patterns formed from the hopes, dreams, fears, and other emotions of the participating masses. It serves as our “secret decoder ring” to interpret the growth or decay of the masses’ interest in a particular security.
- It helps to quantify the swings from mass euphoria to pessimism of a particular security, which then creates our opportunities.




TRADING ANALYSIS
484.4 feet
783.3 / 484.4 = 1.618
783.3 feet

TRADING ANALYSIS

•elliott wave principle page 121 - Phi

Heraclitus and subsequent pagan, Jewish and Christian philosophers as meaning the rational order of the universe, an immanent natural law, a life-giving force hidden within things, the universal structural force governing and permeating the world.

Consider when reading such grand yet vague descriptions that these people could not clearly *see* what they sensed. They did not have graphs and the Wave Principle to make nature's growth pattern manifest and were doing the best they could to describe an organizational principle that they discerned as shaping the natural world. If these ancient philosophers were right that a universal structural force governs and permeates the world, should it not govern and permeate the world of man? If forms throughout the universe, including man's body, brain and DNA, reflect the form of *phi*, might man's activities reflect it as well? If *phi* is the growth-force in the universe, might it be the impulse behind the progress in man's productive capacity? If *phi* is a symbol of the creative function, might it govern the creative activity of man? If man's progress is based upon production and reproduction "in an endless series," is it not possible, even reasonable, that such progress has a spiraling form based on *phi*, and that this form is discernible in the movement of the valuation of his productive capacity, i.e., the stock market? Intelligent Egyptians apparently learned that there are hidden truths of order and growth in the universe behind the apparent randomness. Similarly, the stock market, in our opinion, can be understood properly only if it is taken for what it *is* rather than for what it crudely appears to be upon cursory consideration. The stock market is not a random, formless mess reacting to current news events but a remarkably precise recording of the formal structure of the progress of man.

Compare this concept with astronomer William Kingsland's words in *The Great Pyramid in Fact and in Theory* that Egyptian astronomy/astrology was a "profoundly esoteric science connected with the great cycles of man's evolution." The Wave Principle explains the great cycles of man's evolution and reveals how and why they unfold as they do. Moreover, it encompasses micro as well as macro scales, all of which are based upon a paradoxical principle of dynamism and variation within an unaltered form.

It is this form that gives structure and unity to the universe. Nothing in nature suggests that life is disorderly or formless.

The word "universe" means "one order." If life has form, then we must not reject the probability that human progress, which is part of the reality of life, also has order and form. By extension, the stock market, which values man's productive enterprise, will have order and form as well. All technical approaches to understanding the stock market depend on the basic principle of order and form. Elliott's theory, however, goes beyond all others. It postulates that no matter how minute or how large the form, *the basic design remains constant.*

Elliott, in his second monograph, used the title *Nature's Law — The Secret of the Universe* in preference to "The Wave Principle" and applied it to all sorts of human activity. Elliott may have gone too far in saying that the Wave Principle was *the* secret of the universe, as nature appears to have created numerous forms and processes, not just one simple design. Nevertheless, some of history's greatest scientists, mentioned earlier, would probably have agreed with Elliott's formulation. At minimum, it is credible to say that the Wave Principle is one of the most important secrets of the universe.

Fibonacci in the Spiraling Stock Market

Can we both theorize and observe that the stock market operates on the same mathematical basis as so many natural phenomena? The answer is yes. As Elliott explained in his final unifying conclusion, the progress of waves has the same mathematical base. The Fibonacci sequence governs the numbers of waves that form in the movement of aggregate stock prices, in an expansion upon the underlying 5:3 relationship described at the beginning of Chapter 1.

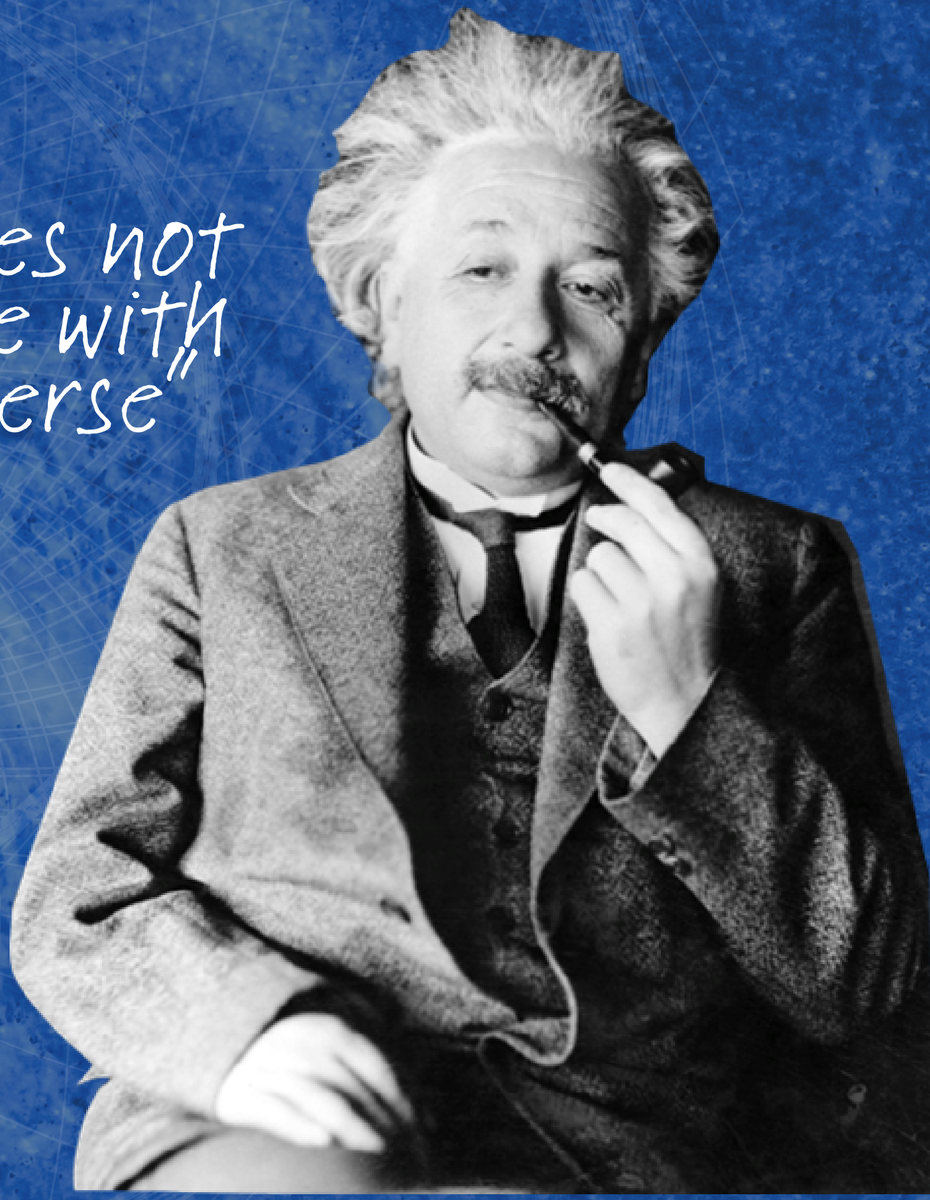
As we first showed in Figure 1-4, the essential structure of the market generates the complete Fibonacci sequence. The simplest expression of a correction is a straight-line decline. The simplest expression of an impulse is a straight-line advance. A complete cycle is two lines. In the next degree of complexity, the corresponding numbers are 3, 5 and 8. As illustrated in Figure 3-10, this sequence can be taken to infinity. The fact that waves produce the Fibonacci sequence of numbers reveals that *man's collectively expressed emotions are keyed to this mathematical law of nature.*

TRADING ANALYSIS

The Golden Ratio or ‘Divine Proportion’

Φ

"God does not play dice with the universe"



Fibonacci Ratios Φ

In the Fibonacci sequence each # is the sum of the two #’s preceding it, starting with 0 and 1.

- 0, 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233, 377, etc.

Fibonacci Ratios Φ

The Fibonacci Sequence
0, 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233, 377, 610, 987, etc

“After the first few numbers in the sequence, the ratio of any number vs the higher number is approximately .618 to 1 and to the next lower number approximately 1.618 to 1. The further along you get in the sequence the closer to move to Φ phi 0.618034. Between alternate numbers in the sequence, the ratio is approximately 0.382, whose inverse is 2.618"

Robert Prechter - Elliott Wave Principle

Fibonacci Ratios Φ

The Fibonacci Sequence
0, 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233, 377, 610, 987, etc

Once we cross the fourth number in series the ratio of a number to the previous number approaches the Golden Ratio – 1.618

1/0 = 0
1/1 = 1
2/1 = 2.000
3/2 = 1.500
5/3 = 1.666
8/5 = 1.600
13/8 = 1.625
21/13 = 1.615
34/21 = 1.619
55/34 = 1.617
89/55 = 1.618
144/89 = 1.618

Fibonacci Ratios Φ

The Fibonacci Sequence
0, 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233, 377, 610, 987, etc

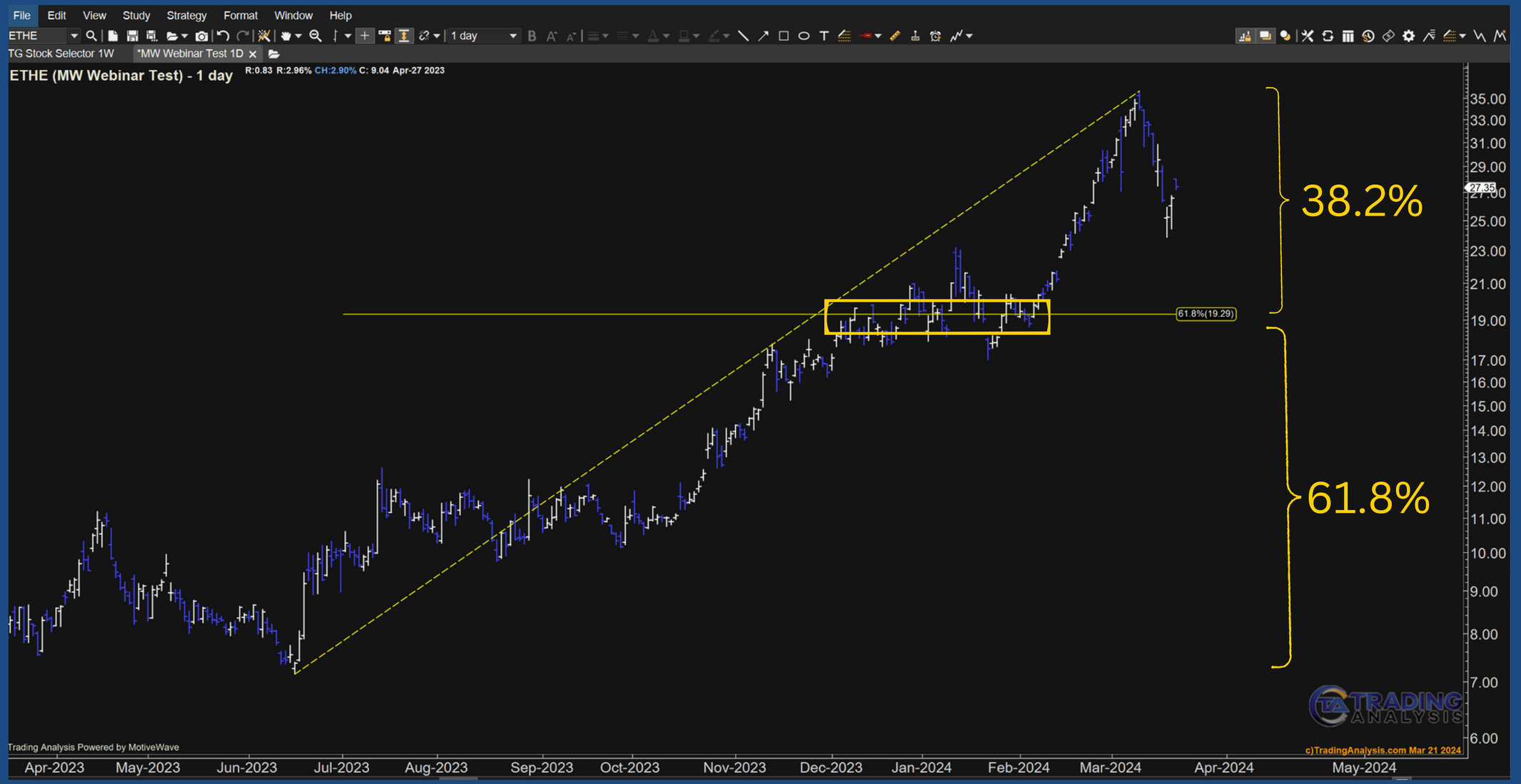
Once we cross the fourth number in series the ratio of a number to the next higher approaches the inverse of the Golden Ratio – 0.618

2/3 = .6666	13/21 = .6190	89/144 = .6180
3/5 = .6000	21/34 = .6176	144/233 = .6180
5/8 = .6250	34/55 = .6181	233/377 = .6180
8/13 = .6153	55/89 = .6179	377/610 = .6180

There IS Observable Market Structure



There IS Observable Market Structure



Fibonacci Ratios Φ

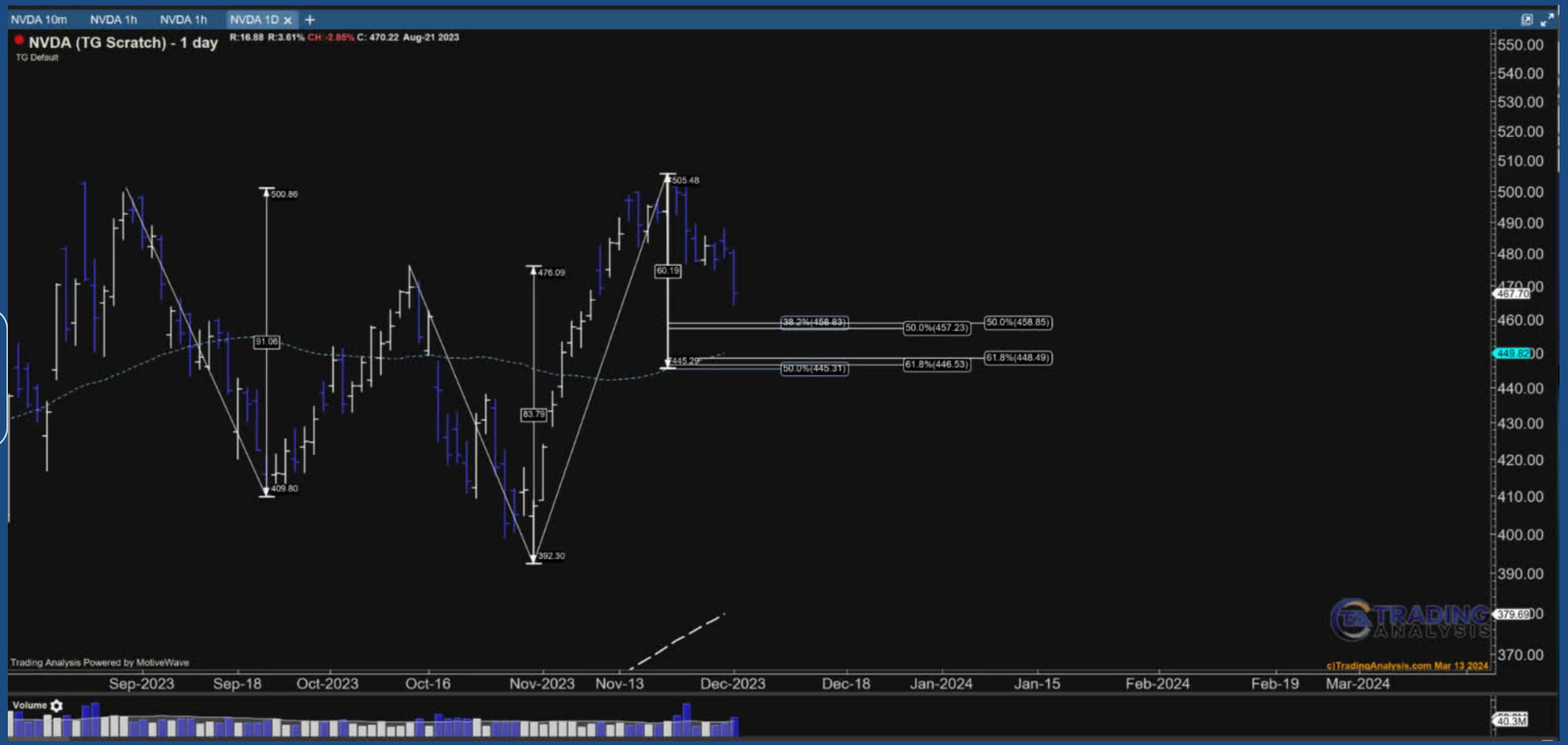
0.382	0.618 squared
0.500	2nd N / 3rd N
0.618	Inverse of Golden Ratio
0.707	Square root of 2
0.786	Square root of 0.618
1.000	1.618 x 0.618
1.272	Square root of 1.618
1.618	Golden Ratio (Phi)
2.000	1st N x 2nd N
2.618	1.618 squared

TRADING ANALYSIS

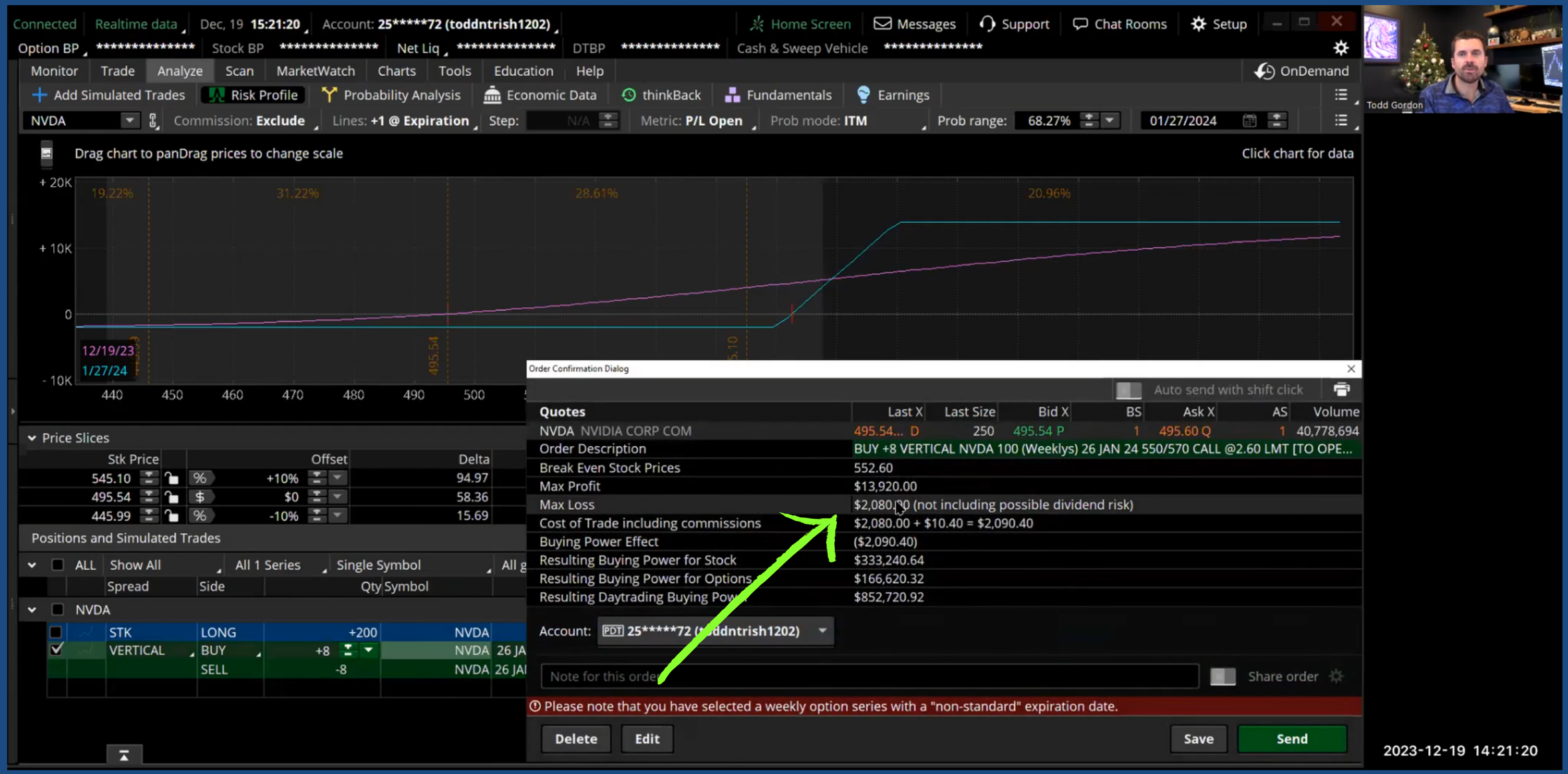
HANG ON THERE YOU WHACK ATTACK...CAN WE ACTUALLY MAKE MONEY WITH THIS?



NVDA High Reward, Low-Risk Call Debit Spread - Dec 19th



NVDA High Reward, Low-Risk Call Debit Spread - Dec 19th



NVDA High Reward, Low-Risk Call Debit Spread - Dec 19th



NVDA High Reward, Low-Risk Call Debit Spread - Dec 19th

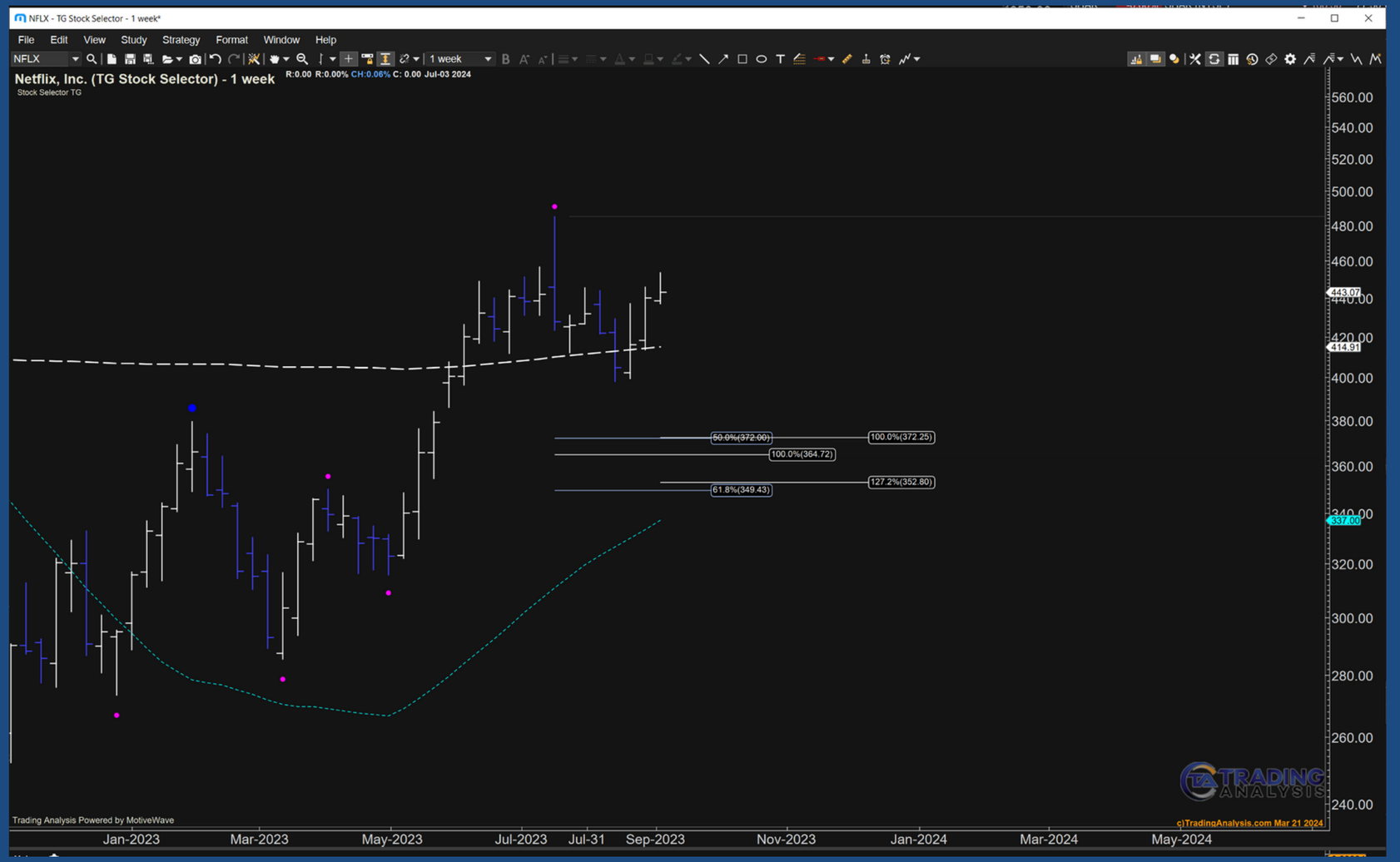


Our job as traders is to MAXIMIZE reward while MINIMZING RISK.

