PSEDYS | TECHNICAL REFERENCE MANUAL V3.0

Fibonacci Extension — Fib Ext

Fibonacci Extension — Fib Ext

Technical Reference Manual v1.0

PSEDYS | Complete Edition
Levels 127.2% · 161.8% · 200% · 261.8% · TP Projections · 3-Point Draw · MTF · Bot vs TradingView

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1. What is Fibonacci Extension? Concept

Fibonacci Extension (or Fibonacci Projection) projects **target levels beyond the current swing high** — unlike Retracement which identifies supports within the swing, Extension identifies where the price might reach **after** surpassing the swing high.

Main Use: Calculating TPs for Long positions after a retracement and trend resumption.

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2. Extension Levels and Calculation

Simple Method (from swing low to swing high, projecting upwards):

```
Extension = Swing_Low + (Swing_High − Swing_Low) × fib_level

  127.2% = Low + Range × 1.272
  138.2% = Low + Range × 1.382
  161.8% = Low + Range × 1.618   ← Golden Extension (most important)
  200.0% = Low + Range × 2.000
  261.8% = Low + Range × 2.618
```

Example (bullish trend):

```
Swing Low  = 50,000
Swing High = 65,000
Range = 15,000

127.2% = 50,000 + 15,000 × 1.272 = 50,000 + 19,080 = 69,080
161.8% = 50,000 + 15,000 × 1.618 = 50,000 + 24,270 = 74,270
200.0% = 50,000 + 15,000 × 2.000 = 50,000 + 30,000 = 80,000
261.8% = 50,000 + 15,000 × 2.618 = 50,000 + 39,270 = 89,270
```

3. 3-Point Method (A-B-C) — Most Accurate

```
A = Swing Low (start of the move)
B = Swing High (peak of the move)
C = Retracement (entry point — between A and B)

Extension is calculated from C + Range(A-B):

Extension_Level = C + (B − A) × ratio

  100% = C + (B-A)      ← equivalent to B (if C = A)
  127.2% = C + (B-A) × 1.272
  161.8% = C + (B-A) × 1.618   ← main target
  200.0% = C + (B-A) × 2.000
```

Example A-B-C:

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```
A = 50,000  (swing low)
B = 65,000  (swing high)
C = 57,500  (50% Fib retracement = entry)

Range A-B = 15,000

161.8% Extension = 57,500 + 15,000 × 1.618 = 57,500 + 24,270 = 81,770
200.0% Extension = 57,500 + 15,000 × 2.000 = 57,500 + 30,000 = 87,500
```

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4. Key Levels — Interpretation

Level	Significance	Usage
100%	Equal to previous swing	Conservative TP1
127.2%	First extension	Moderate TP2
161.8%	**Golden Extension**	**Main TP (most used)**
200.0%	Double extension	Aggressive TP or strong trend
261.8%	Extreme extension	Exceptional trend

161.8% is equivalent to Phi (Golden Ratio) and remains the most reliable Fibonacci target.

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5. Trading Signals

5.1 TP Projection after Breakout

```
Setup:
1. Identify swing low (A) and swing high (B)
2. Price retraces to Fib Ret level (C)
3. Long entry at C (confirmed with RSI/volume)
4. Calculate extensions for TP:
   TP1 = 100% (B level)
   TP2 = 127.2% Extension
   TP3 = 161.8% Extension (main target)

Example BTC:
  A = 50,000; B = 65,000; C = 57,500 (50% retracement)
  TP1 = 65,000 (100%)
  TP2 = 69,080 (127.2%)
  TP3 = 81,770 (161.8%) ← main target
```

5.2 Confluence Extension

```
161.8% Extension + major horizontal resistance: important TP zone
161.8% Extension + Fib Ret 61.8% from another swing: double confluence
161.8% Extension + Weekly Pivot R2: institutional target
```

5.3 Combined Filters

