

Trading with Fibonacci retracement levels

Fibonacci numbers have very magical effect on the market. They act as support and resistance depending on how the stock is moving. This is a place where market will continue to move up / down in the trending market.

They can also act as reversal points. So these are most important reference points to be watched. If there is no volumes in the trade at this level and it is trading in a small range, then it is better to avoid trading unless it gives breakout.

When the stock moves in narrow range in these points, it is consolidating and finding direction for the market. Bulls and Bears are fighting and whoever is stronger the price will move in that direction. Hence, it is advised not to gamble when direction is not clear. Wait for the breakout to happen and follow the trend.

Please remember, TREND is Your FRIEND, Do NOT Break The TREND.

The magical Fibonacci retracement numbers are 0.236, 0.382, 0.618.

You may be wondering what to do with these numbers, i will explain about this in my tomorrows post. Don't forget to read it.

If you need expert advice on specific stocks, or personalised service, please email me at nsebestocktradingcalls@gmail.com

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