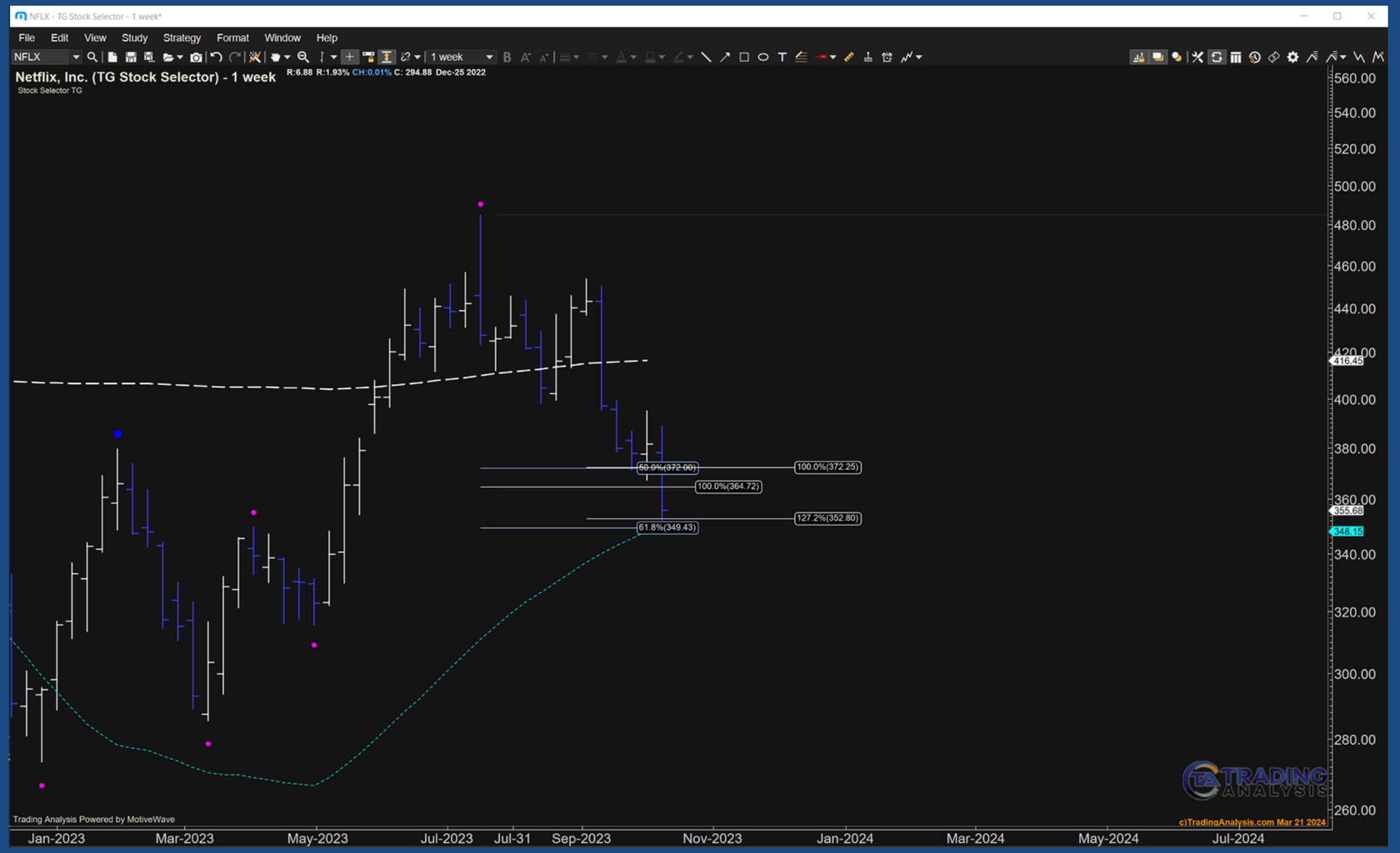
We need to buy as much as our trade plan allows as CLOSE as we can to support.

We need to SELL as MUCH as our trade plan allows AS CLOSE as we can to resistance.

