

Automatic Fibonacci Tools

Developed by Roy Kelly

TrendPro, Inc.

2533 N. Carson St. Suite T326

(530) 243-8999, Fax: (775) 627-9999

Email: support@trendpro.com Web site: <http://trendpro.com>

WWW.TRADING-SOFTWARE-COLLECTION.COM

ANDREYBBRV@GMAIL.COM

SKYPE: ANDREYBBRV



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Introduction

Technical Support-Free For 30 Days

If you are having any problems that prevents the program from working correctly, please call technical support at (530) 243-8999, **Monday through Friday, 9:30 AM - 2:30 PM PST**. **Free technical support** is available during the first 30 days you own the software. **After the initial 30 days of free technical support there is a \$30 technical support fee per call**; unless the problem is caused by a defect in our software. For the most efficient service, we suggest you fax, or email, your questions to our technical support department and a representative will reply as soon as possible. Please allow 24 hours for a response. If in that time you do not receive a reply, please try again, as this means we did not receive your request for assistance.

Email address: **(support@trendpro.com)**.

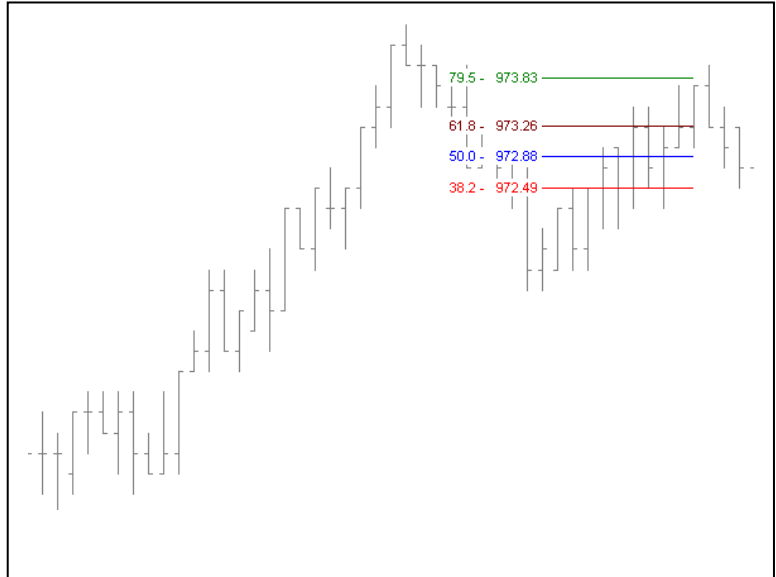
Trade Like The Pros Seminars

Trading the markets require experience and skill. Roy Kelly personally conducts several seminars per year on trading active commodities, bonds, stocks, and intra-day trading of the S&P Index. These seminars are very specific and presented in such a way that both beginning and experienced traders leave with greatly improved trading skills and the ability to use the powerful software we provide. For a schedule of upcoming seminars please call us at (530) 243-8999 or check our web site at: <http://www.trendpro.com>.

There is a risk of loss trading futures and stocks.

Fib Retracements

This shows “Fibonacci” retracement points from the last cycle high or cycle low. It plots dots on the screen that show where the retracement points are. These retracement points work fairly well as long as you trade in the direction of the trend. “Fibonacci” retracements of 38-62% are particularly significant as a support and resistant range when prices drop into a trading cycle bottom in an up trending market and as prices rise to cycle tops in a down trending market. The exact prices of the retracements can be seen in the Data Window by clicking the crosshairs on the retracement points.



Tips & Techniques

❖ To keep your chart as clean as possible set the LastOnly input to True. Often times when this indicator is first plotted it does not plot anything on the chart. If LastOnly is set to True it will plot after a new cycle high or cycle low is confirmed.

❖ Inputs	Default	Description
CycStren	0	The Range is 0-200, for most markets leave at 0 for auto mode.
Percent	2.25	This setting should be > 0. Experimentation is needed to find the best setting for the market being traded.
Ret1 - Ret4		.382, .50, .618, .786 “Fibonacci” retracements. These values can be any number > .01. If set to 0 that line will not plot.
LastOnly	True	If set to true it will only show the most recent retracement. If set to false it will show the current and the one previous.
UsePnts	True	If set to True, it uses a point value, if set to False, it will use a percent value to calculate the cycle high or cycle low.