```
# Extension levels calculation
range_ab = swing_high - swing_low
ext_1272 = retracement_C + range_ab * 1.272
ext_1618 = retracement_C + range_ab * 1.618
ext_2000 = retracement_C + range_ab * 2.000

# TP allocation
tp1 = swing_high          # 100% = re-test high
tp2 = ext_1272            # 127.2%
tp3 = ext_1618            # 161.8% (main)
```

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6. Fib Extension vs Fib Retracement — Difference

Aspect	Fib Retracement	Fib Extension
Purpose	Support/resistance within swing	Target beyond swing high/low
Values	23.6%, 38.2%, 50%, 61.8%, 78.6%	127.2%, 161.8%, 200%, 261.8%
Usage	Entry at retracement	TP after entry
Draw	2 points (Low→High)	2 or 3 points (A-B-C)
Position relative to swing	Below swing high (retracement support)	Above swing high (target)

7. MTF

```
Extensions 4H/1D: major targets for swing trades (days-weeks)
Extensions 1H: targets for daytrading (hours)
Extensions 5M/15M: micro-targets for scalping

MTF Confluence:
  Extension 161.8% on 4H coincides with Extension 100% on 1H
  → Major target for 4H position
```

8. PSEDYS — Fib Extension as Target Calculator

```
# Target calculator for PSEDYS
def calc_fib_extensions(swing_low, swing_high, entry_price):
    """Calculate Fibonacci extensions from entry after retracement."""
    range_ab = swing_high - swing_low
    return {
        'tp1_100':  entry_price + range_ab,
        'tp2_1272': entry_price + range_ab * 1.272,
        'tp3_1618': entry_price + range_ab * 1.618,
        'tp4_2000': entry_price + range_ab * 2.000,
    }

# Usage in strategy
targets = calc_fib_extensions(A=50000, B=65000, entry=57500)
# → tp3_1618 = 81,770 as main target for Long
```

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9. Practical Exercises

Exercise 1: BTC A=42000, B=58000, Entry at 50% retracement (50000)

Situation: BTC swing A=42000, B=58000. Long entry at 50% retracement = 50000. Calculate TPs.

Answer:

```
Range A-B = 58000 - 42000 = 16000

TP1 (100%) = 50000 + 16000 = 66000
TP2 (127.2%) = 50000 + 16000×1.272 = 50000 + 20352 = 70352
TP3 (161.8%) = 50000 + 16000×1.618 = 50000 + 25888 = 75888 ← main
TP4 (200%) = 50000 + 32000 = 82000

SL = below Fib 78.6% = 42000 + 16000×(1-0.786) = 42000 + 3424 = → 46576 below 50000
Recommended SL = 46500 (below 78.6% retracement = 45856)
```

Exercise 2: Price near Extension 161.8% — full or partial exit?

Situation: ETH Long from 1800. Extension 161.8% = 2620. Price at 2590 (in the zone). Macro trend bullish.

Answer: Partial exit 50% at 161.8%, trailing on the rest. Extension 161.8% = main target, but macro bullish trend allows continuation. Exit 50% at 2590-2620 (161.8% zone). Tight trailing SL on remaining 50% with target Extension 200% = 2800. If price rejects 161.8% with bearish bar + volume → full exit.

10. Cheat Sheet — Quick Summary

Level	Calculation (simple method)	Importance
100%	`Low + Range`	Conservative TP
127.2%	`Low + Range × 1.272`	Moderate TP
161.8%	**`Low + Range × 1.618`**	**Main TP**
200.0%	`Low + Range × 2.000`	Aggressive TP
261.8%	`Low + Range × 2.618`	Exceptional trend

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Concept	Rule
3-Point Method	A(Low) → B(High) → C(retracement entry)
Extension from C	`C + (B-A) × level`
Main Target	161.8% (Golden Extension)
Conservative TP1	100% (re-test swing high)
MTF Confluence	Extension 4H = major target
vs Retracement	Ret: entry; Ext: TP (complementary)
Zone	±0.5-1% from exact level

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