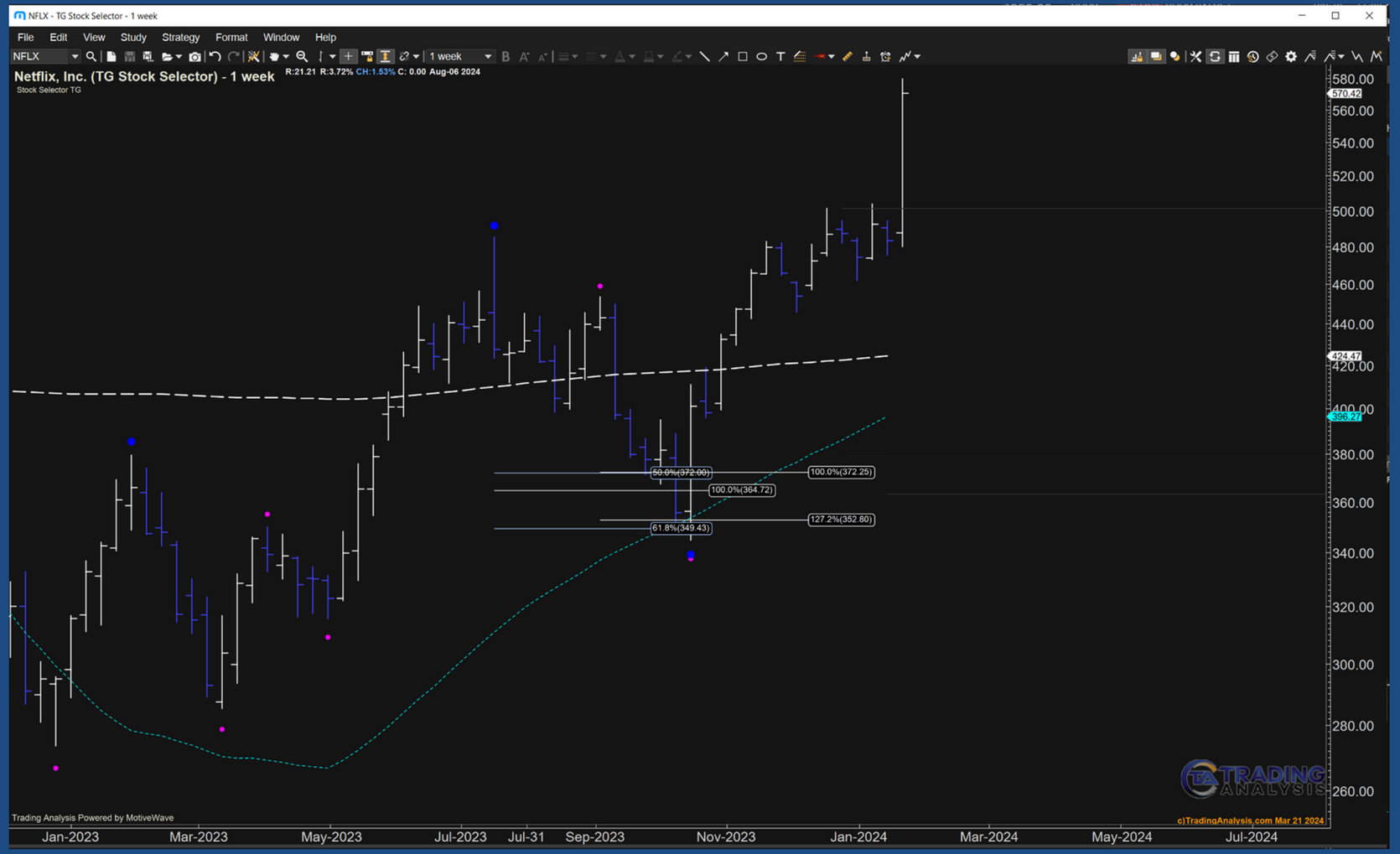
NFLX Fib Support Zone



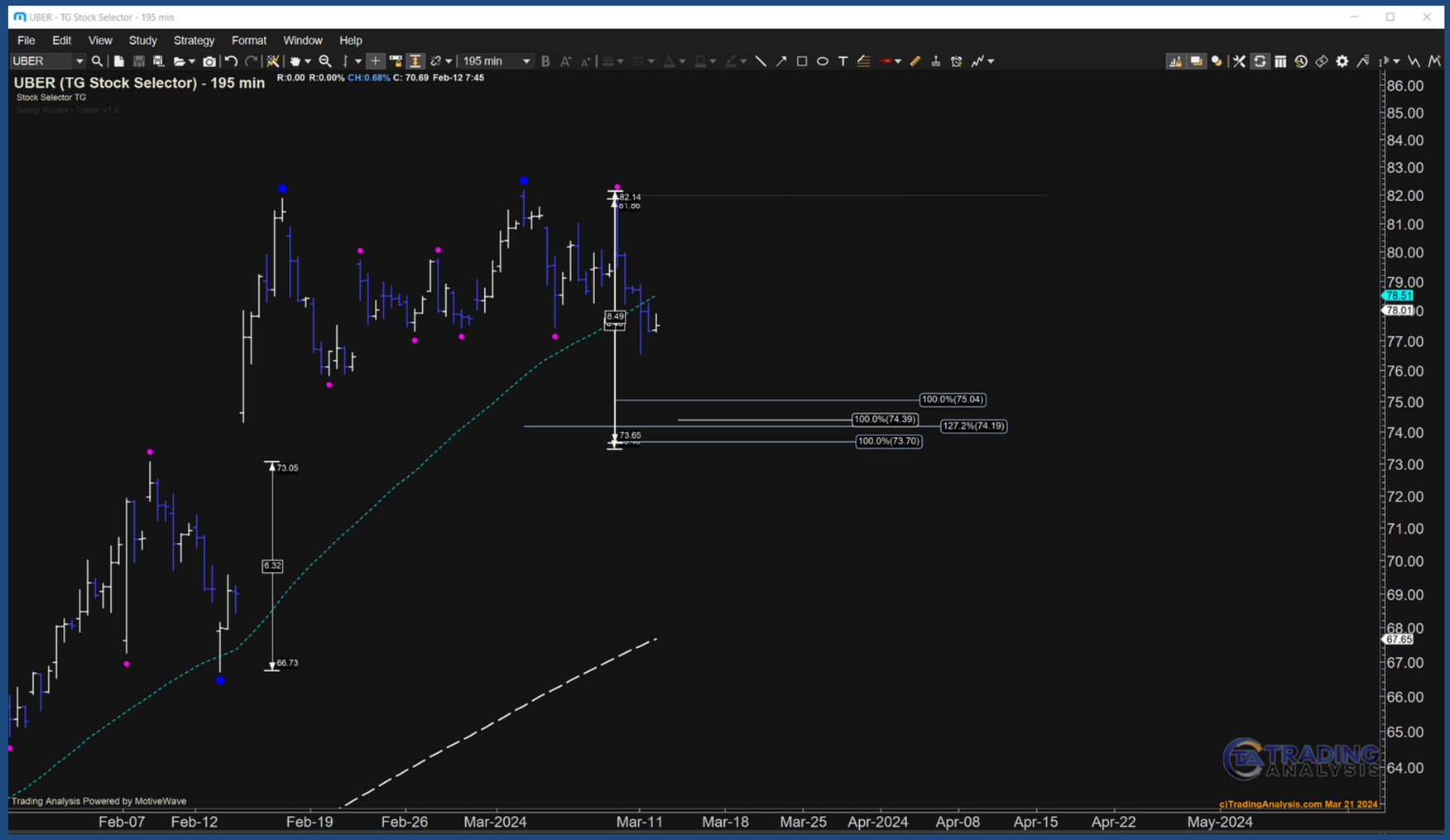
NFLX Fib Support Zone



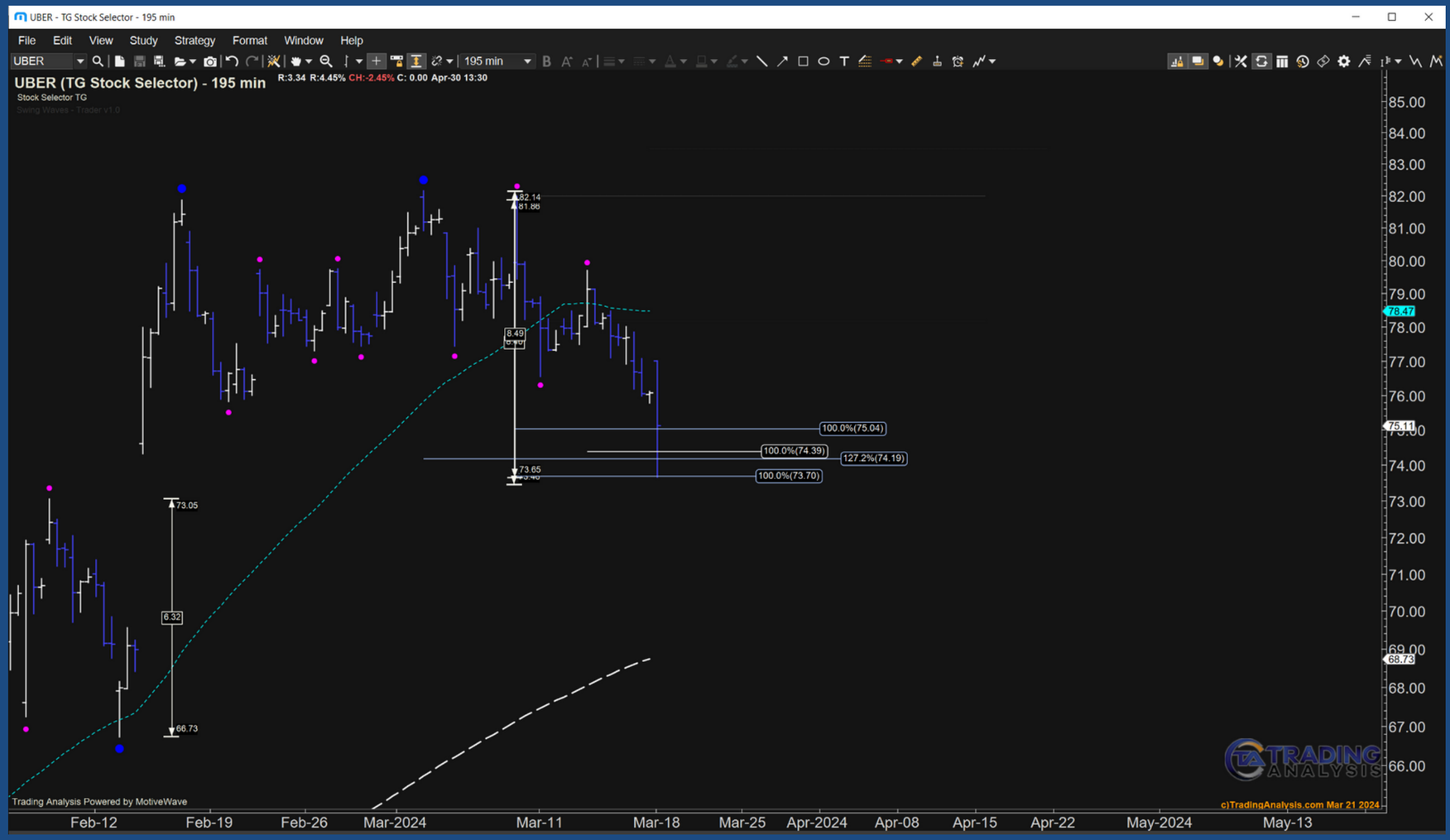
NFLX Fib Support Zone



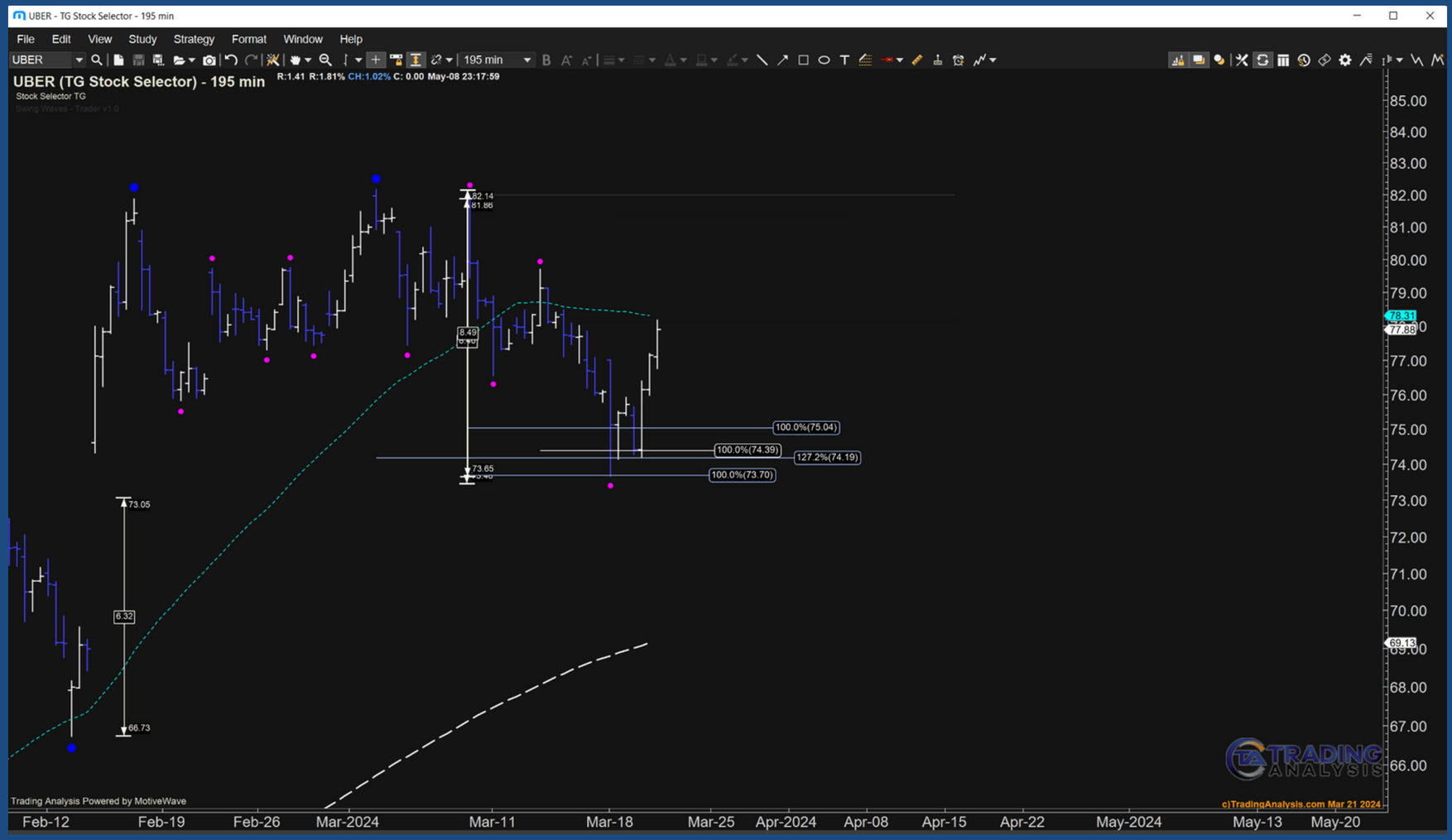
UBER Fib Support Zone



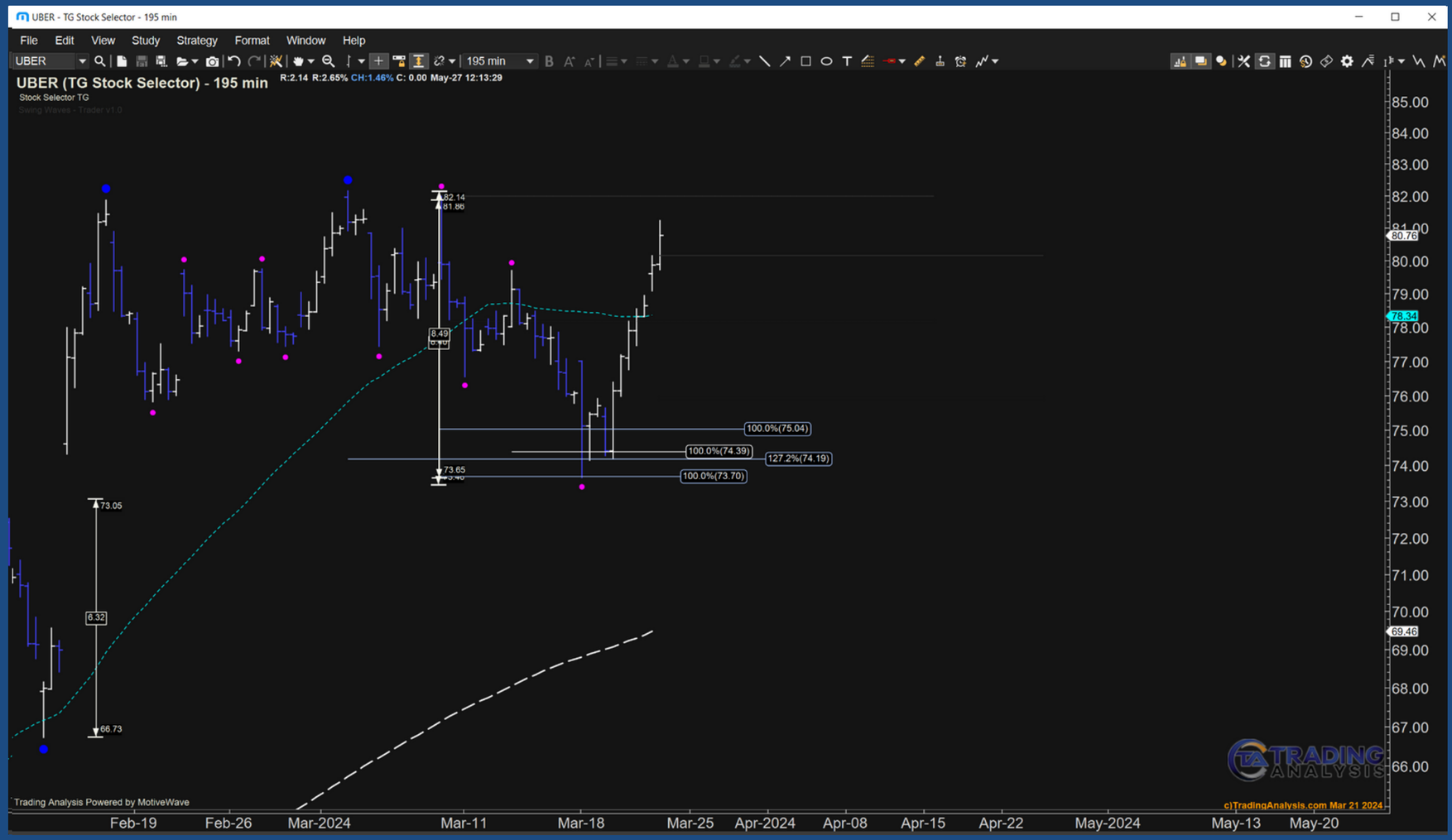
UBER Fib Support Zone



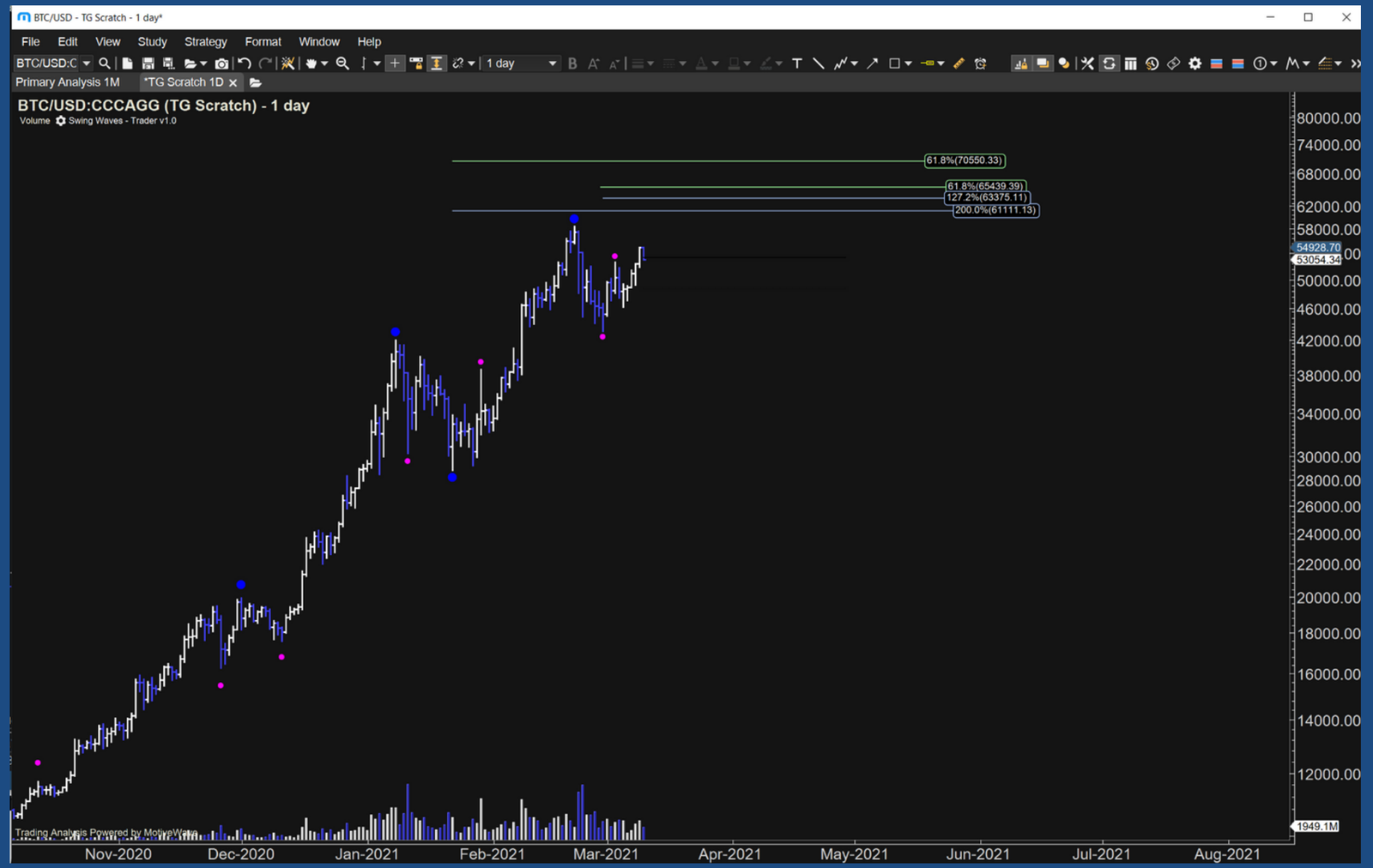
UBER Fib Support Zone



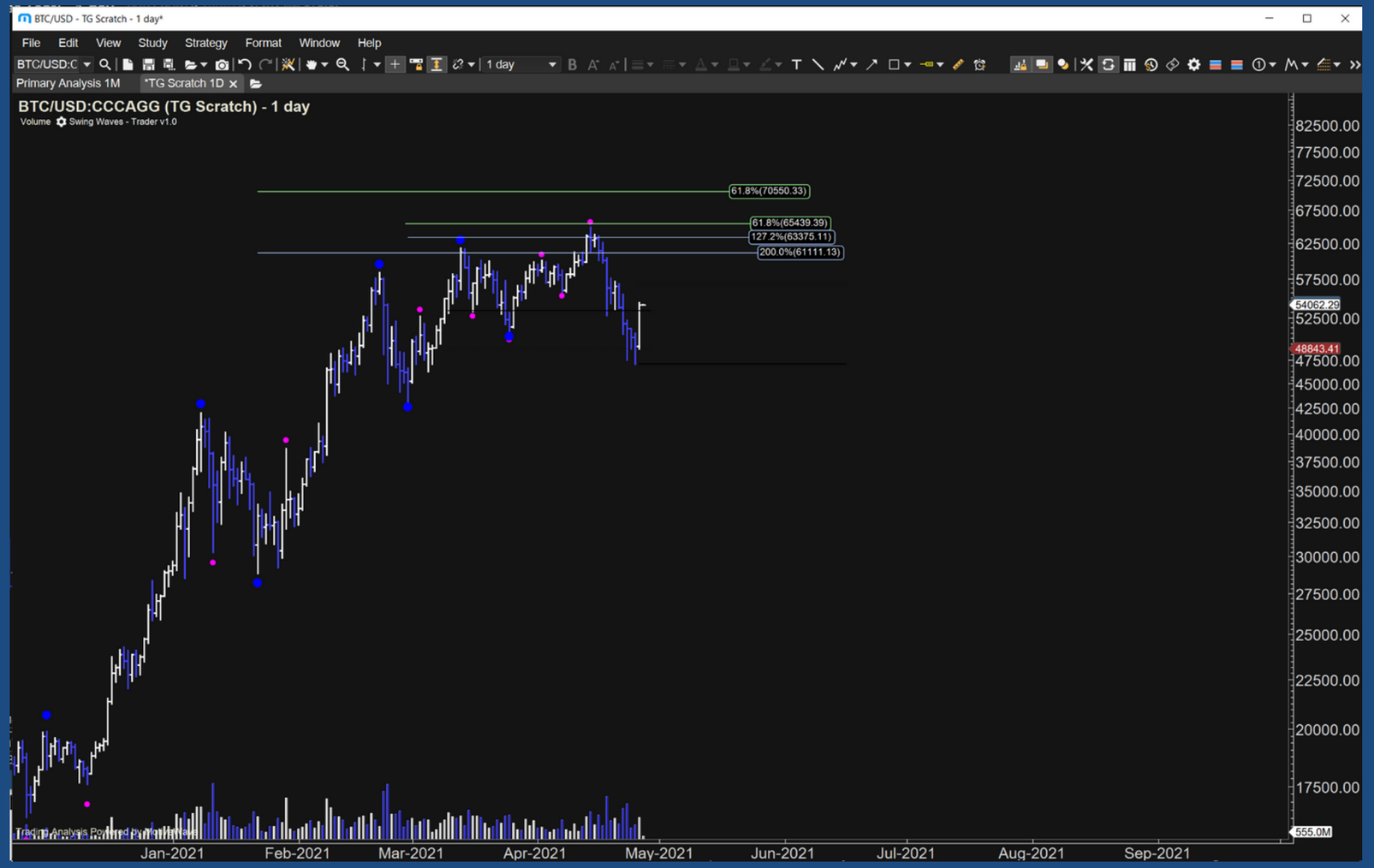
UBER Fib Support Zone



Bitcoin Fib Resistance Zone

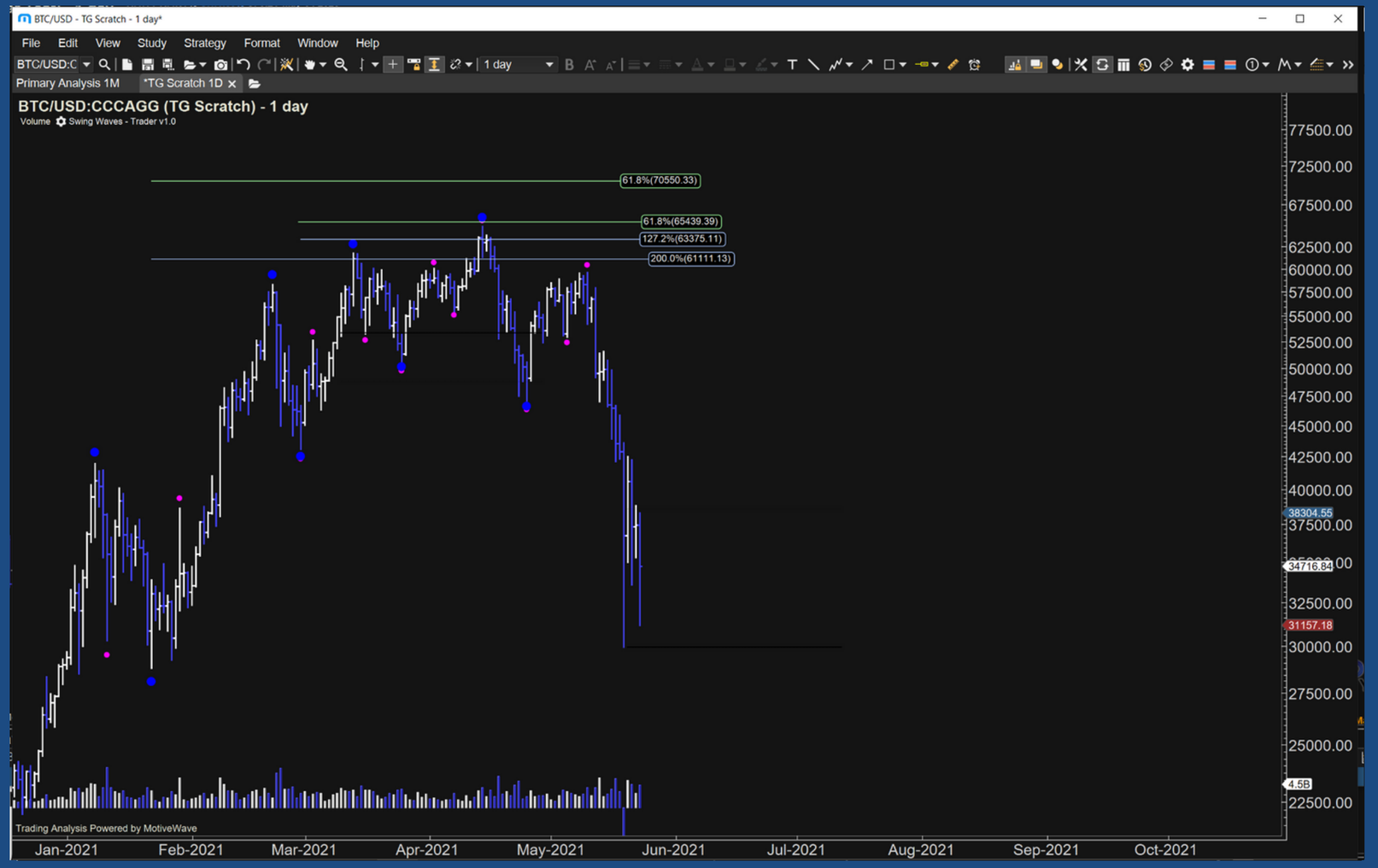


Bitcoin Fib Resistance Zone

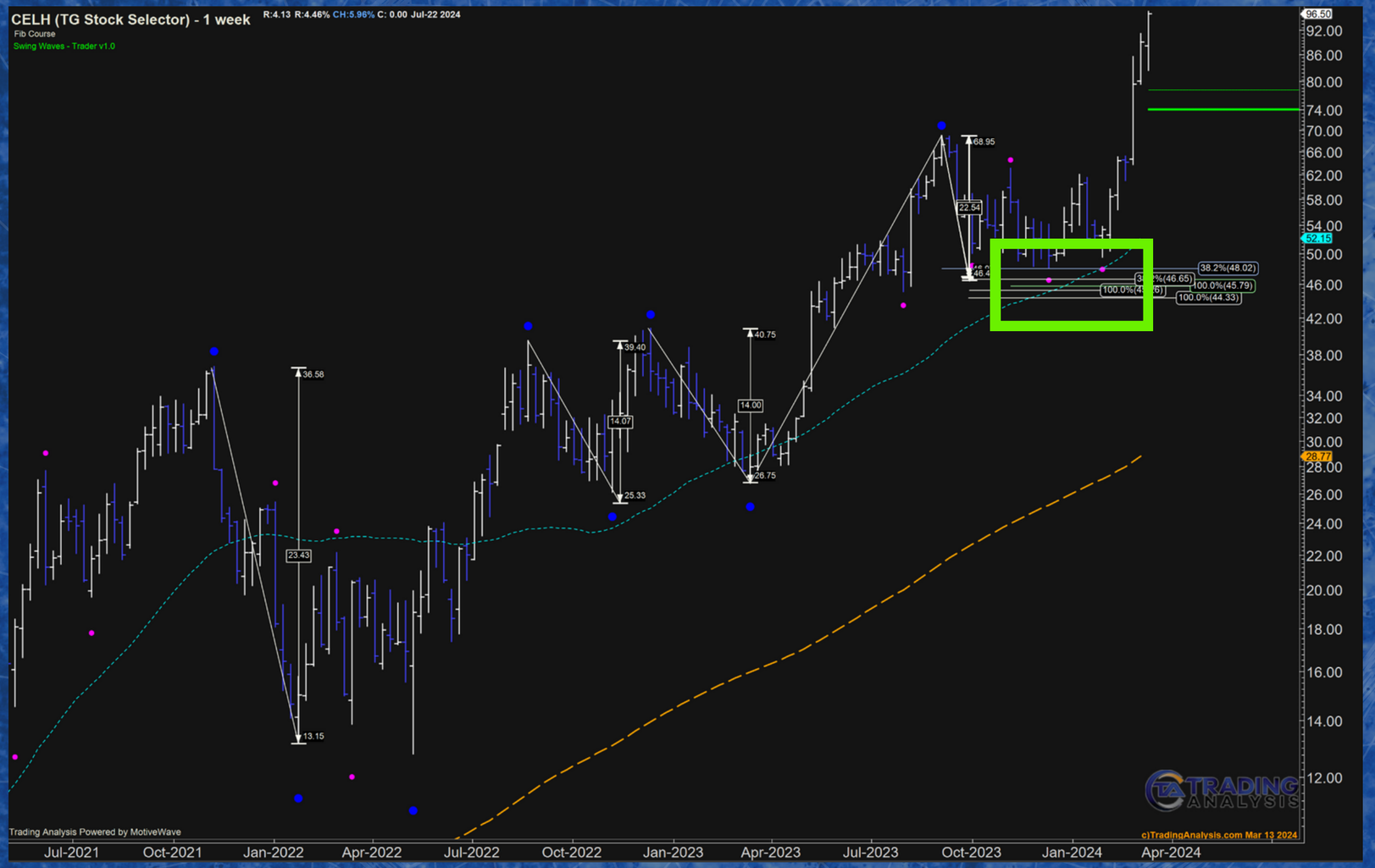


TRADING ANALYSIS

Bitcoin Fib Resistance Zone



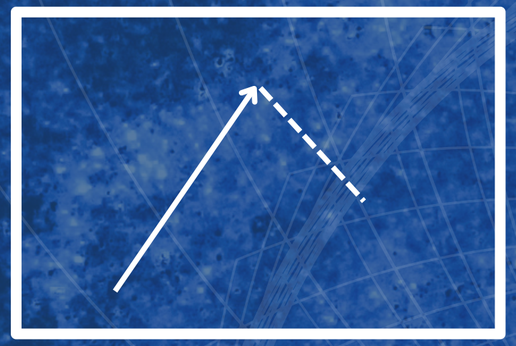
CELH LONG SETUP USING MINOR AND MAJOR SWING WAVES



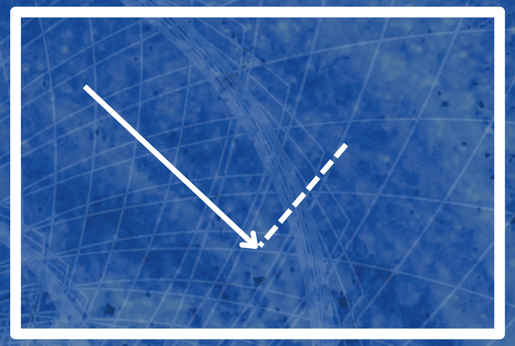
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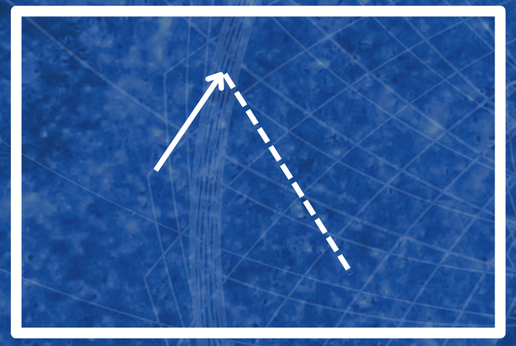
The Fibonacci Tools



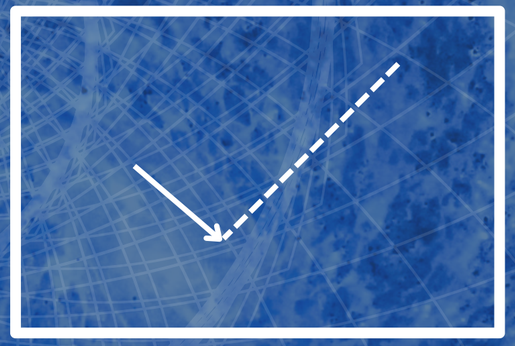


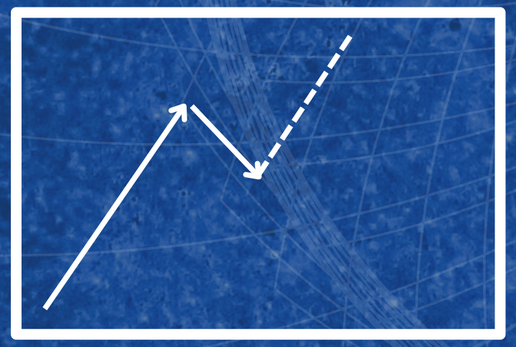
Retracements



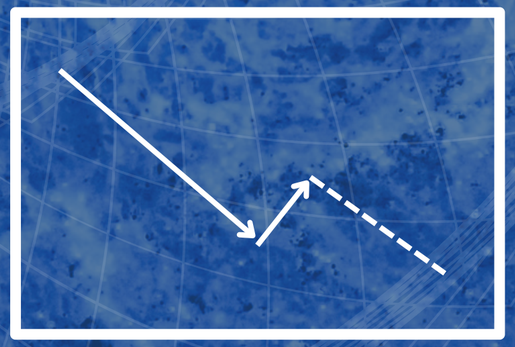


Extensions





Projections



PART 1- IDENTIFYING SWING WAVES

Part 1 – Identifying Swing Waves

- A swing wave is a low or high on a chart where price reverses trend.

Swing wave high – the current high has lower high before and after the bar

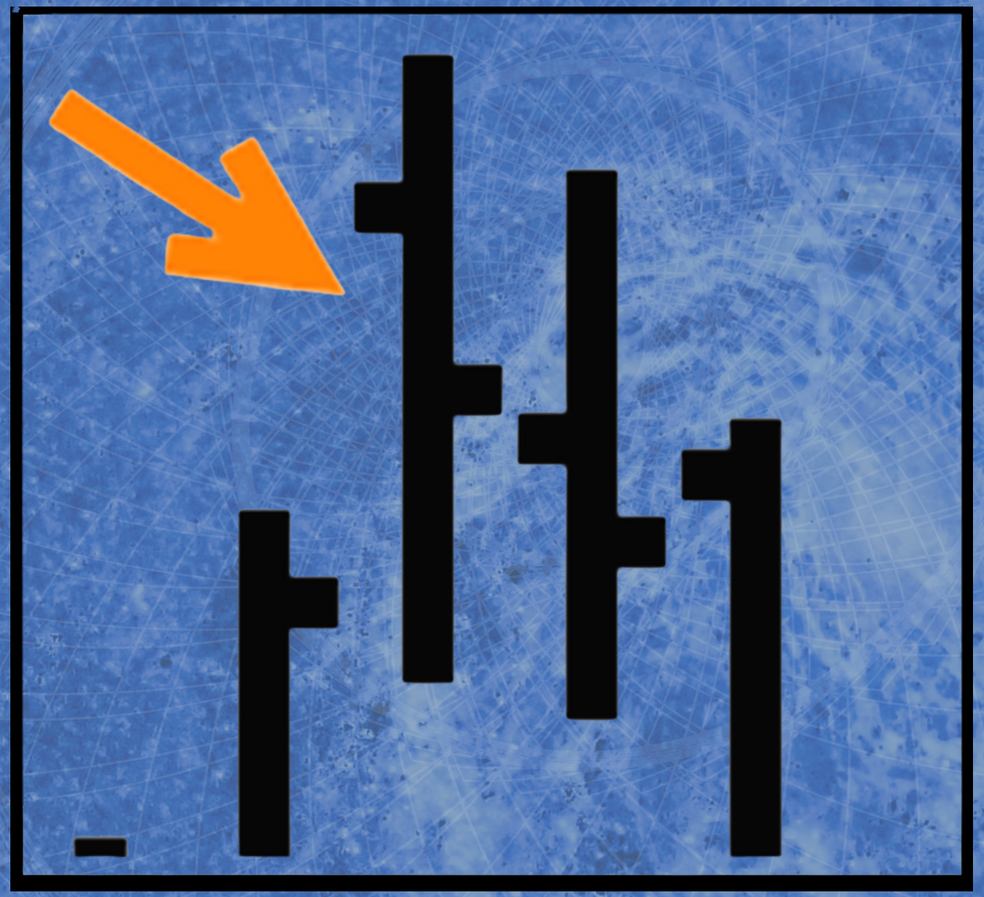
Swing wave low – the current low has a lower higher before and after the bar





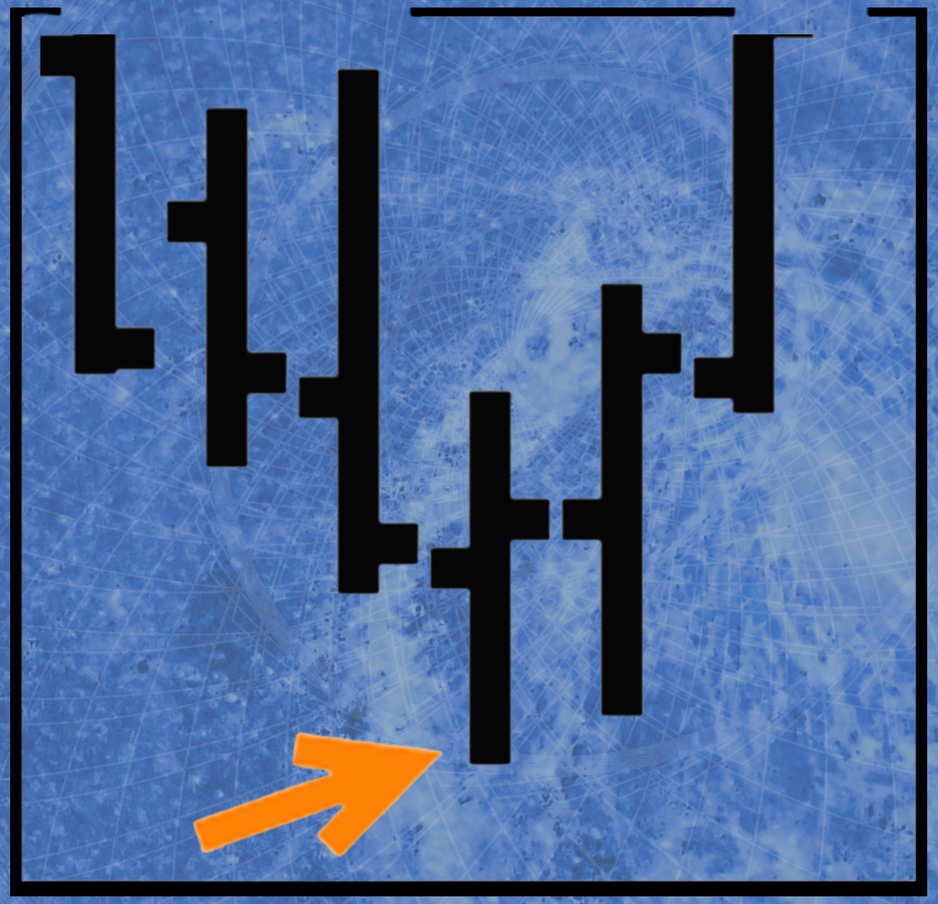
TRADING ANALYSIS

SWING WAVE HIGH



TRADING ANALYSIS

SWING WAVE LOW



TRADING ANALYSIS

MINOR AND MAJOR SWING WAVES

Minor swing wave – a brief reversal in the trend that IS NOT EXCEEDED in the 5 bars prior and the 5 bars following.

Major swing wave – a significant reversal in trend that is NOT EXCEEDED in the 13 bars prior and 13 bars following.

TRADING ANALYSIS

MINOR SWING WAVES

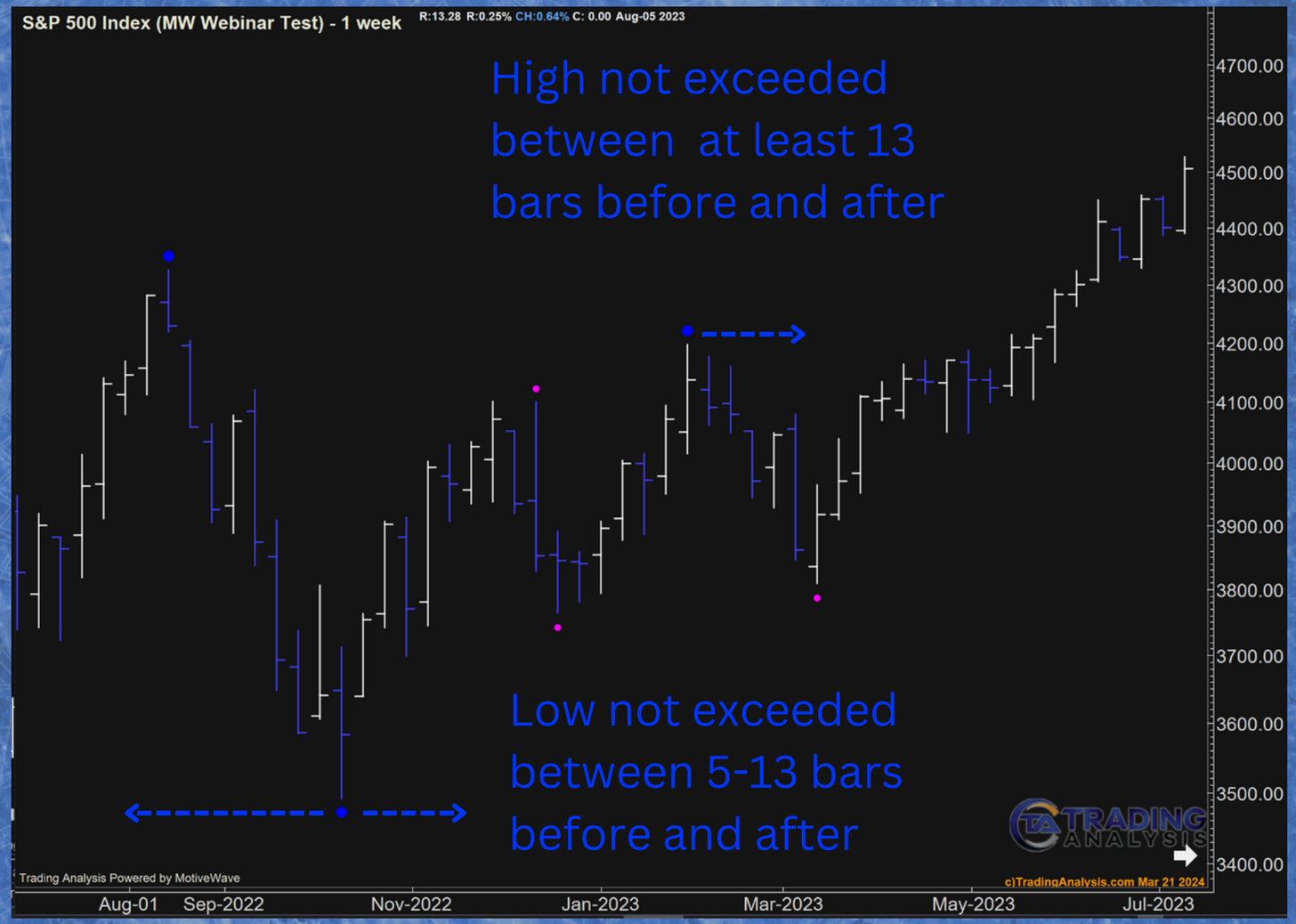
A brief reversal in the trend that IS NOT EXCEEDED in the 5 bars prior and the 5 bars following.