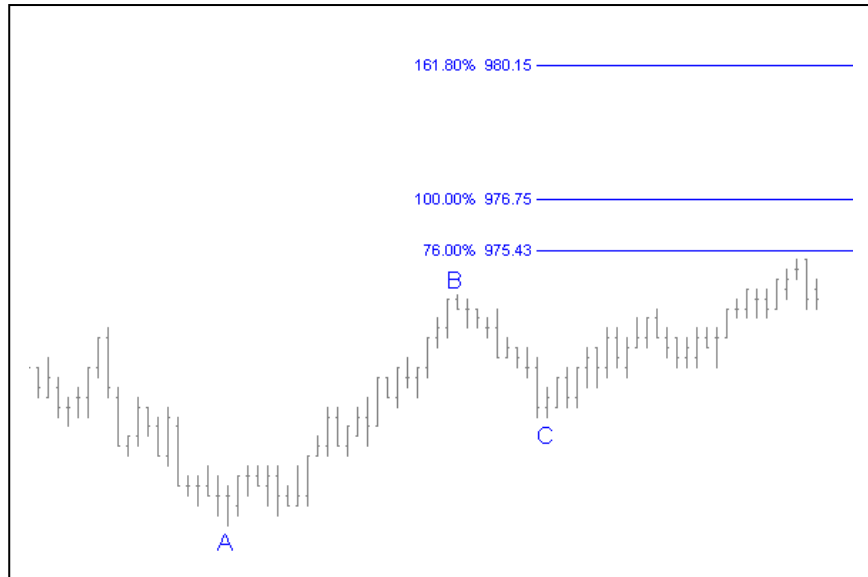
WWW.TRADING-SOFTWARE-COLLECTION.COM
ANDREYBBRV@GMAIL.COM
SKYPE: ANDREYBBRV

Fib Retracements

❖ Inputs	Default Color
Ret1Color	Red
Ret2Color	Yellow
Ret3Color	Cyan
Ret 4Color	Green
LineStyle	Solid

WWW.TRADING-SOFTWARE-COLLECTION.COM
ANDREYBBRV@GMAIL.COM
SKYPE: ANDREYBBRV

Many have used Fibonacci Retracements for many years and in various different ways. Before Fibonacci numbers became popular with traders, Charles Dow was using them around the turn of the century. In an editorial Charles Dow wrote, “A much more practicable theory is that founded on the law of action and reaction. It seems to be a fact that a primary movement in the market



will generally have a secondary movement in the opposite direction of at least three-eighths of the primary movement...The low seems to hold good no matter how far the advance goes.” Later, writers developed the rule “one-third to two-thirds of the previous move.” So the question becomes—is this a dependable guide? Many think so. The most popular Fib numbers are .382, .618, and .786. You will find a great number of buying and selling going on at these retracements. There are many ways today’s traders use these retracements in today’s market place. A careful study is recommended before trying to buy or sell off the extensions.

❖ Plotting the Indicator

This indicator will plot automatically based on the Turn Point it finds. However, you can use it in a manual mode. To do so, you would need to set the Input called *AutomaticLine* to *False*, and you will need to use text on the chart to plot this one. Go to *Text* and type an “A”, then repeat this for “B” and “C”. Take the mouse pointer and click on the “A” and move it to the first swing point in the ABC swing. Put it on the lowest low. This is where the Turn Points (or Kelly’s Trident) dots will be plotted. Then click on the “B” and move it to the swing high. Then click on and drag the “C” to last swing low. To get the indicator to plot from this point you can do one of two things. Go to *format, analysis techniques, Fib Extension, turn status off, then on, close*. The indicators should plot at this point. The second way is to use the Expert (or Analysis) Commentary. The indicator must be on, and you must have the A, B, C at their proper locations. Click on the Expert Commentary, then take the mouse arrow and click on the last bar on the chart you want the indicator plotted on. This may seem hard at first, but once you do it a few times it becomes quite simple.

Tips & Techniques

❖ What seems to work extremely well for us is when a cycle is forming at a retracement area—this is usually a point to enter or exit a trade.

❖ Style	Default Color	
Fib1 – Fib 7	Cyan for a buy setup (L-H-L) Yellow for a sell setup (H-L-H)	
❖ Inputs	Default	Description
AutomaticLines	True	Turns on/off (true/false) the manual/auto mode.
CycStren	0	The Range is 0-200, for most markets leave at 0 for auto mode.
Percent	2.25	This setting should be > 0. Experimentation is needed to find the best setting for the market being traded.
BuyColor	Cyan	
BuySize	0	
BuyStyle	3	
SellColor	Red	
SellSize	0	
SellStyle	3	
Fib 1–Fib 7	Fib Numbers	This indicator allows up to seven Fib Lines. The values are placed in the inputs Fib 1–Fib 7: If an input is “0”, it is ignored.

Notes: We only allow a maximum of two formulations, a buy setup (L-H-L) or a sell setup (H-L-H). You must use CAPITAL LETTERS for the A, B, C or A1, B1, C1.

Fibonacci Confluence

The best way to use this indicator is to plot it on a one minute chart. The reason for this is because the number one is the only number that will divide equally into all other numbers, and it is the only true way to build different times within the indicator to project the Fib Confluence lines. This is why it is best to use a one minute chart. If you use a tick, or share (volume) bar chart, you may have many bars during a one minute period, or you may not have any tick or share bars over several minutes. Thus, if there is a Turn Point at one of these points, the indicator would not be able to indentify it as a cycle.