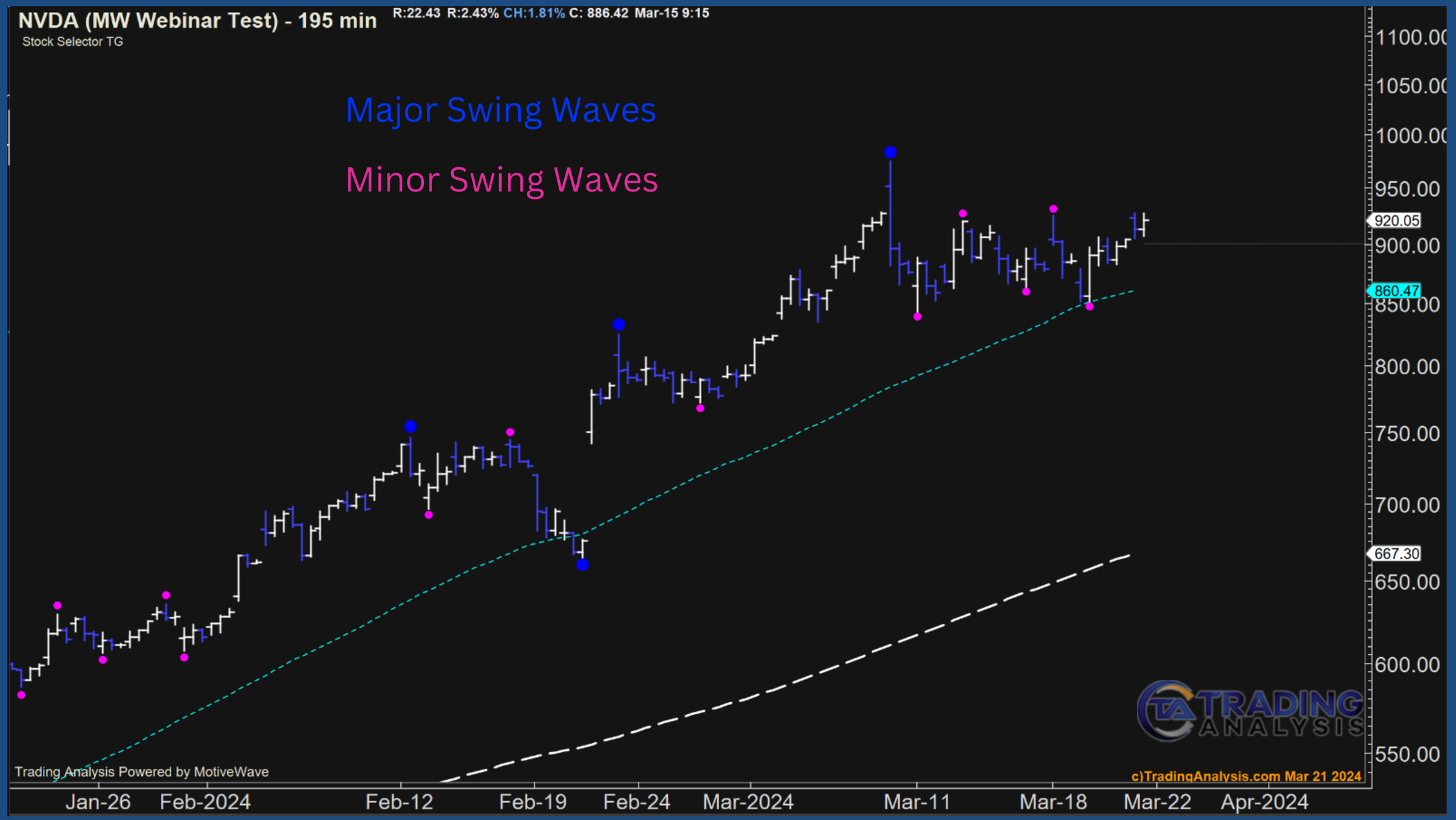
TRADING ANALYSIS

MAJOR SWING WAVES

A brief reversal in the trend that IS NOT EXCEEDED in the 5 bars prior and the 5 bars following.



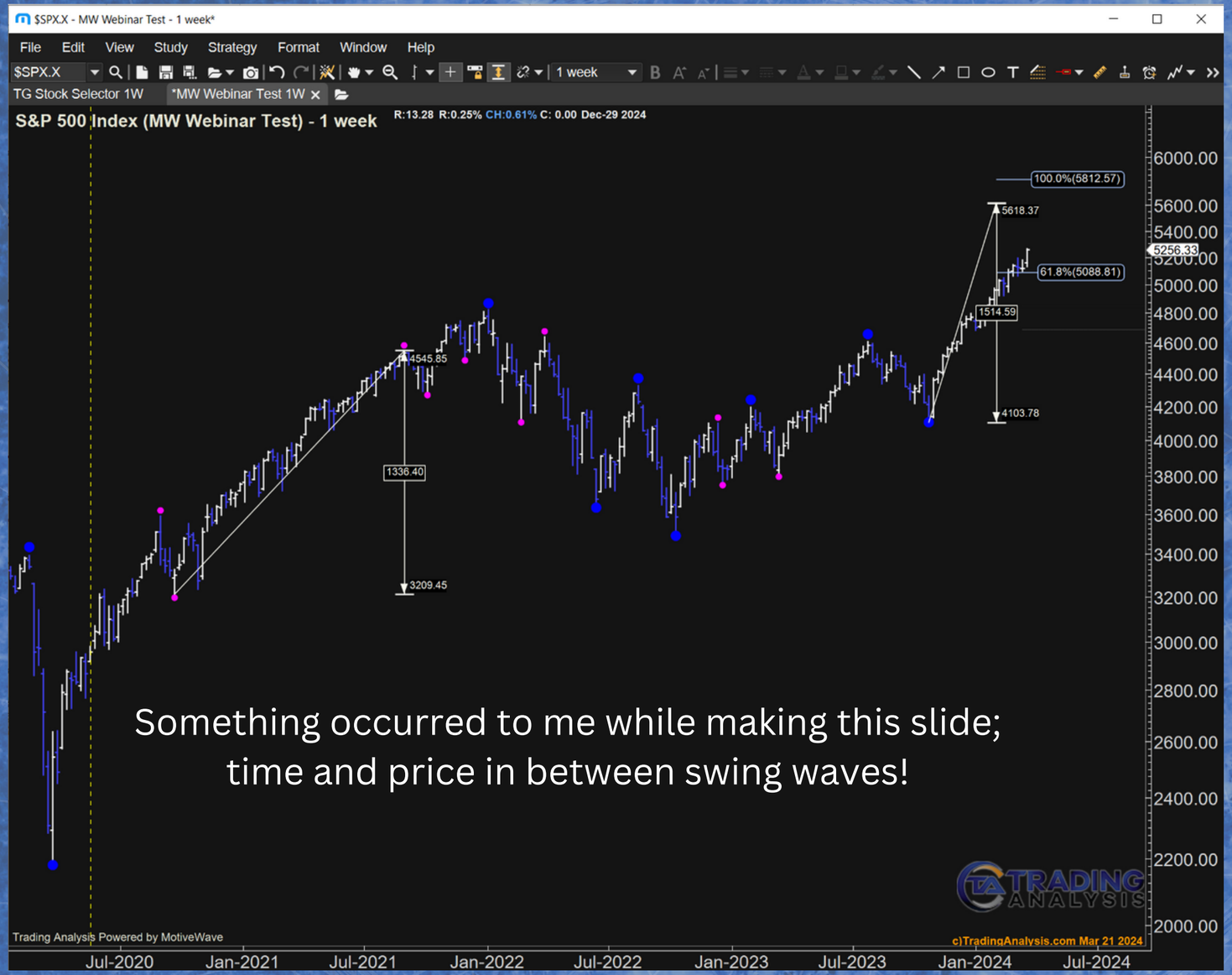
TRADING ANALYSIS


NVDA (MW Webinar Test) - 195 min
R:22.43 R:2.43% CH:1.81% C: 886.42 Mar-15 9:15
Stock Selector TG
Major Swing Waves
Minor Swing Waves
1100.00
1050.00
1000.00
950.00
920.05
900.00
860.47
850.00
800.00
750.00
700.00
667.30
650.00
600.00
550.00
Trading Analysis Powered by MotiveWave
c)TradingAnalysis.com Mar 21 2024
Jan-26
Feb-2024
Feb-12
Feb-19
Feb-24
Mar-2024
Mar-11
Mar-18
Mar-22
Apr-2024

MAJOR AND MINOR SWING WAVES



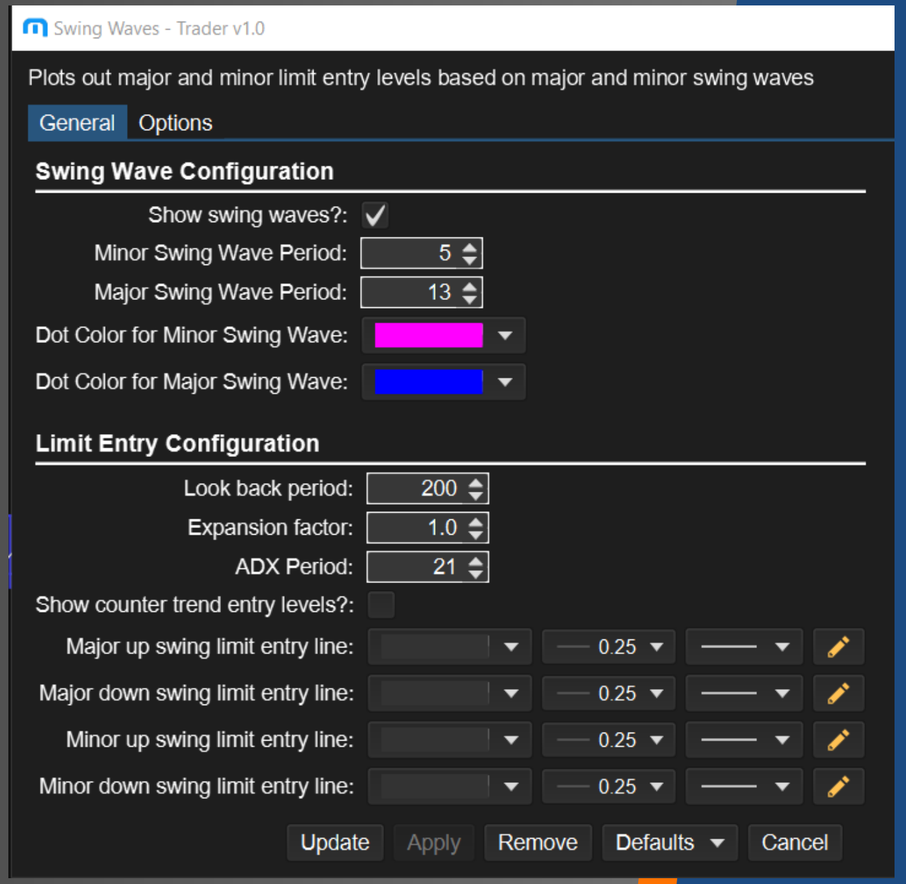
MAJOR AND MINOR SWING WAVES



Something occurred to me while making this slide;
time and price in between swing waves!

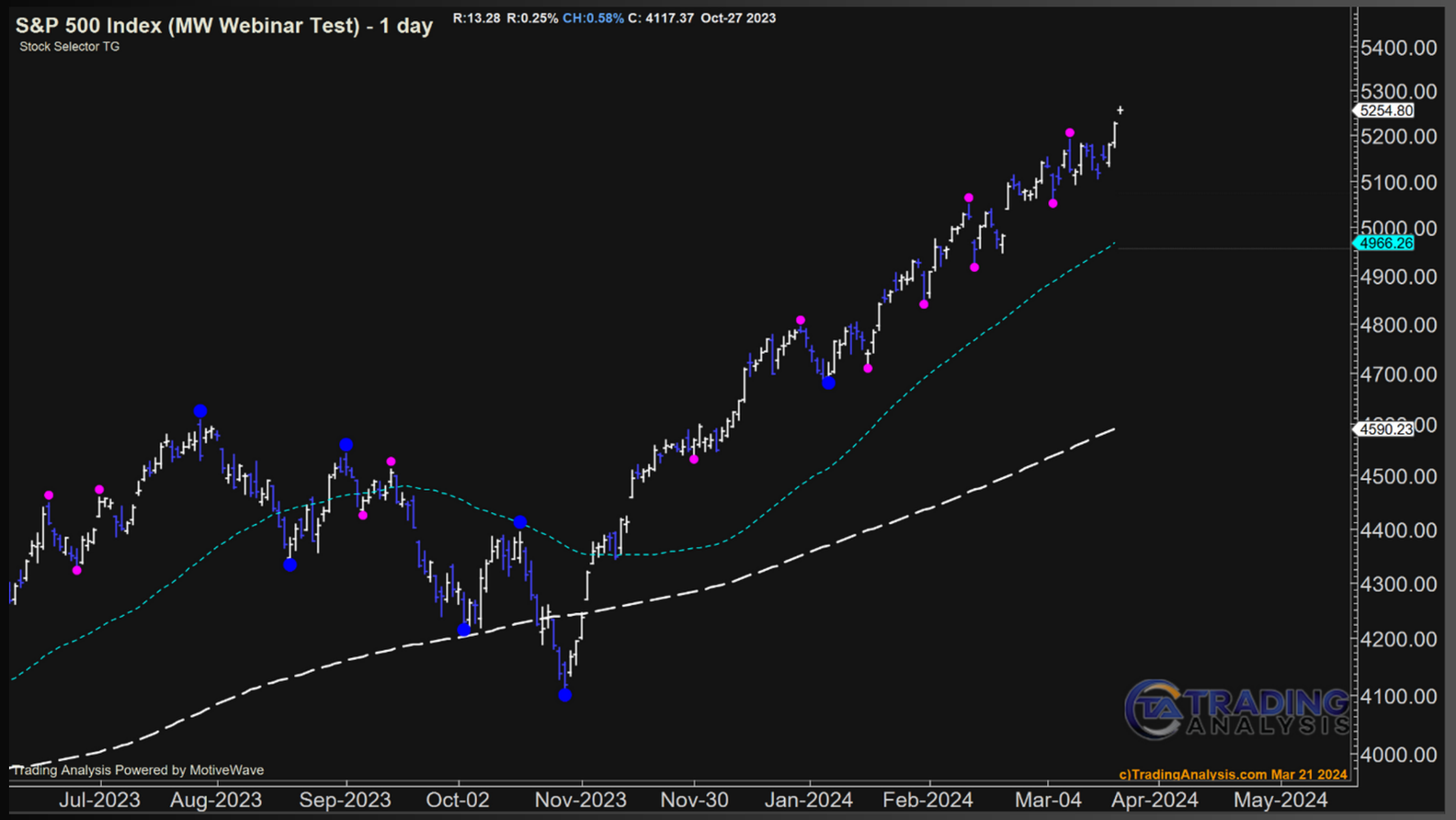
ADJUSTING SWING WAVE SETTINGS

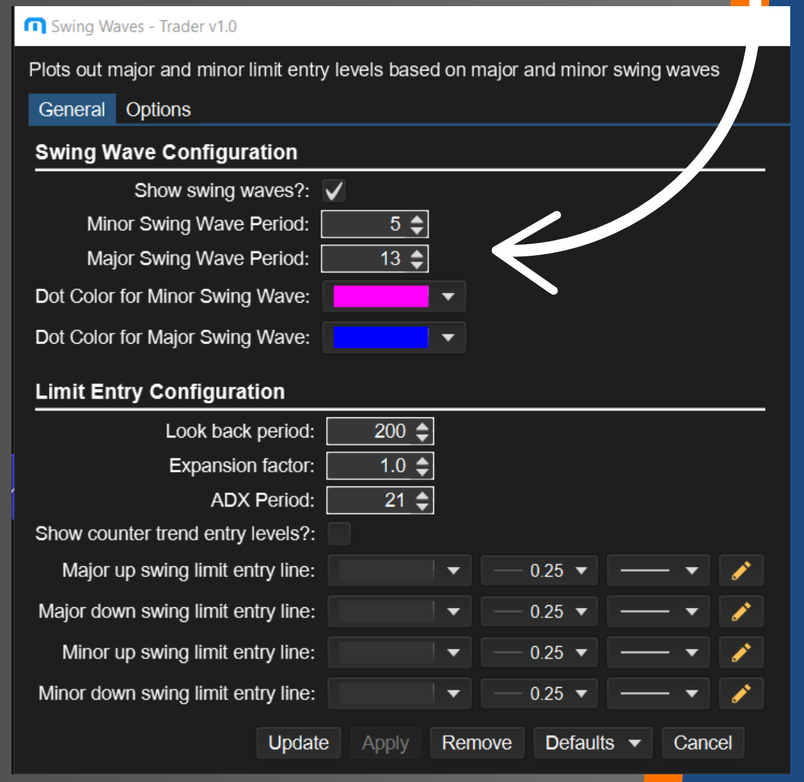
- The larger the **swing wave periods** you use, the LESS frequent you will trade. However, with respect to your PnL volatility (growth) what you lose in trade frequency will be made up for in size of risk and size of reward per trade.
- The smaller the **swing wave periods** , the MORE frequent you will trade. In terms of your PnL volatility (growth), what you gain in trade frequency your stop loss and take profit sizes will decrease.



DEFAULT SETTINGS

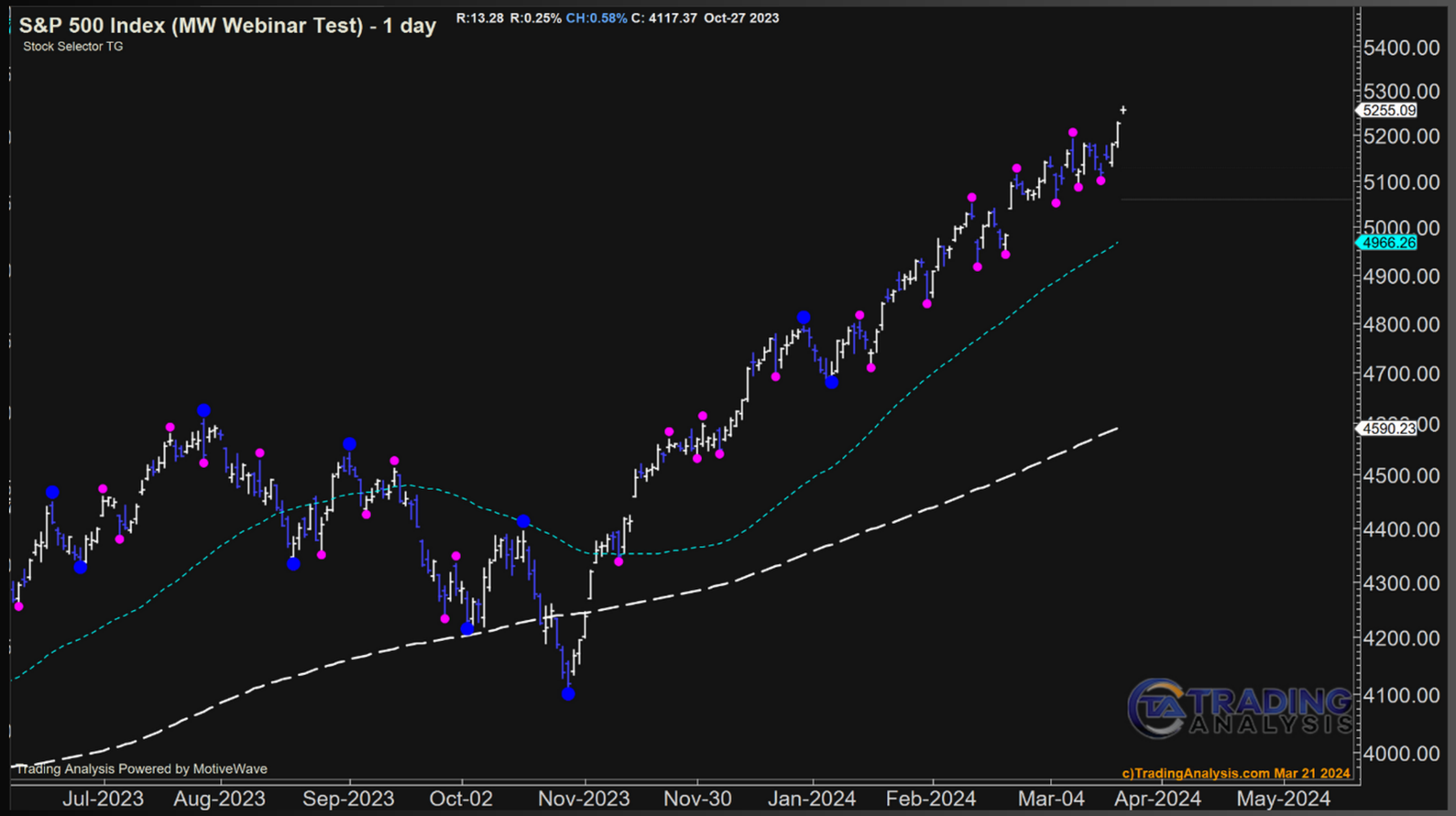
Major Swing Wave -13
Minor Swing Wave - 5

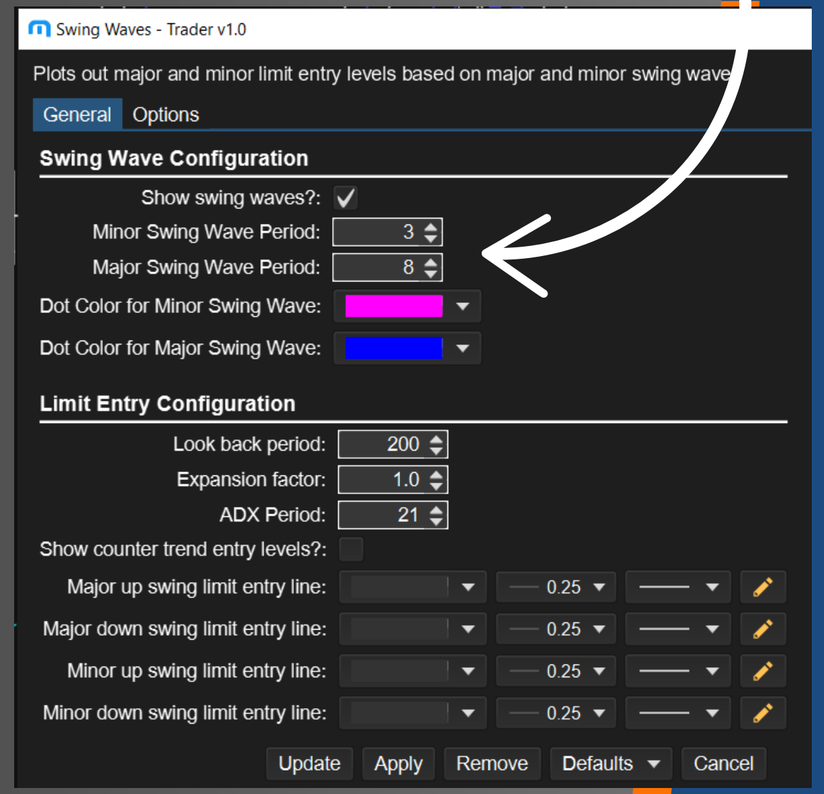




FAST SETTINGS

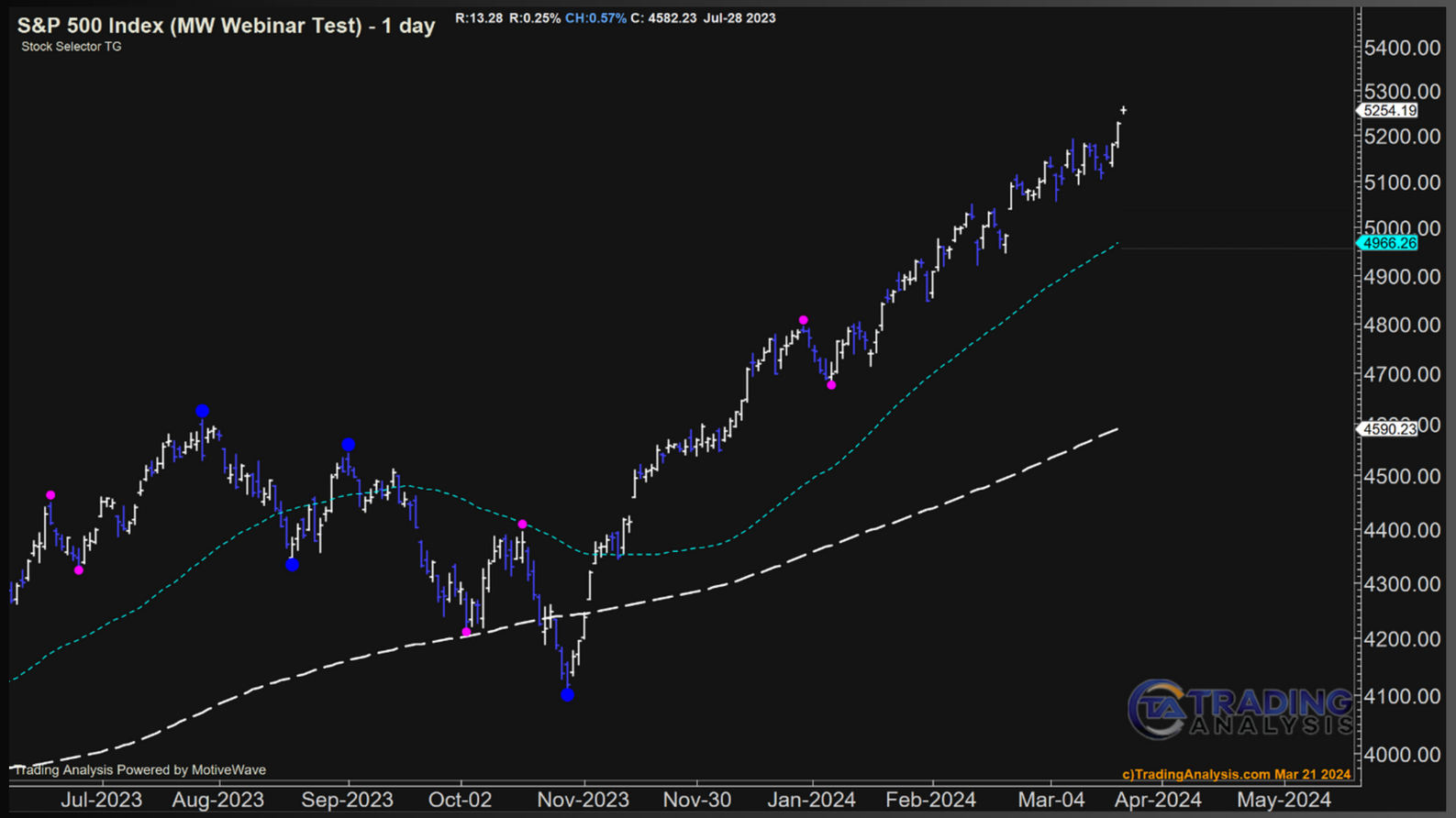
Major Swing Wave -8
Minor Swing Wave - 3

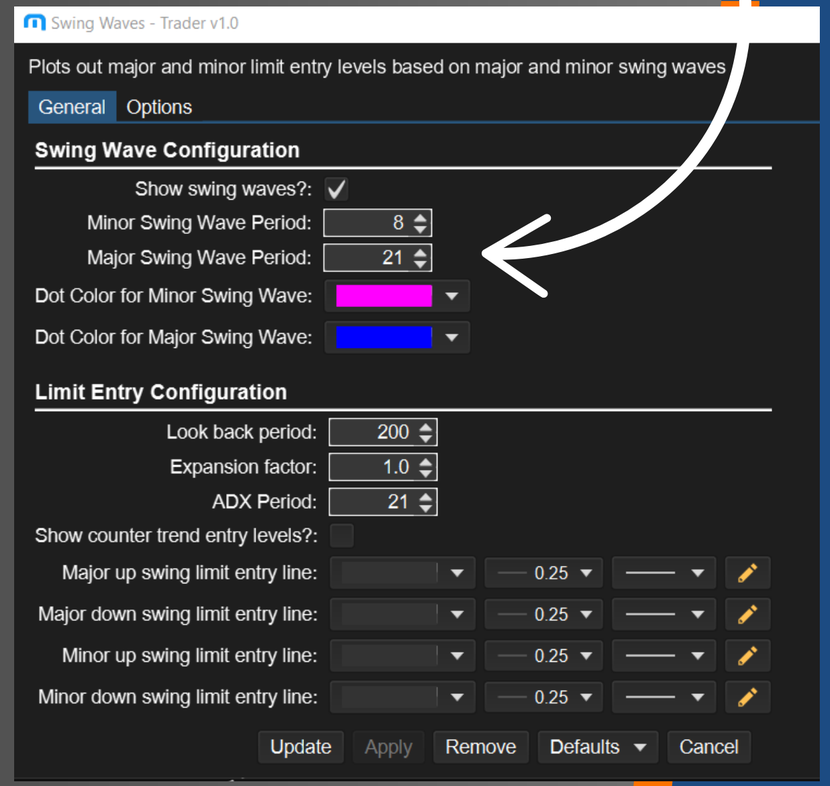




SLOW SETTINGS

Major Swing Wave -21
Minor Swing Wave - 8



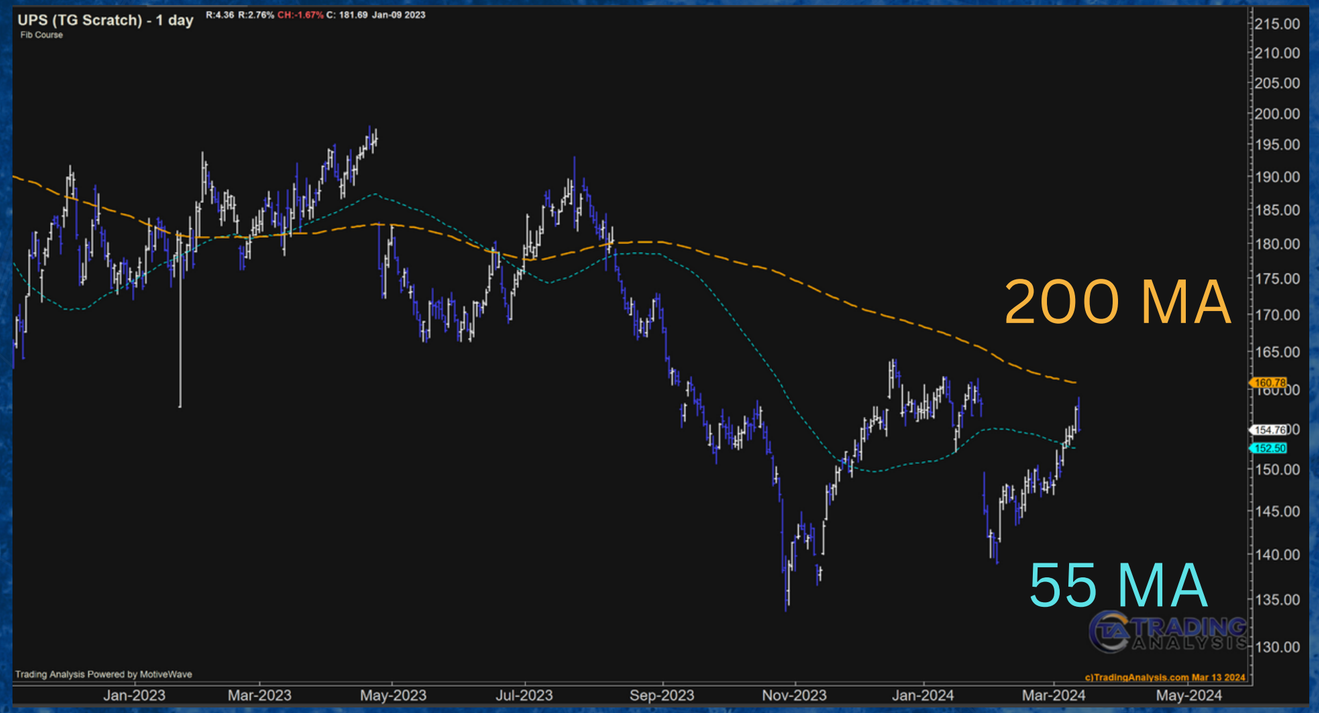


DETERMINING THE TREND

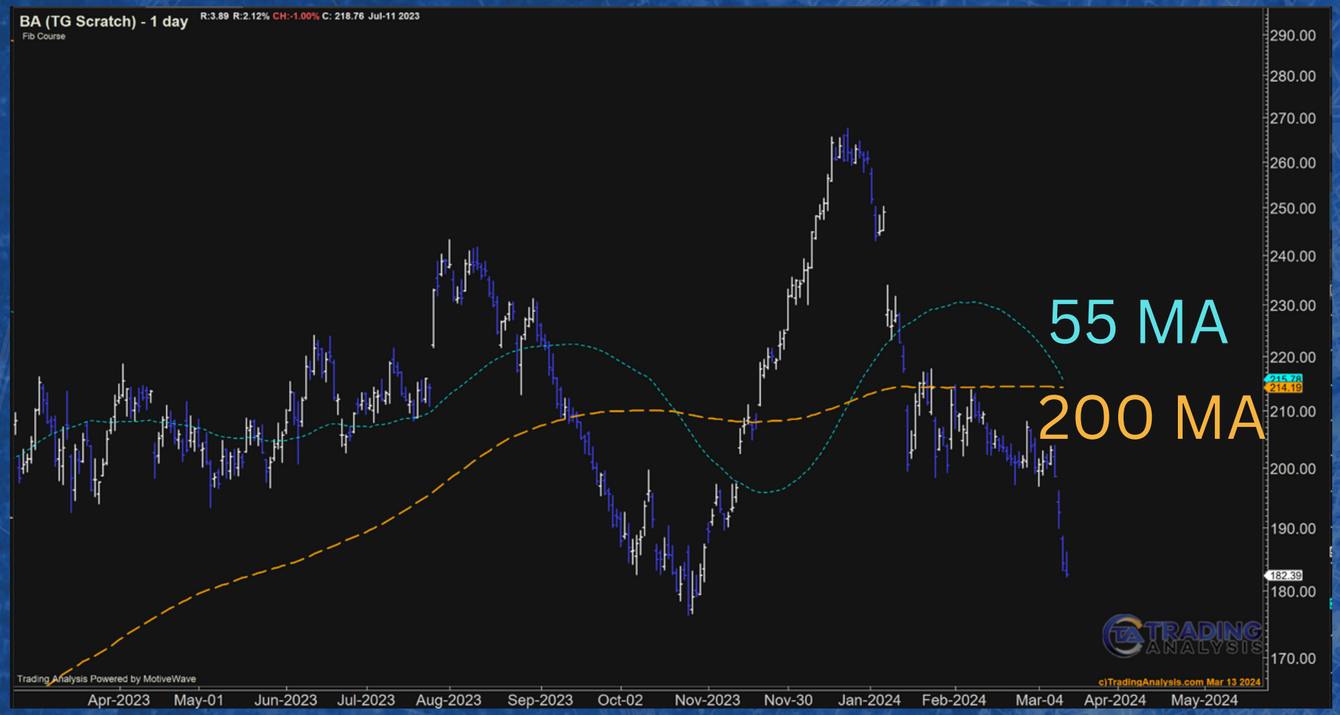


The slope of the 55 MA determines the trend. The stronger up trends are when the 55 MA is above an upward sloping 200 MA. LONGS ONLY!

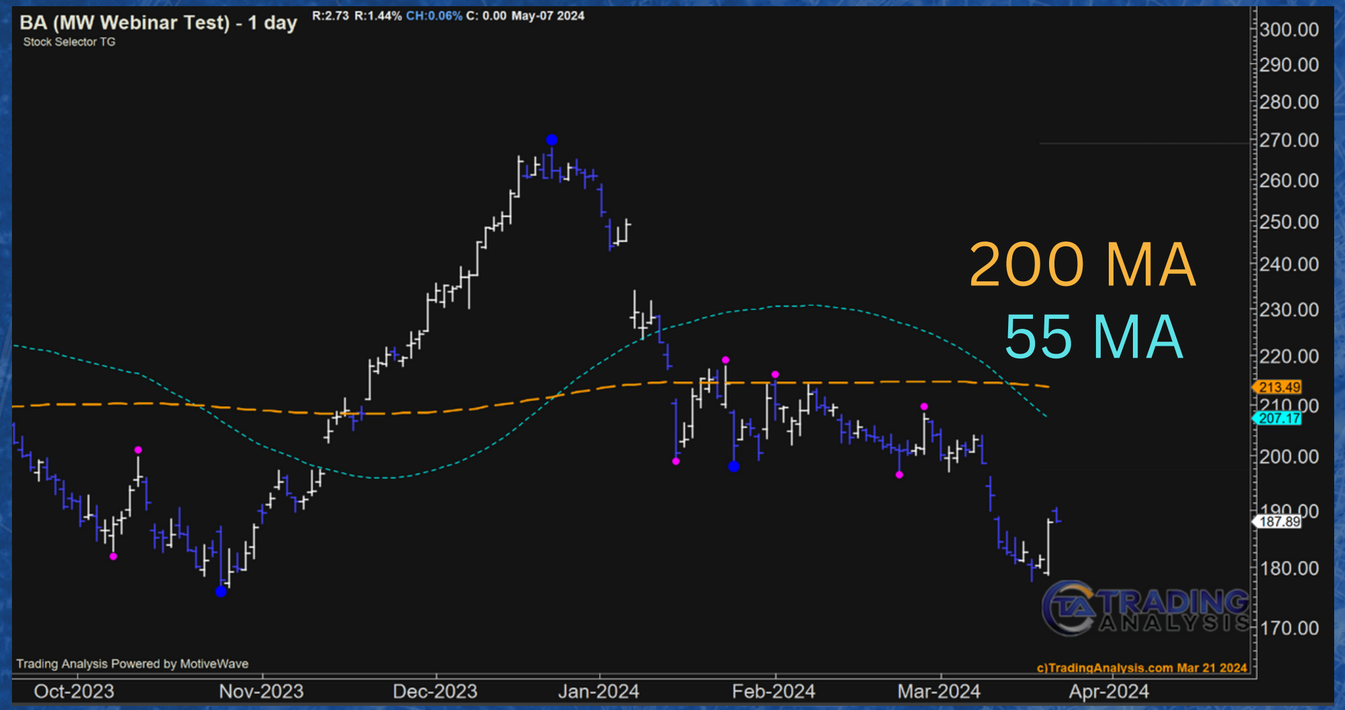
TRADING ANALYSIS



The slope of the 55 MA determines the trend. The stronger down trends are when the 55 MA is below a downward sloping 200 MA. Shorts ONLY!



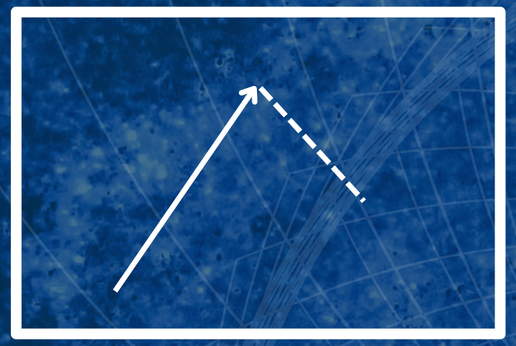
Check out BA with all of their issues. 55 MA about to cross below 200 MA. 200 MA about to start downtrending



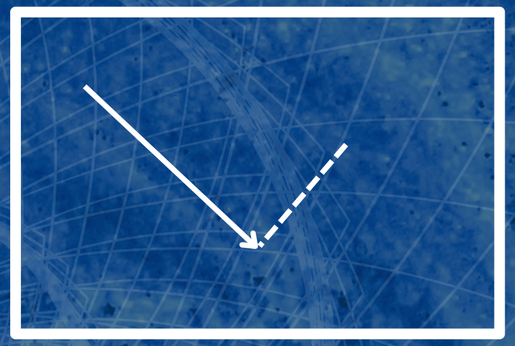
Boeing 55 MA crossed below 200 MA, now in confirmed downtrend

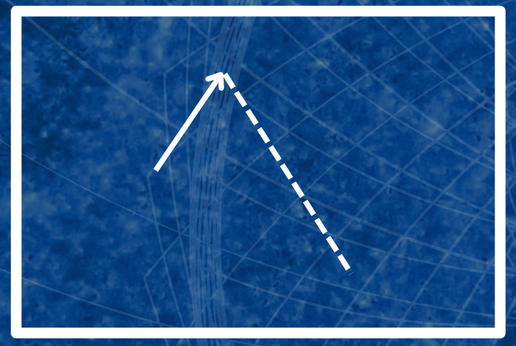
TRADING ANALYSIS

The Fibonacci Tools

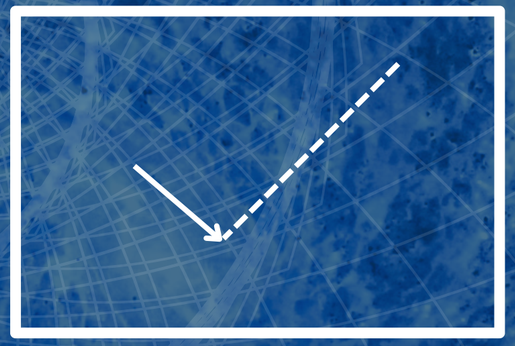


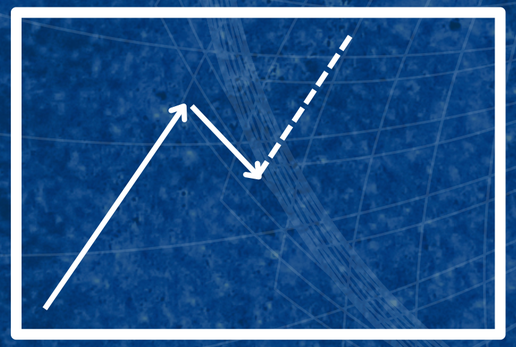
Retracements



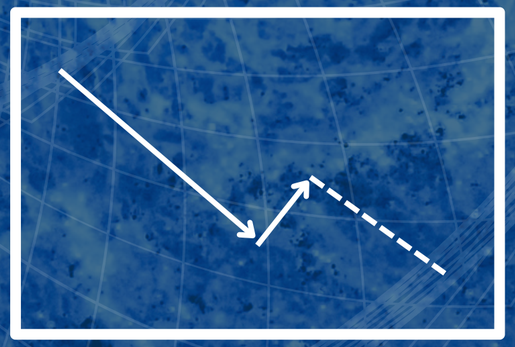


Extensions





Projections



FIBONACCI TOOL #1

RETRACEMENTS

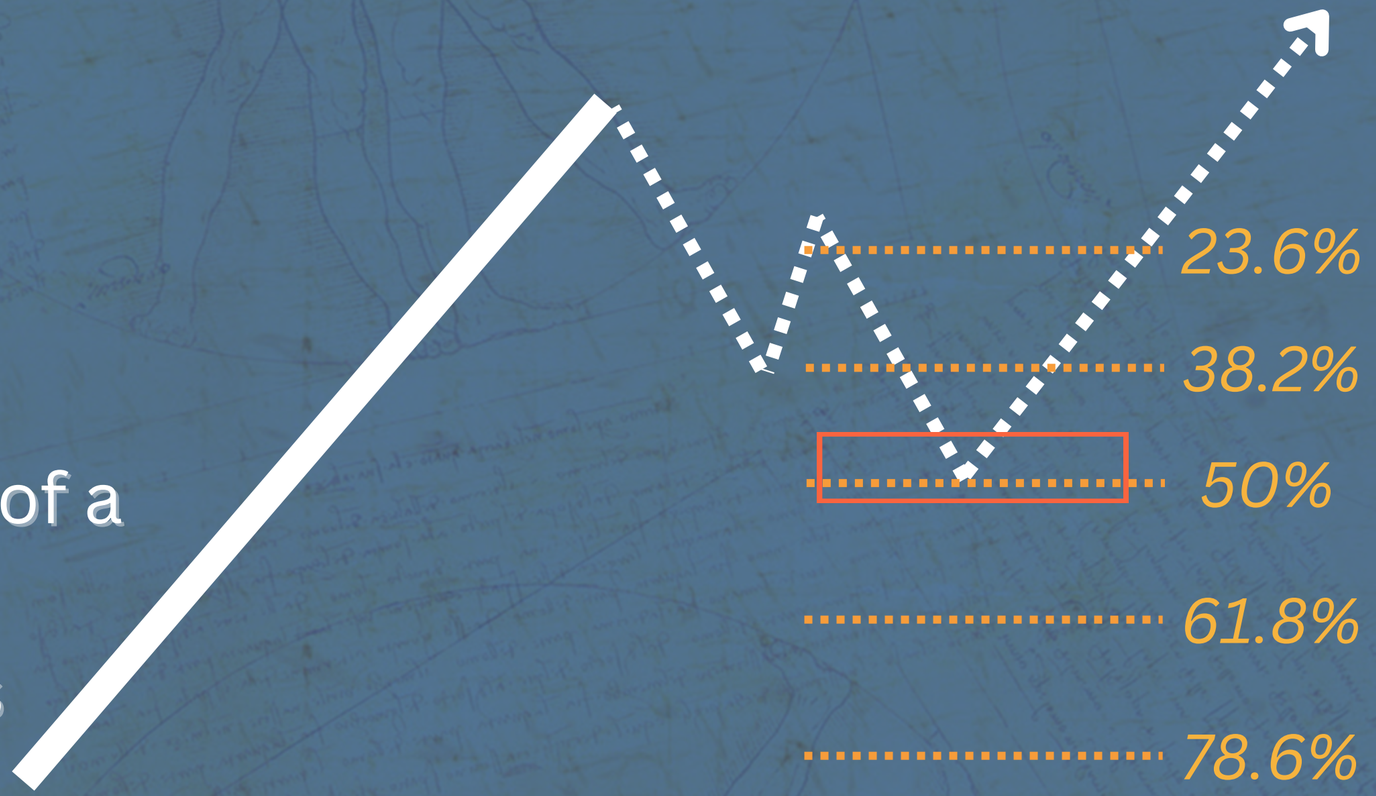
Help us identify the end of a correction to the prior trend before the trend is expected to resume



FIBONACCI TOOL #1

RETRACEMENTS

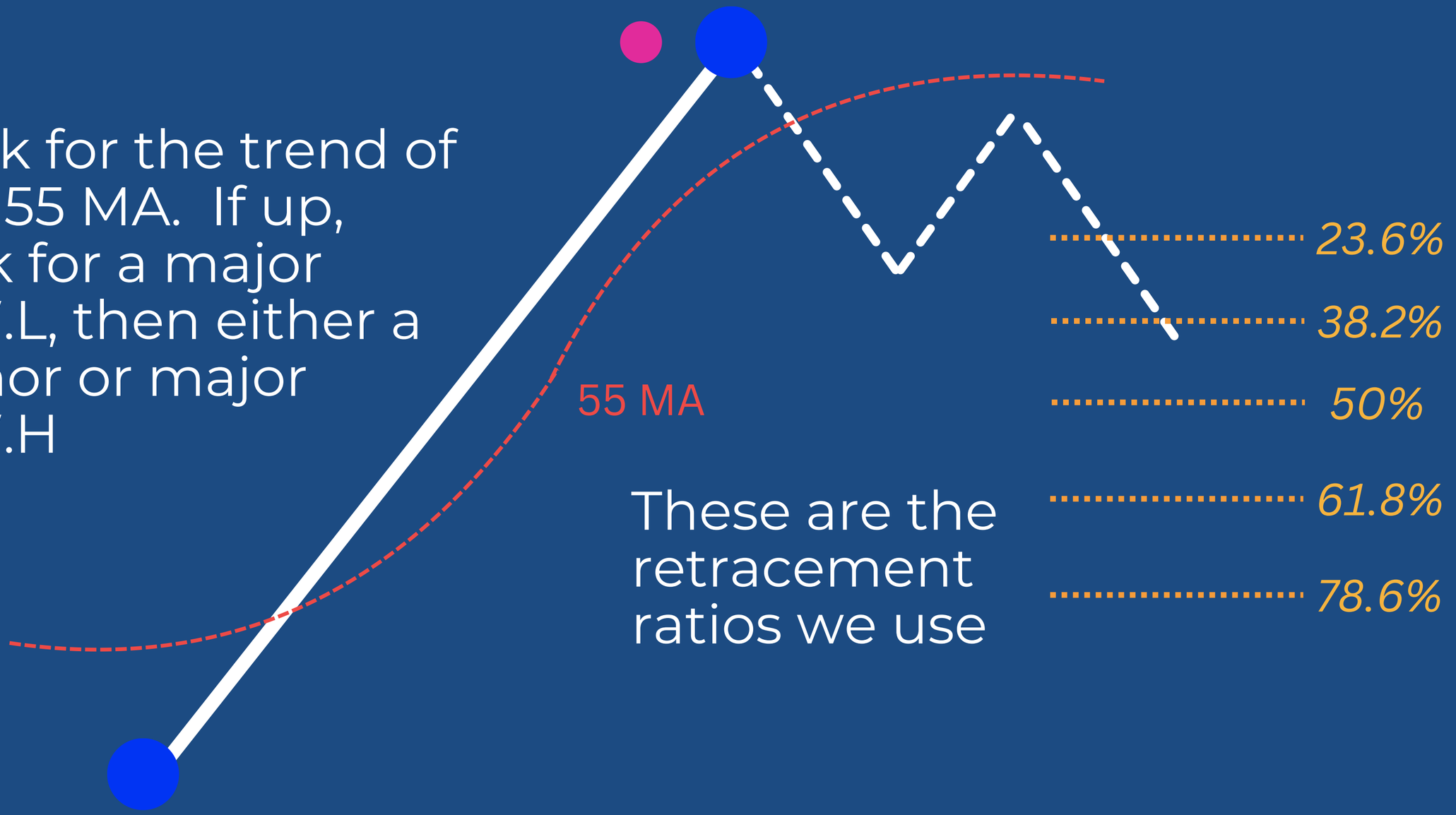
Help us identify the end of a correction to the prior trend before the trend is expected to resume



TRADING ANALYSIS

Fibonacci Retracements

Look for the trend of the 55 MA. If up, look for a major S.W.L, then either a minor or major S.W.H