With that said, I *will* say that I have used it on many different tick and/or share bar charts. But the prudent course would be to build a one minute chart and plot the indicator on it. You can still have other charts open showing the rest of your indicators, and trade from the chart you prefer. However, view the one minute chart for your Fib Confluence areas. With NT this is easy to do, as you can have many charts open simultaneously, sizing them in your own way.

For optimum results with this indicator, it is best to trade in the direction of the trend. Some Traders want to sell the very tops and buy the very bottoms; however, this is a very high risk way to trade. It is much easier to buy the bottoms as they find support on these Fib Confluence areas in an up-trending market, and sell the tops off these Fib Confluence areas in a down-trending market.

For optimal accuracy, plot the Turn Point indicator on the chart you intend to plot the Fib Confluence indicator on. Make sure the Turn Point indicator plots on the Turn Point you would consider tradable (profitable); meaning having enough price movement between Turn Point to Turn Point. If you need to adjust the Turn Point indicator to show the correct Turn Points, dial it in using the Percent input, and then afterwards, use the same input values you found for the Turn Point indicator in the inputs of the Fib Confluence indicator: Percent.

Most of the time, the above step is not needed; i.e., the ER, ES, SP, and many other stocks and futures. However, with real money on the line, every available advantage can make a difference. Therefore, the reasonable course would be to check the chart that you plan on using with the Turn Point indicator first, and then plot the Fib Confluence indicator.

Tips & Techniques

❖ These are the colors the lines plot, to change a color simply type in the NT color you prefer.

❖ Style	Default Color	Description
ABC_Up_TopColor_	Red	
ABC_Up_BotColor_	Cyan	
ABC_Down_TopColor_	Yellow	
ABC_Down_BotColor_	Green	

Fibonacci Confluence

❖ Inputs	Default	Description
CycStren	0	The Range is 0-200, for most markets leave at 0 for auto mode.
Percent	2.25	This setting should be > 0. Experimentation is needed to find the best setting. Use the same setting that works best for the Turn Point indicator from the Floor Traders Tools.
MinLines	3	This is the number of Fibonacci lines needed to be considered a Fib Confluence area.
MinRange	3	This is the price range that a Fib Confluence area needs to appear within in order to plot. For example: let's say if I wanted 3 Fib Lines to Plot in a 3 point range, I would set the MidLines to 3, and then the MidRange to 3. Thus, I would have three lines needed to qualify within a price range of three points to meet my requirements for a Fib Confluence area. In most cases the default setting works well. For FOREX markets try using (0.0003)

❖ **Note:** FOREX Traders, please use the one marked with -FX after the indicator name.

❖ Inputs	Default	Description
Chart1	1	See notes below.
Chart2	2	
Chart3	3	
Chart4	5	
Chart5	8	
Chart6	13	
Chart7	21	
Chart8	27	
Chart9	34	
Chart10	55	

These are the sequential minute time frames the indicator calculates the Fibonacci numbers from. These time frames are built into the indicator, and Fib Numbers are projected from each time.

❖ Inputs	Default	Description
Fib1	38.2	See notes next page.
Fib2	50	
Fib3	61.8	
Fib4	78.6	

Fibonacci Confluence

Fib5	100
Fib6	127.2
Fib7	161.8
Fib8	200
Fib9	261.8
Fib10	423.6

These are the Fibonacci price extensions used inside the indicator for calculations, using the different time frames above (charts 1-10). These calculations are built inside the indicator.

❖ Inputs	Default	Description
BarsBack	100	See notes below.

This is the number of bars on the chart that the indicator will plot the Fib lines for. If you have it set to 20, then the lines will only plot for 20 bars, then stop plotting. If it was set to 100, then all the projected lines would only plot for the last 100 bars on the chart.

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Turn Points

This indicator identifies tradable cycle tops and bottoms. This indicator is designed to clearly show cycle highs and cycle lows. The dynamics of this indicator calculates on a price and percentage retracement based on historical *tradable* cycle highs and cycle lows, rather than using a certain number of bars to determine a reversal in price direction.

This indicator can be superimposed on the price chart or plotted in a separate sub graph. It can also fine tune all cycles past and present, including the major cycles. A real advantage of this indicator is that it will identify the extremely short “amplitude cycles” that nest within a longer cycle and tend to distort the normal cycle lengths.

Tips & Techniques

❖ Style	Default Color	
Cycle Point	Yellow	
Cycle Point	Magenta	
h	Cyan	
i	Cyan	
❖ Inputs	Default	Description
CycStren	0	The Range is 0-200, for most markets leave at 0 for auto mode.
Percent	2.25	This setting should be > 0. Experimentation is needed to find the best setting for the market being traded.
UsePnts	True	The recommended range is between 2.5–5.0. If set to True, it uses a point value, if set to False, it will use a percent value to calculate the cycle high or cycle low