These are the retracement ratios we use

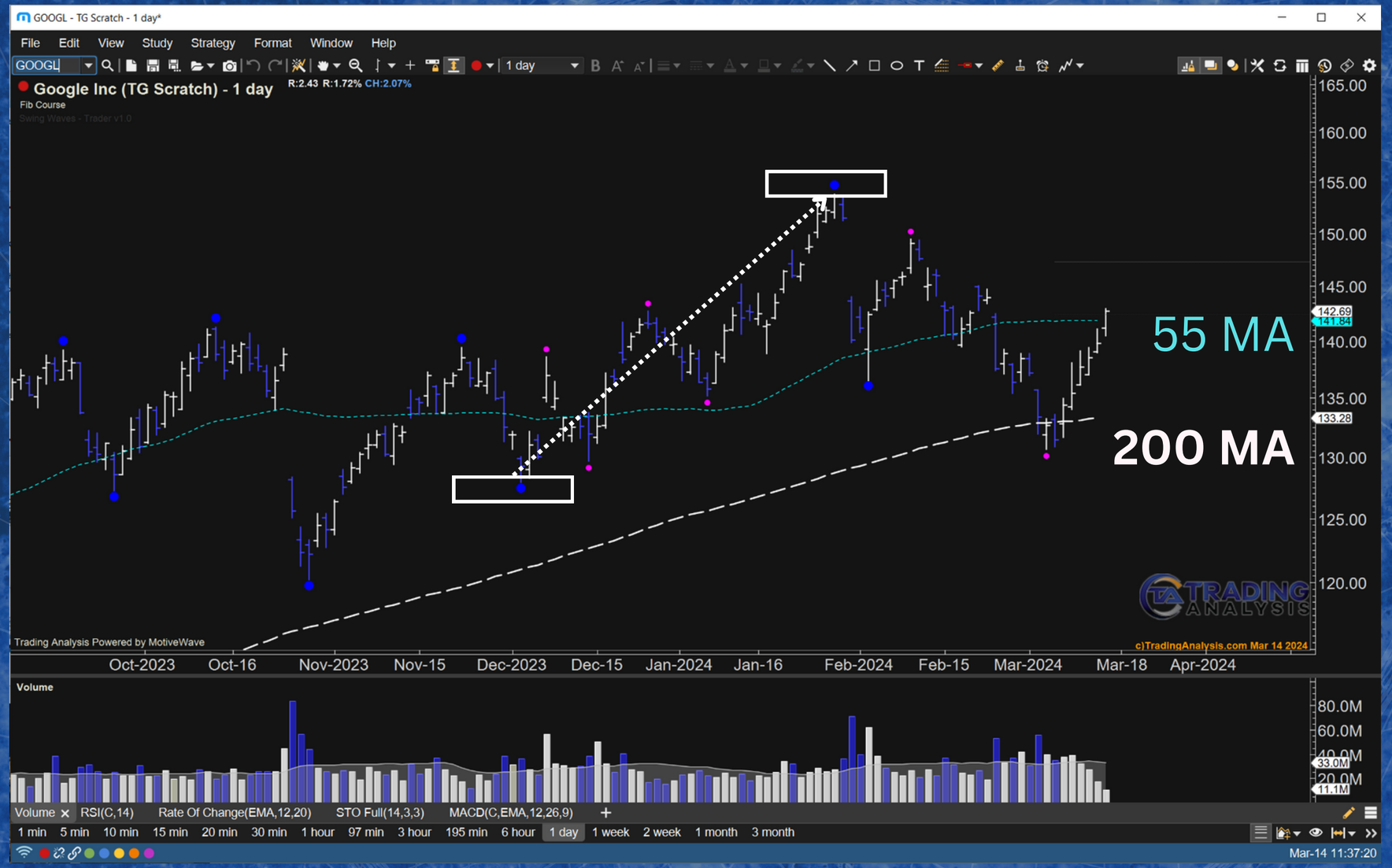
DraftKings ‘DKNG’ Daily



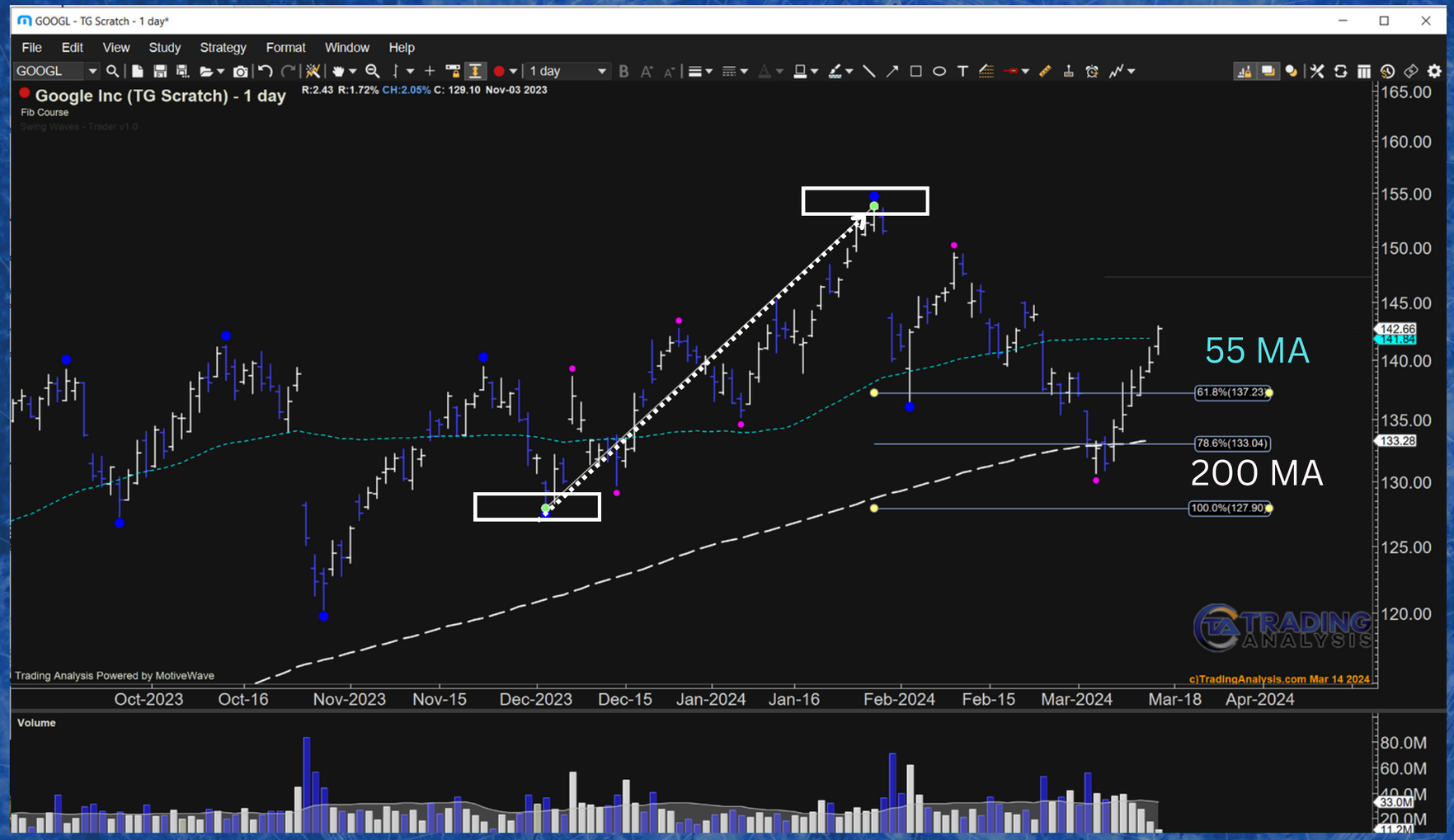
DraftKings ‘DKNG’ Daily



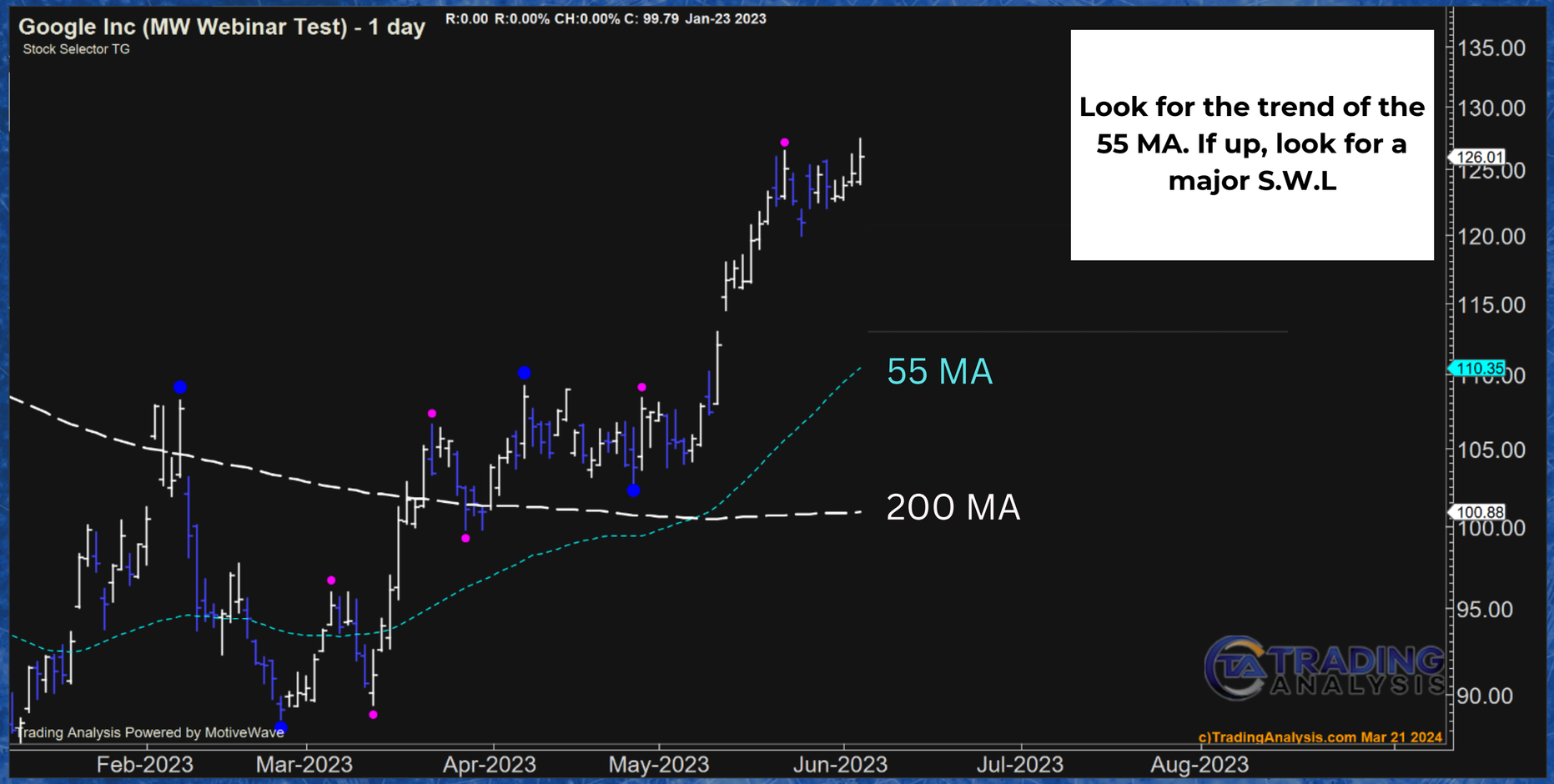
Alphabet ‘GOOGL’ Daily



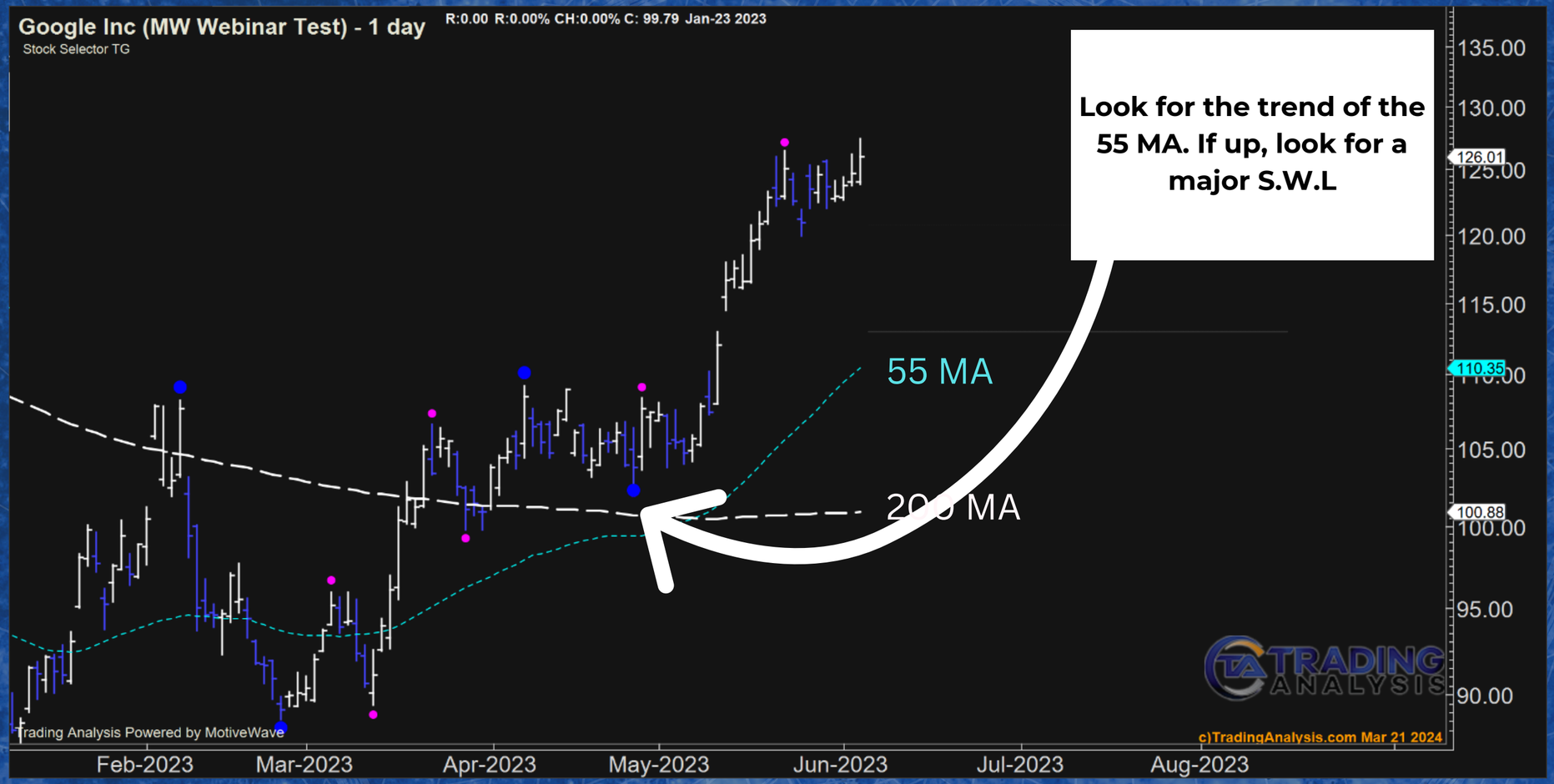
Alphabet ‘GOOGL’ Daily



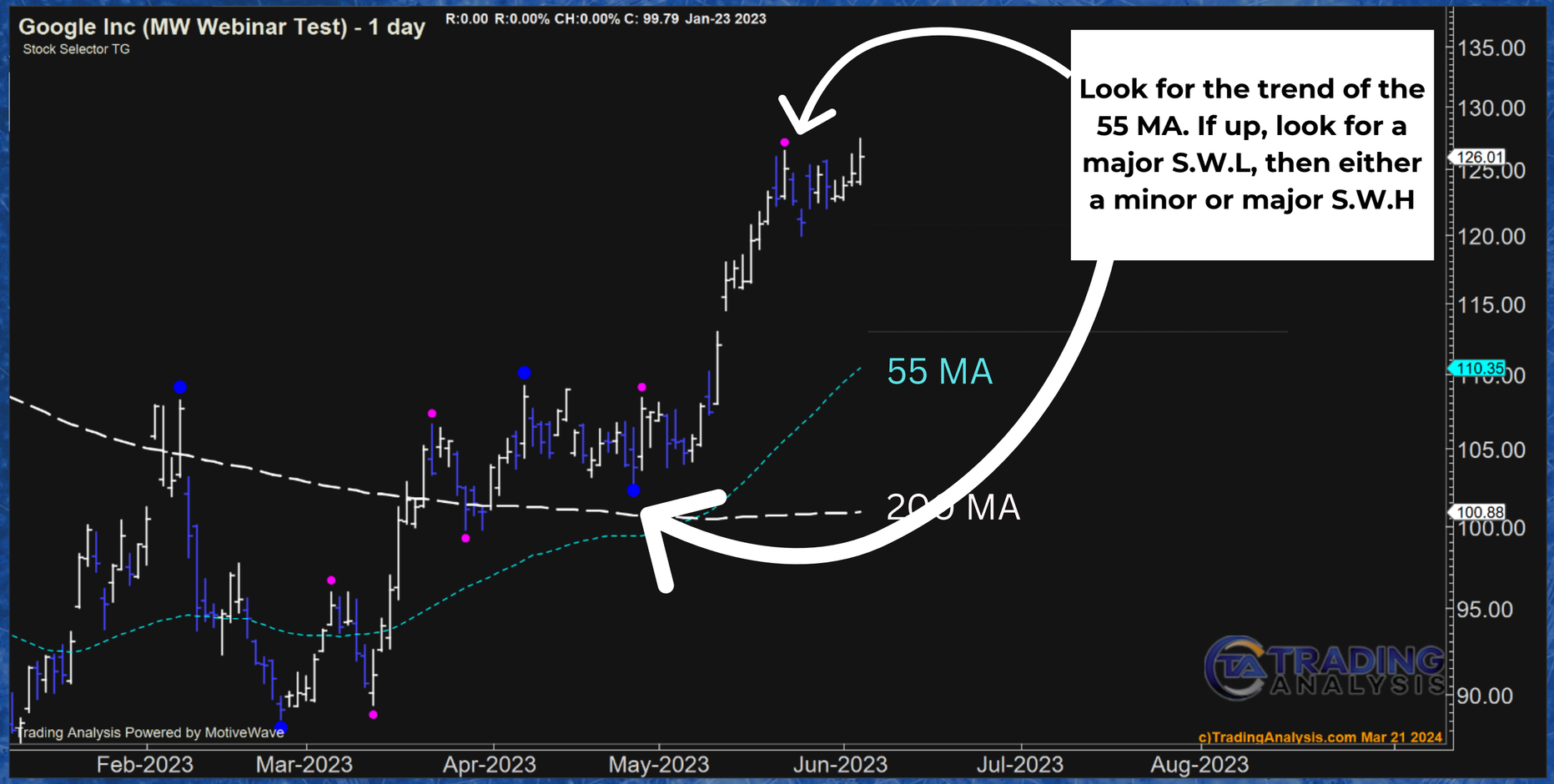
Alphabet ‘GOOGL’ Daily



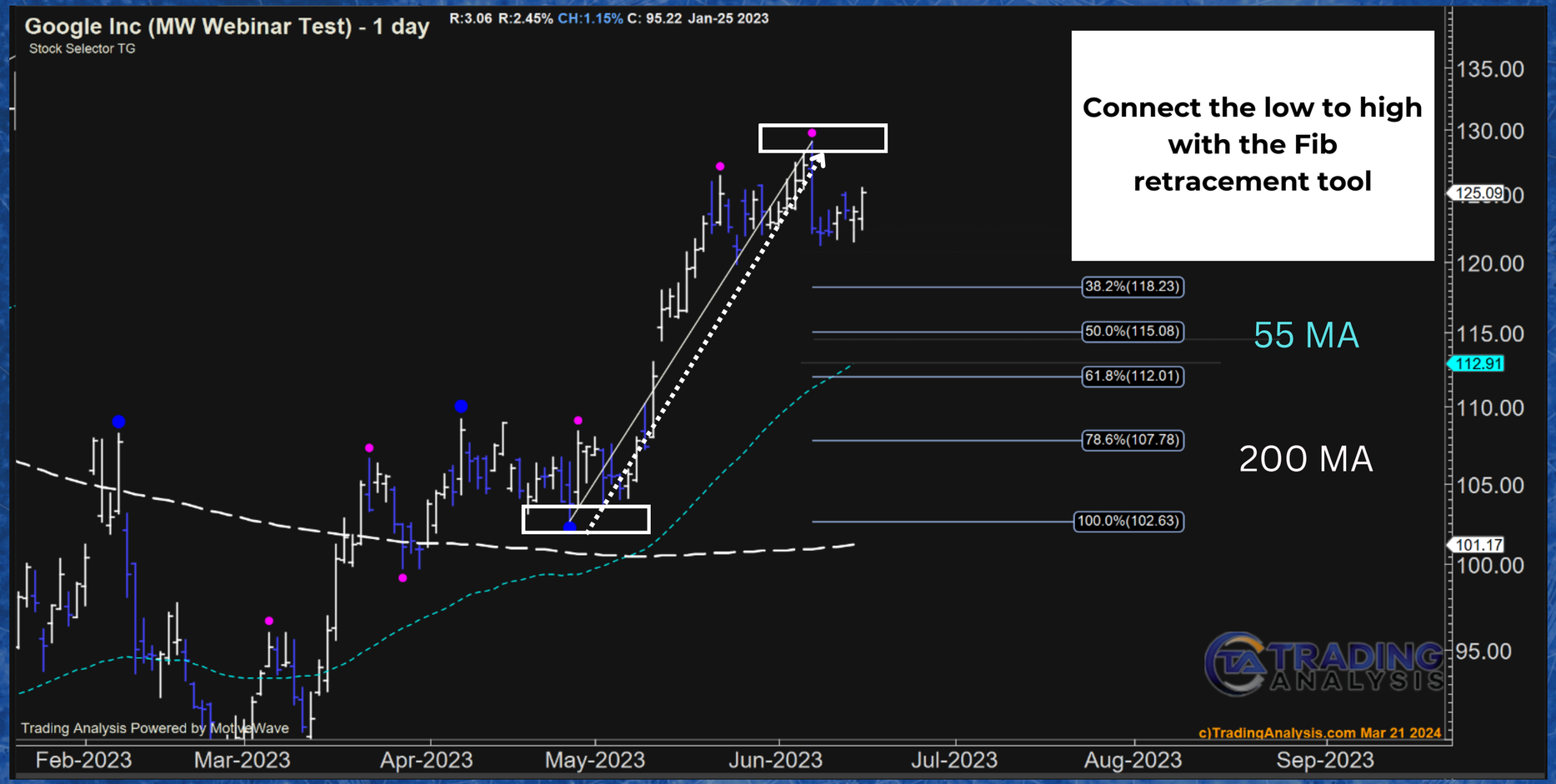
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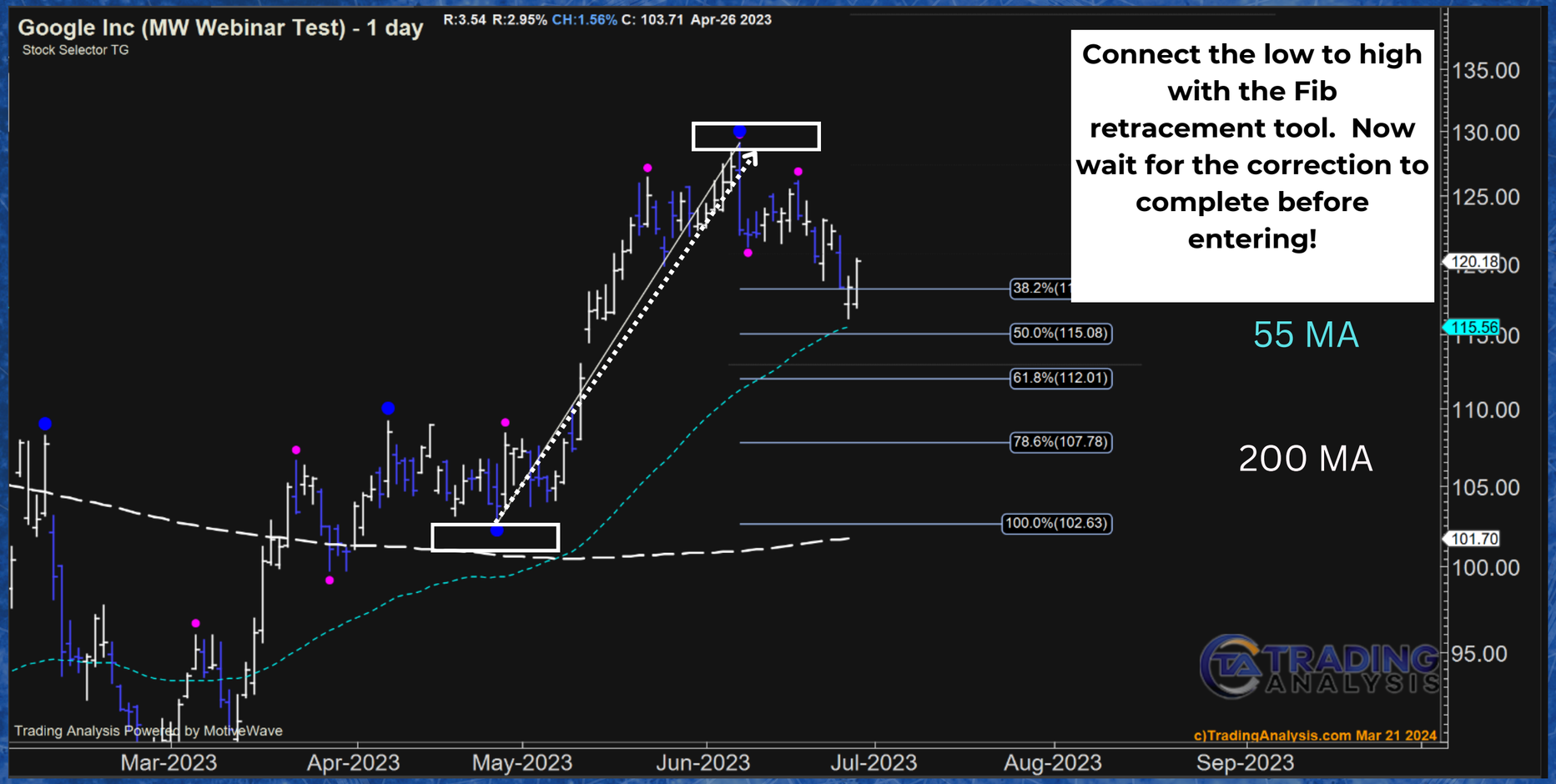
Alphabet ‘GOOGL’ Daily



Alphabet ‘GOOGL’ Daily



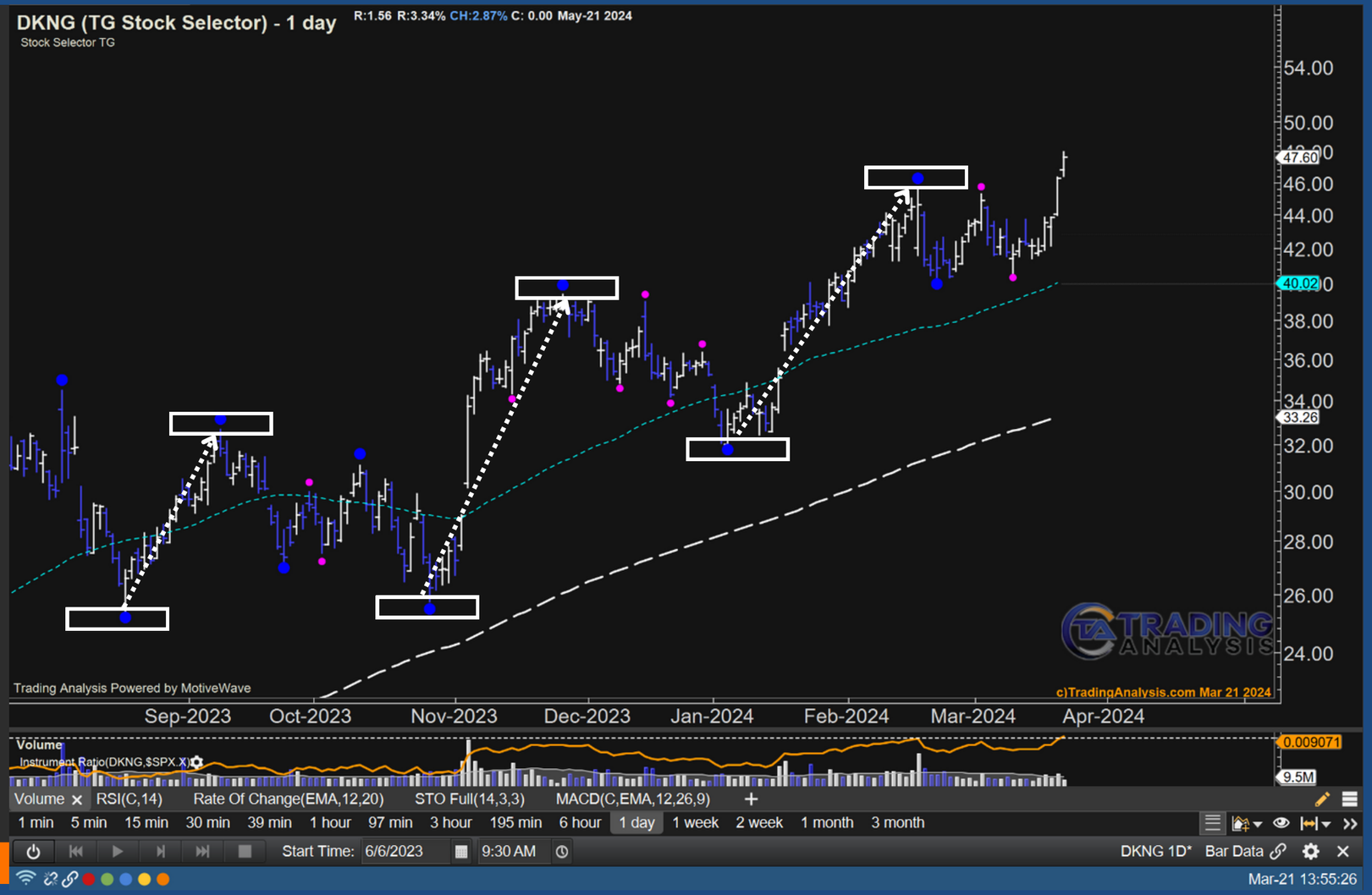
Alphabet ‘GOOGL’ Daily



Identifying the Major / Minor Trend and Corrective Waves

Isolate the Major Trend Waves

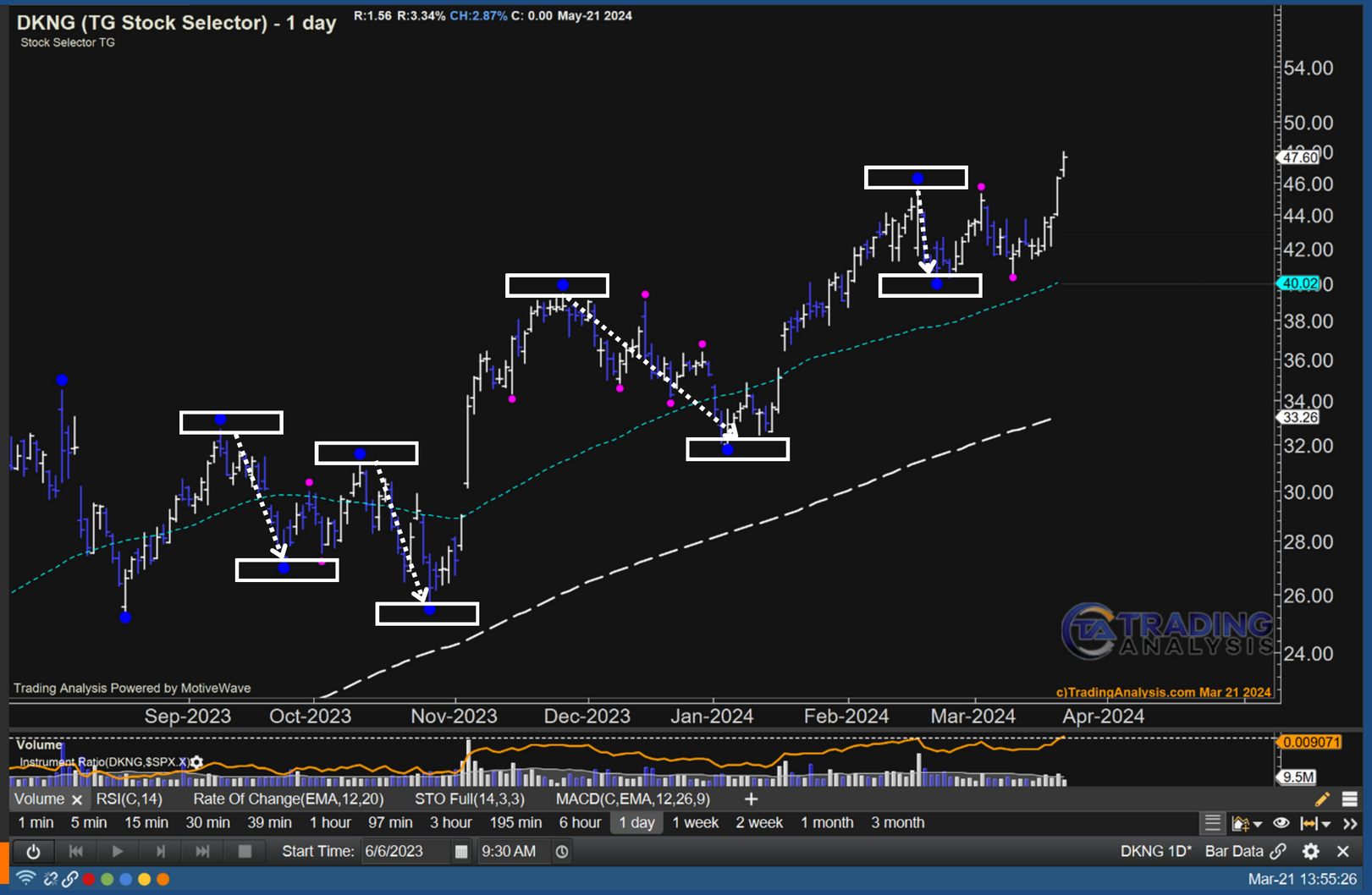
- Looking to past price action, any blue dot to blue dot swing **in the direction** of the 55 MA is a **major trend swing**.
- You will use these prior trend swings for Fib calculations later on



Identifying the Major / Minor Trend and Corrective Waves

Isolate the Major Corrective Waves

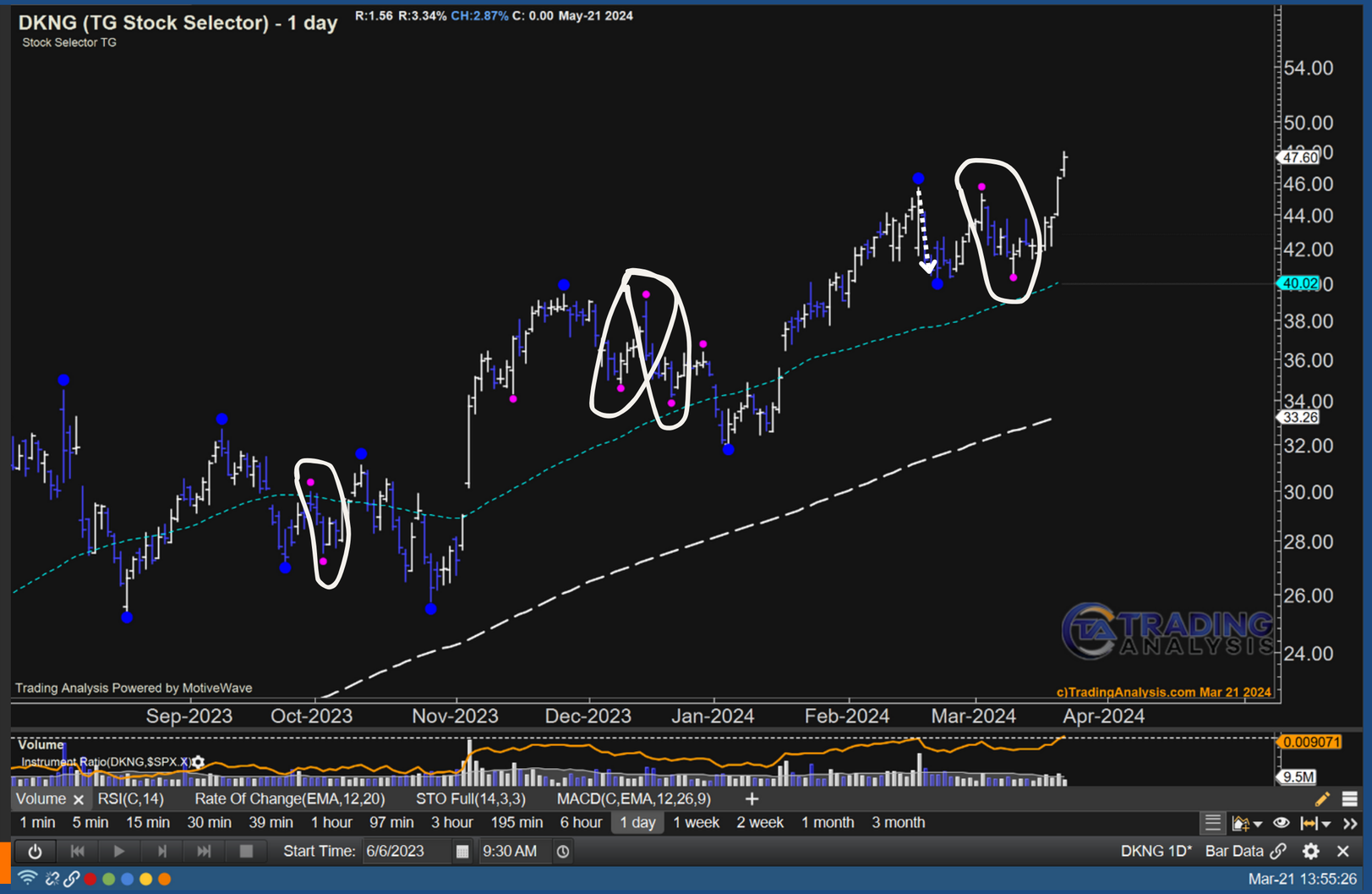
- Any blue dot to blue dot swing **against the direction** of the 55 MA is a **major corrective swing.**
- You will use these prior trend swings for Fib calculations later on



Identifying the Major / Minor Trend and Corrective Waves

Isolate the Minor Trend Waves

- Looking to past price action, any purple dot to purple dot swing **either with or against the direction** of the 55 MA is a **minor corrective swing.**
- You will use these prior trend swings for Fib calculations later on



Identifying the Major / Minor Trend and Corrective Waves

Major Corrective Waves

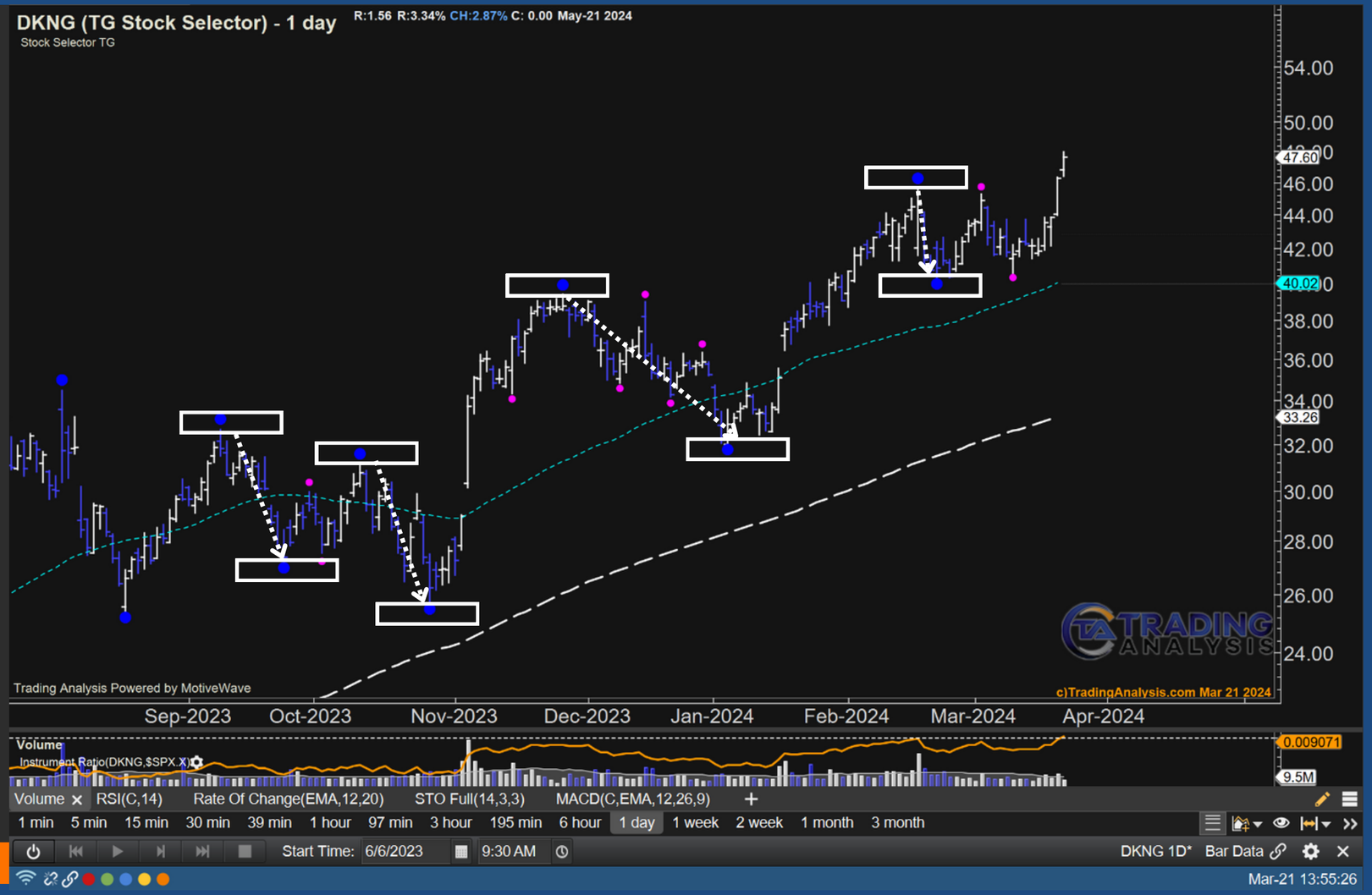
- *In the* **direction** of the trend?? These will be challenging to identify in real-time and are not common, but they do happen



Identifying the Major / Minor Trend and Corrective Waves

Isolate the Major Corrective Waves

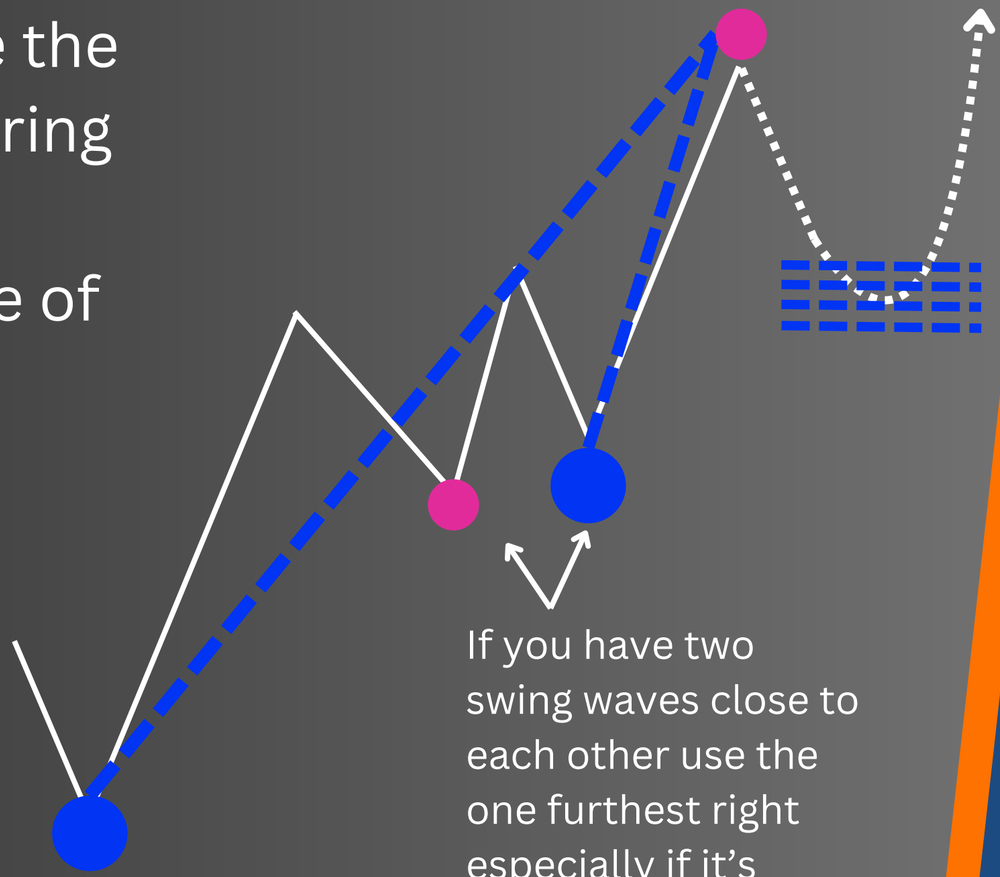
- Any blue dot to blue dot swing **against the direction** of the 55 MA is a **major corrective swing.**
- You will use these prior trend swings for Fib calculations later on



TRADING ANALYSIS

Stack the Zone

- Be sure to use multiple time frames to see the entirety of the trend swing you're considering trading to find prior swing wave lows
- Also, compress and expand the time frame of the chart you're studying to see what's happened in the past.
- You want to use multiple degrees of trend swings that need to be corrected to find a possible entry zone.
- This is called **stacking the zone!**



Stack the Zone - MSCI Daily



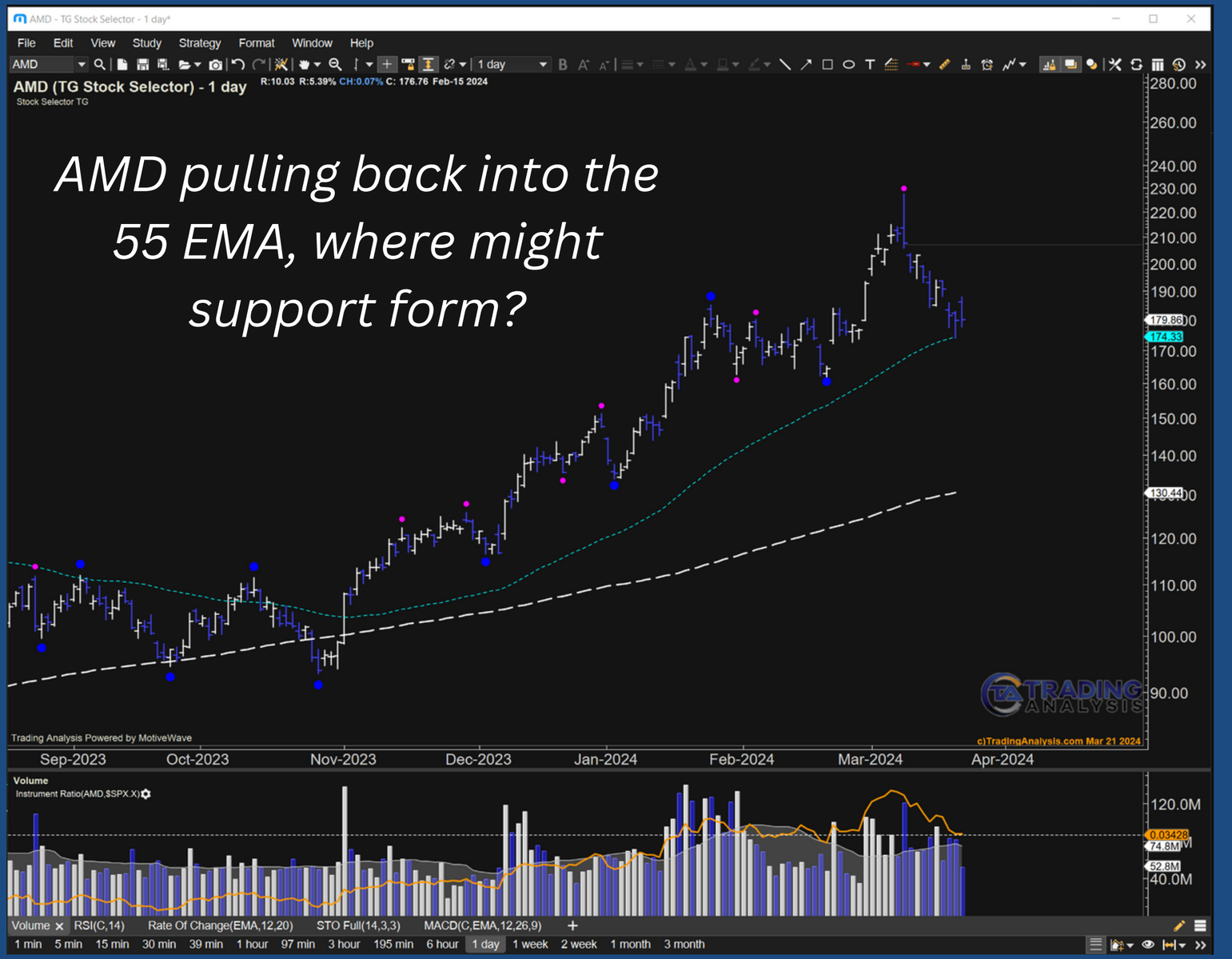
Stack the Zone - MSCI Daily



Stack the Zone - MSCI Daily



Stack the Zone - AMD Daily



Stack the Zone - AMD Daily



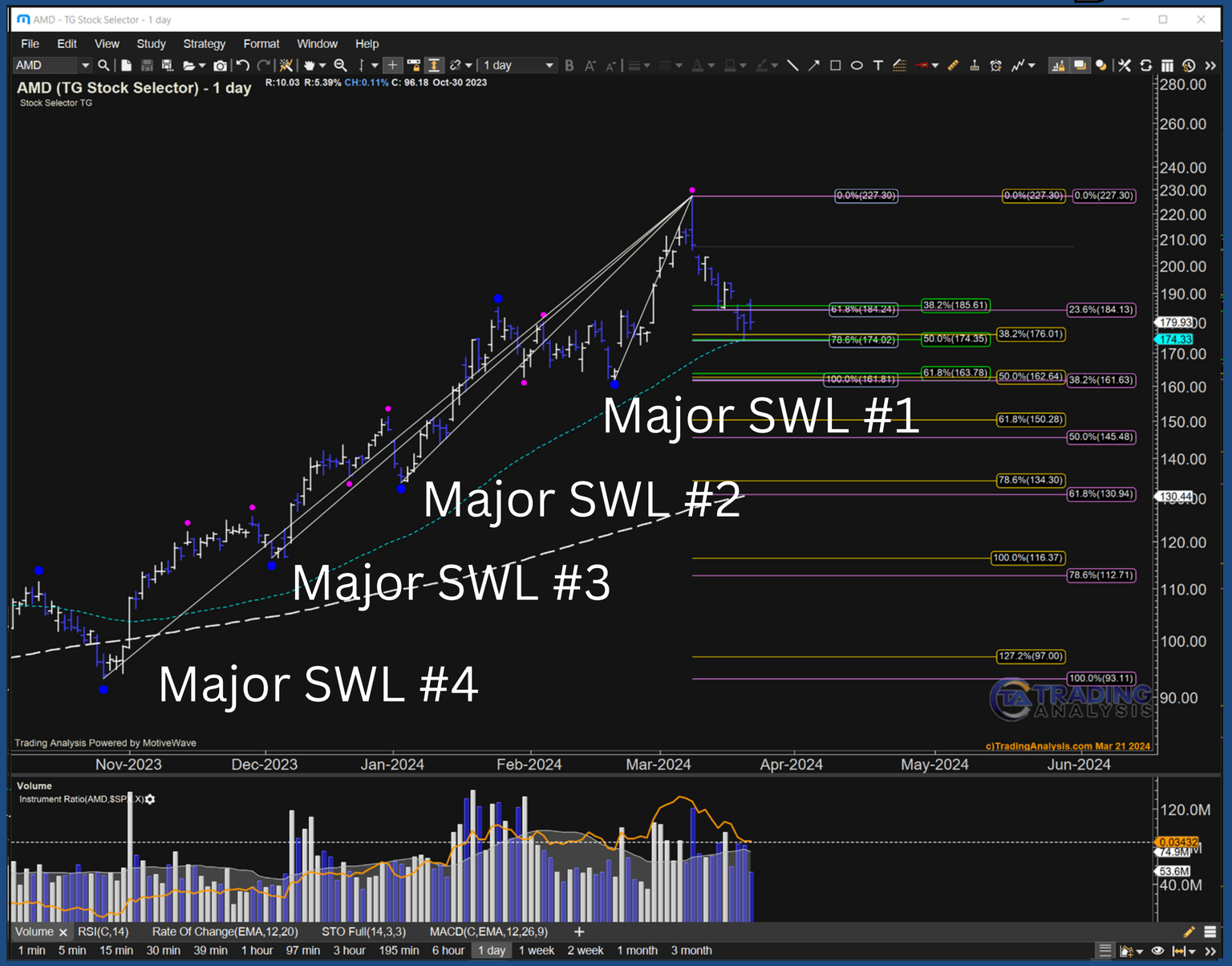
Stack the Zone - AMD Daily



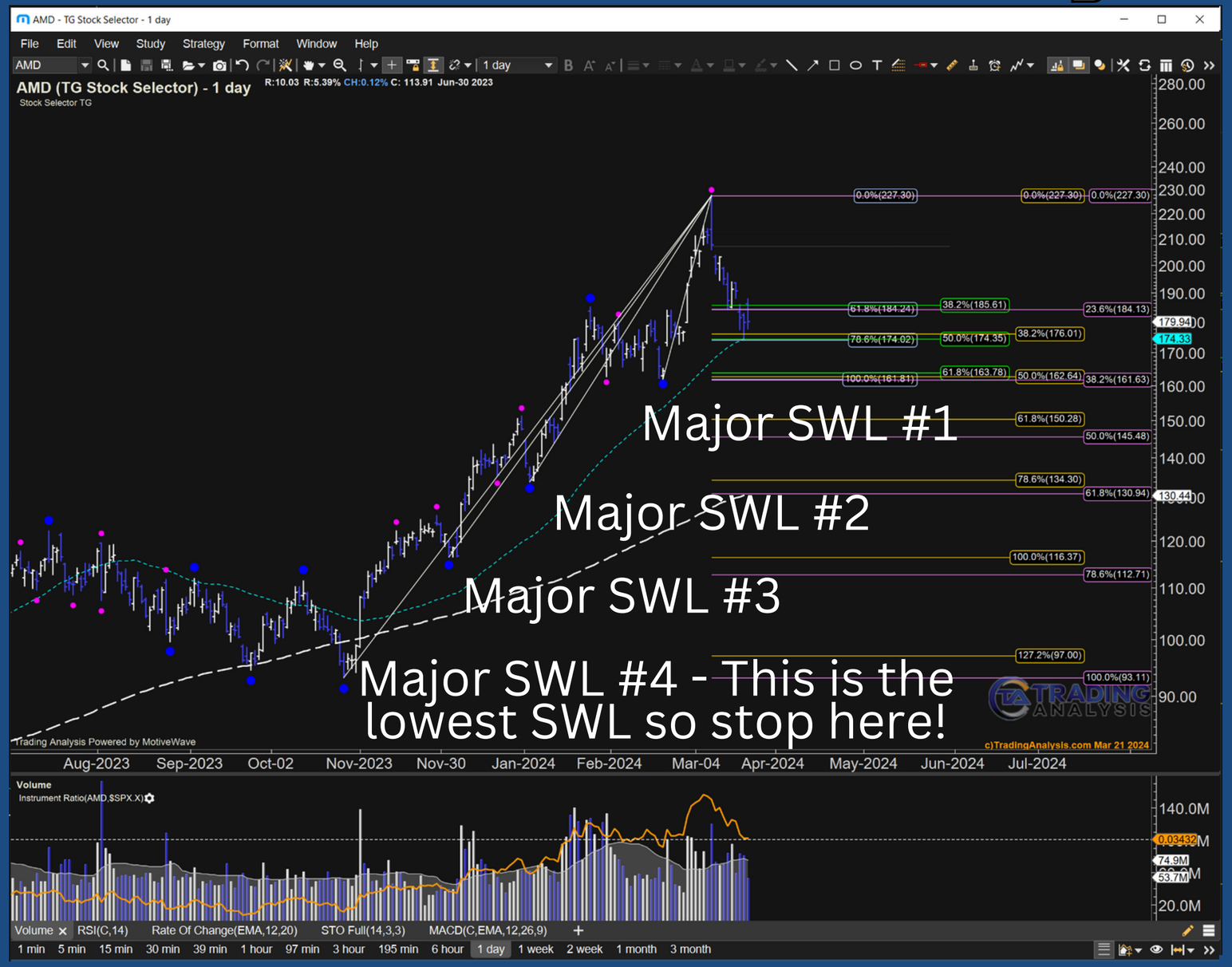
Stack the Zone - AMD Daily



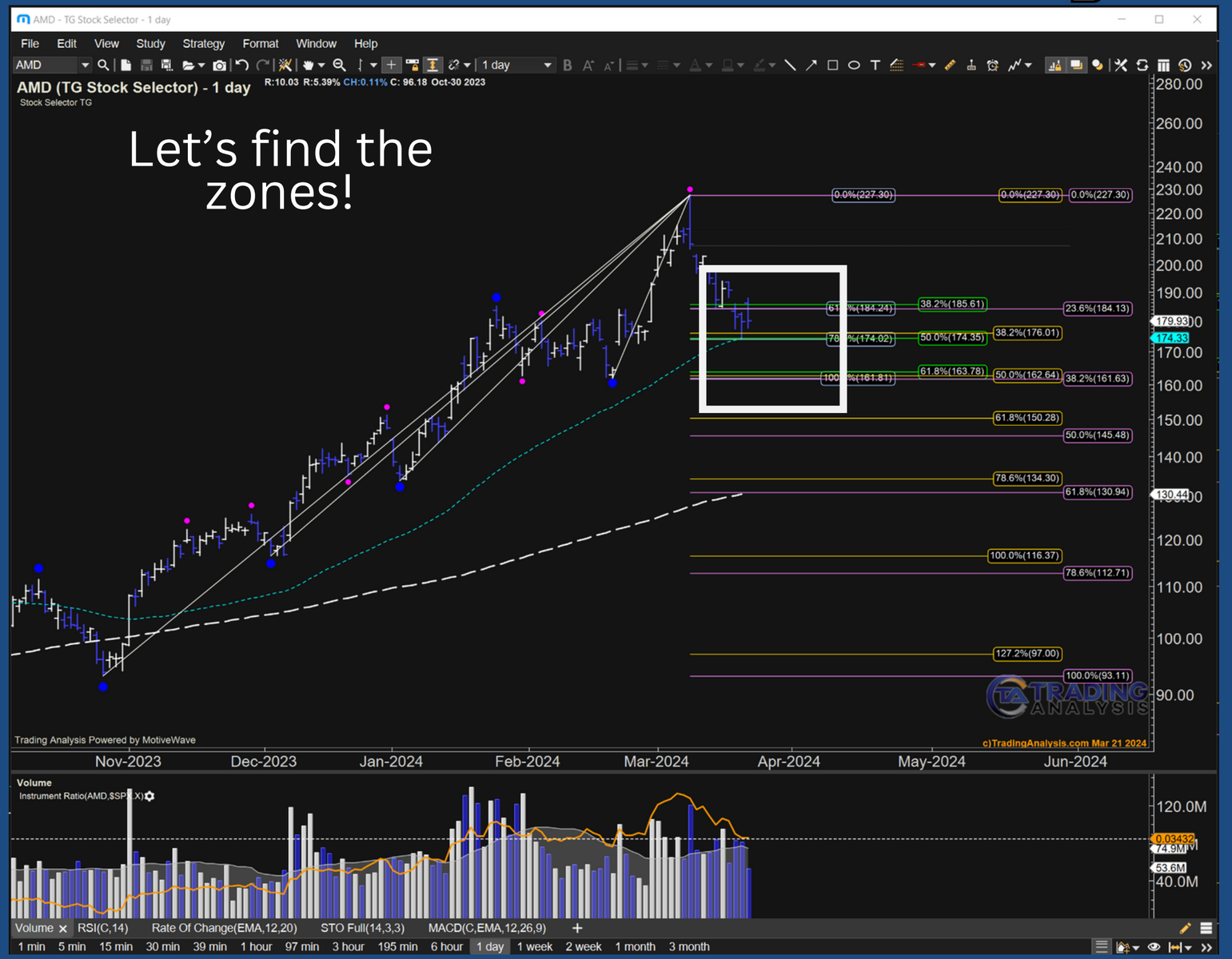
Stack the Zone - AMD Daily



Stack the Zone - AMD Daily



Stack the Zone - AMD Daily



Stack the Zone - AMD Daily



Stack the Zone - AMD Daily



Stack the Zone - AMD Daily

We calculate two ZONES of Fib support:
1) $176.01 - $174.35
2) $163.78-$161.63



Stack the Zone - AMD Daily

We have two ZONES of Fib support:
1) $176.01 - $174.35
2) $163.78-$161.63

In the next session we will cover the ART of the Trade and define how we want to trade these 2 potential support zones



TRADING ANALYSIS

Be Cognizant Of Higher Time Frames

When trading do not neglect the higher time frames that may influence the outcome of your trade or investment.

The higher time frames might offer targets / barriers that will impact your position.

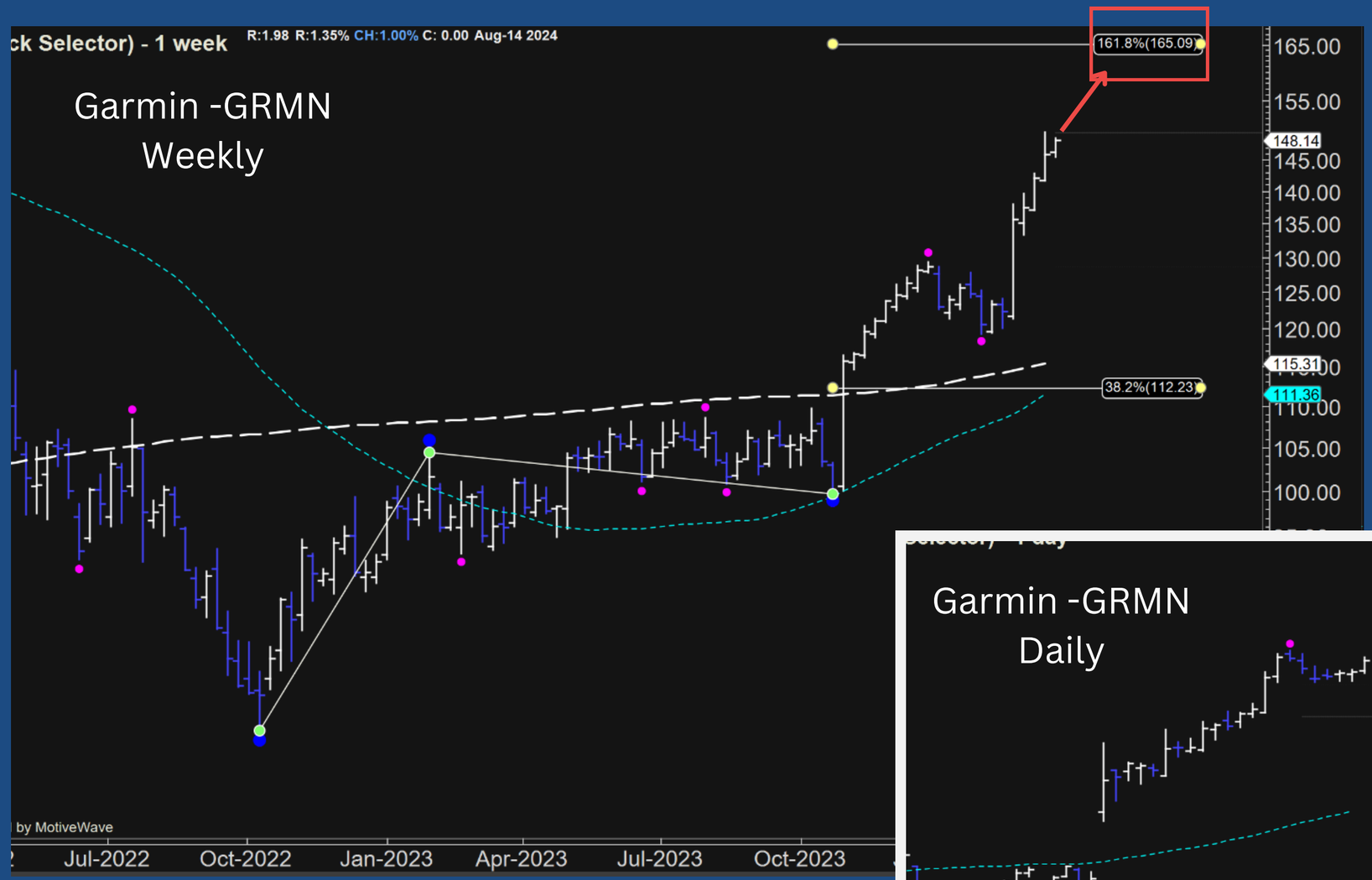
Let’s look at examples using retracements.

Be Cognizant Of Higher Time Frames



TRADING ANALYSIS

Be Cognizant Of Higher Time Frames





Be Cognizant Of Higher Time Frames



Be Cognizant Of Higher Time Frames



Be Cognizant Of Higher Time Frames



Be Cognizant Of Higher Time Frames



FIBONACCI TOOL #2

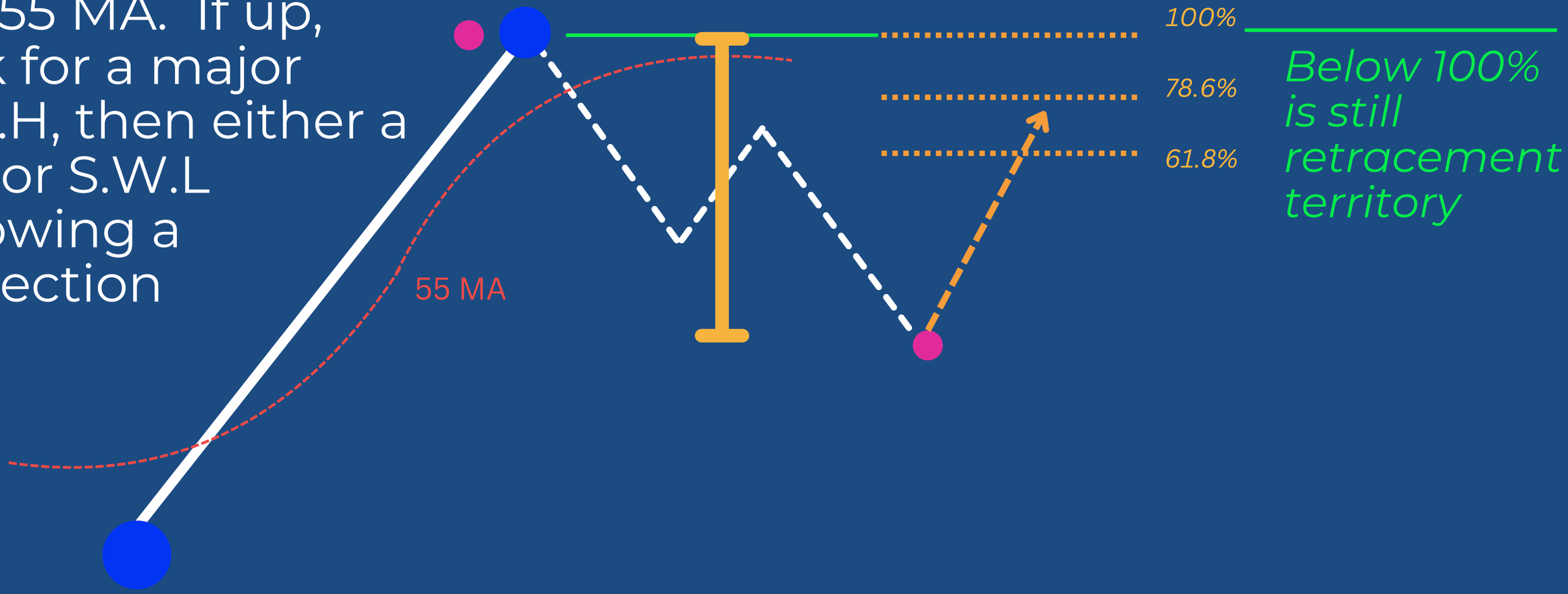
EXTENSIONS

- They are retracements that are used to study the starting / stopping points of a **correction**
- A retracement that exceeds the 100% retracement to ‘extend’
- Projects the length of the next **trend wave**
- **Also known as ‘external retracements’**

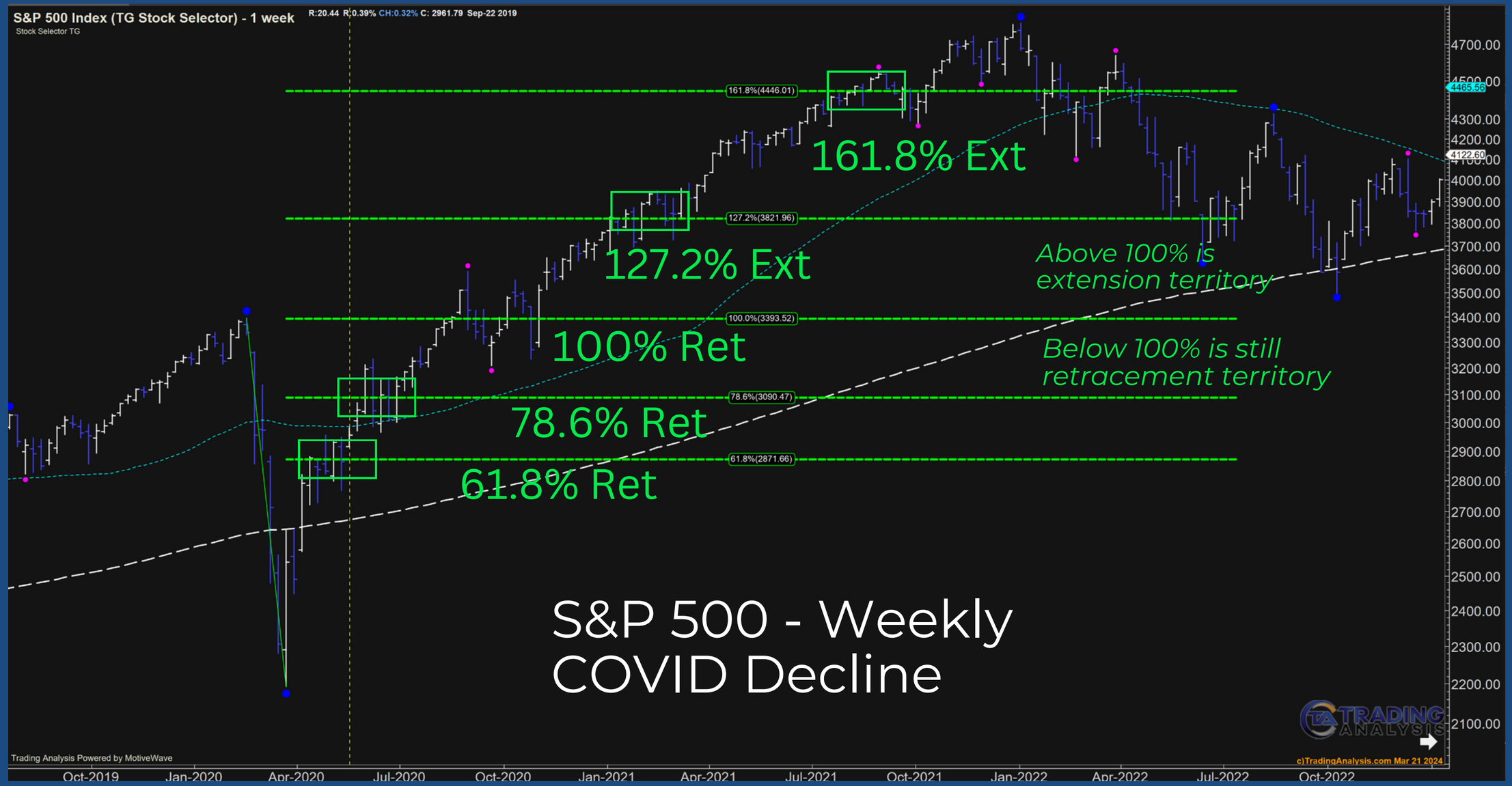


Fibonacci Extensions

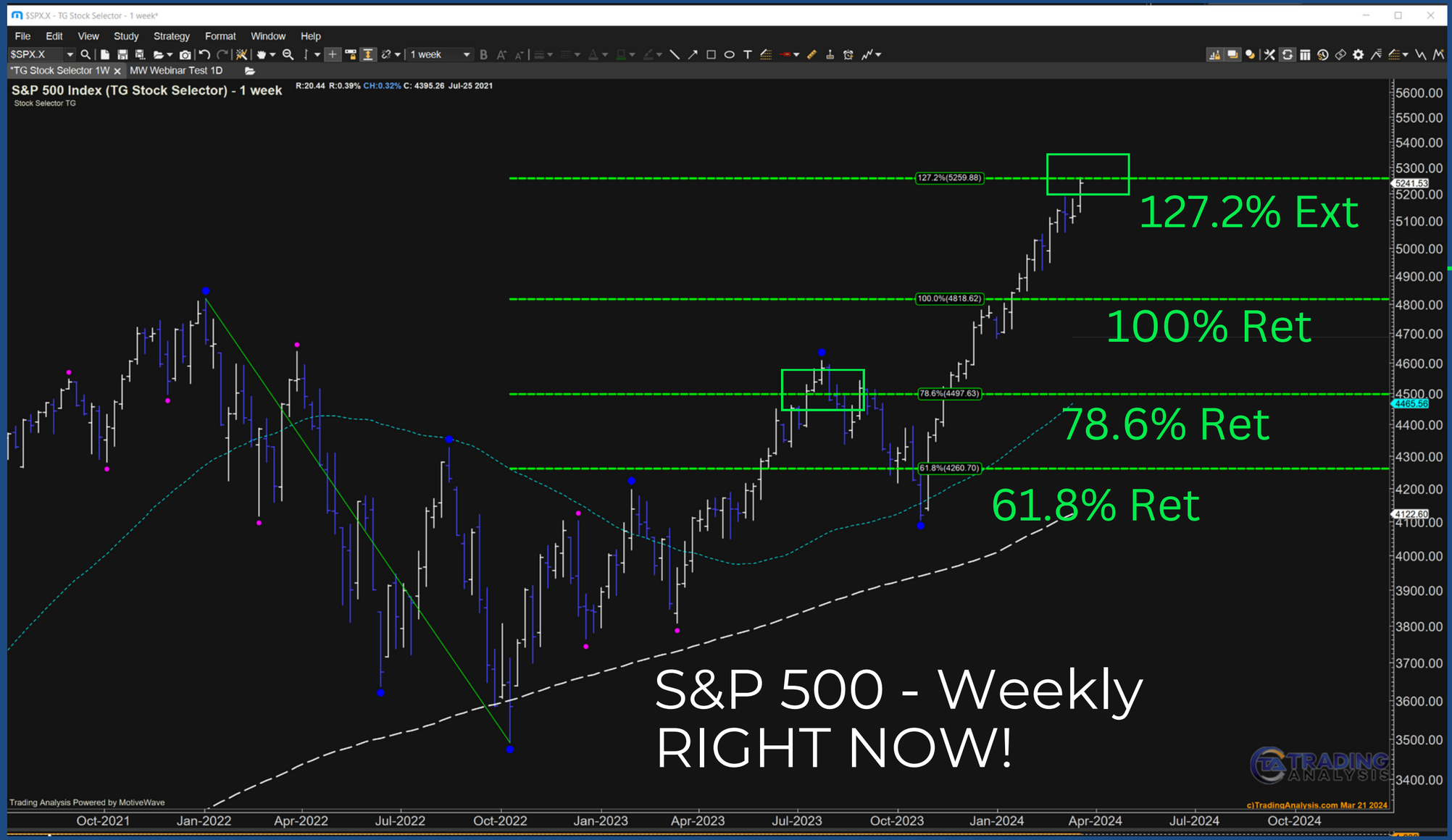
Look for the trend of the 55 MA. If up, look for a major S.W.H, then either a minor S.W.L following a correction



Fibonacci Extensions



Fibonacci Extensions

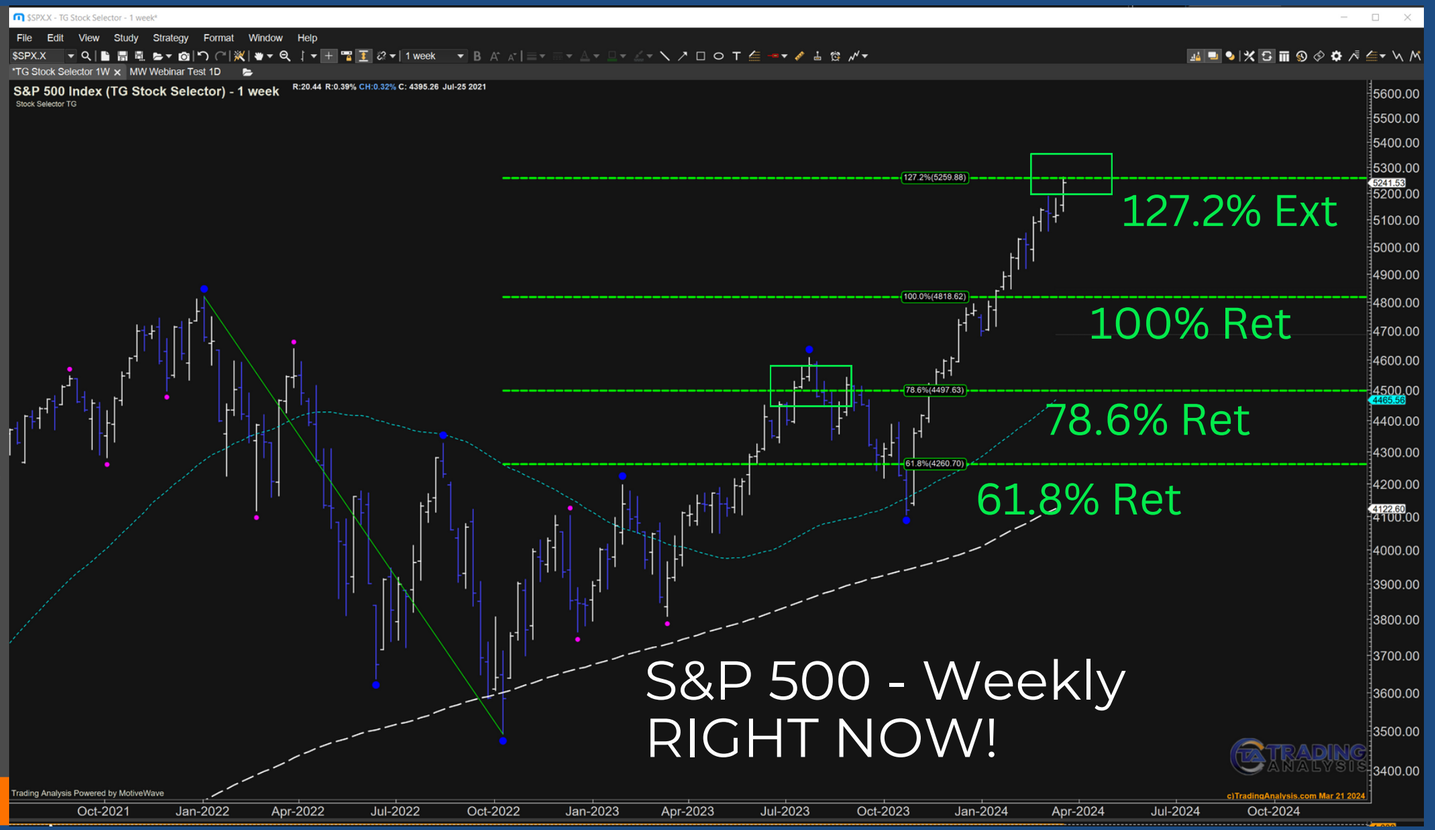


Square Roots of Fibonacci

Square roots are embedded in the Fibonacci sequence.

Square root of 1.618 = 1.272
Square root of 0.618 = 0.786

One of the most reliable relationsips I've found is a move that does NOT REVERSE at the .786 retracement usually extends to the 1.272 extension. Square roots!



TRADING ANALYSIS

SHAK Trade Today into .786

TRADING ANALYSIS



Your Homework

Step 1 - Complete The Trader Survey

Step 2 - Find 2 Examples of retracements with 2 major swing lows

Step 3 - Find 2 examples of a market that exceed the .786 retracement and achieved the 1.272 extension

Step 4 - Upload them to the cloud link you'll find in the course home page

Step 5 - File name (last name-symbol-date) GordonAAPL20231010

Step 6 - See you next class, Thursday the 27th at 6 pm EST!

TRADING ANALYSIS

See you next week!