PSEDYS | TECHNICAL REFERENCE MANUAL V3.0

Fibonacci Retracement — Fib Ret

Fibonacci Retracement — Fib Ret

Technical Reference Manual v1.0

PSEDYS | Complete Edition
Levels 23.6% · 38.2% · 50% · 61.8% · 78.6% · Confluence Zone · Swing High/Low · MTF · Bot vs TradingView

CONTENTS

1. What is Fibonacci Retracement? Concept
2. Fibonacci Levels and Calculation
3. Correct Drawing — Rule
4. Key Levels — Interpretation
5. Trading Signals
   - 5.1 Retracement in a bullish trend
   - 5.2 Confluence with other levels
   - 5.3 Combined filters
6. Fibonacci in various regimes
7. Multi-Timeframe Analysis (MTF)
8. PSEDYS — Fib as Entry Levels
9. Practical Application vs Automation
10. Practical Exercises
11. Cheat Sheet — Quick Summary

1. What is Fibonacci Retracement? Concept

Fibonacci Retracement uses **mathematical proportions from the Fibonacci sequence** to identify potential support/resistance levels where the price might pause after a major move. These levels are not deterministically predictive — they are **high probability zones** where the price encounters buying or selling interest.

Fibonacci Sequence: 0, 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89...
- The ratio of any number to the previous one: ~1.618 (Phi, the golden number)
- Inverse ratio: ~0.618
- Other ratios: 0.236, 0.382, 0.5, 0.786

Downloaded from PSEDYS Ecosystem | t.me/PSEDYS

2. Fibonacci Levels and Calculation

```
Retracement in a bullish trend (swing from low to high):
  Level[%] = High − (High − Low) × fibonacci_ratio

  0%    = High  (swing high)
  23.6% = High − (High-Low) × 0.236
  38.2% = High − (High-Low) × 0.382
  50.0% = High − (High-Low) × 0.500    ← not pure Fibonacci, but used
  61.8% = High − (High-Low) × 0.618    ← "Golden Ratio" — most important
  78.6% = High − (High-Low) × 0.786
  100%  = Low   (swing low)
```

Numeric Example:

```
Swing Low  = 50,000 USD (BTC)
Swing High = 65,000 USD

Range = 65,000 − 50,000 = 15,000

Retracement levels:
  23.6%: 65,000 − 15,000×0.236 = 65,000 − 3,540  = 61,460
  38.2%: 65,000 − 15,000×0.382 = 65,000 − 5,730  = 59,270
  50.0%: 65,000 − 15,000×0.500 = 65,000 − 7,500  = 57,500
  61.8%: 65,000 − 15,000×0.618 = 65,000 − 9,270  = 55,730  ← Golden Ratio
  78.6%: 65,000 − 15,000×0.786 = 65,000 − 11,790 = 53,210
```

3. Correct Drawing — Rule

Bullish trend:

```
Start = Swing Low (minimum of the major move)
End   = Swing High (maximum of the major move)
→ Retracement: from High to Low (levels = potential support)
```

Bearish trend:

```
Start = Swing High
End   = Swing Low
→ Retracement: from Low to High (levels = potential resistance)
```

Downloaded from PSEDYS Ecosystem | t.me/PSEDYS

Valid swing points: clear inflection points on the chart (not any local minimum/maximum). On larger timeframes (4H, 1D) → more significant swing points.

---

4. Key Levels — Interpretation

Level	Meaning	Typical Behavior
23.6%	Shallow retracement	Extremely strong trend; rare entries
38.2%	Moderate retracement	First entry zone in a strong trend
50.0%	**Mid-range**	Important psychological level; not pure Fibonacci
61.8%	**Golden Ratio**	Most important Fib level; maximum confluence
78.6%	Deep retracement	Weaker trend; last support before complete reversal
100%	Full retracement	Trend invalidated

Fibonacci zones are not exact lines — they are **zones** (±0.5-1% from the level). The price does not stop exactly at 61.8% but around this level.

---

5. Trading Signals

5.1 Retracement in a Bullish Trend

```
Classic setup:
1. Identify major swing low → swing high
2. Price retraces to Fib level (38.2%, 50%, 61.8%)
3. Wait for confirmation at the level (bullish bar, volume, RSI OS)
4. Enter Long, SL below Fib level (or below 78.6% if entering at 61.8%)
5. TP = swing high or Fibonacci extensions
```

5.2 Confluence with Other Levels

Strongest zones:

```
Fib 61.8% + EMA 200: extreme confluence zones
Fib 61.8% + Previous horizontal support: double support
Fib 61.8% + VWAP: institutional interest area
Fib 38.2% + EMA 50 + Daily PP S1: triple confluence

The more converging levels, the more probable the bounce
```

Downloaded from PSEDYS Ecosystem | t.me/PSEDYS

5.3 Combined Filters

```
# Fib level proximity
fib_618 = high - (high-low) * 0.618
fib_382 = high - (high-low) * 0.382

at_fib_618 = abs(close - fib_618) / fib_618 < 0.005  # ±0.5%
at_fib_382 = abs(close - fib_382) / fib_382 < 0.005

# Entry at 61.8% bullish retracement
entry_long = (
    at_fib_618 and
    trend_bullish_4h and
    rsi < 45 and            # confirmed RSI retracement
    bullish_reversal_bar    # bullish reversal bar
)
```

6. Fibonacci in Various Regimes

Active trend: Retracements to 38.2% or 50% = healthy pullback, entry opportunity. Retracement to 61.8% = deeper test, but valid trend.

Choppiness: Fibonacci less reliable. Levels can break without bounce.

Reversal: Price breaking 78.6% = likely trend end. Swing invalidated at 100%.

7. MTF

TF Level	Fibonacci	Usage
1D/4H	Major swing Fib	Macro levels for swing trades
4H/1H	Meso swing Fib	Entry precision for hourly positions
1H/15M	Minor swing Fib	Intraday entries

MTF confluence:

```
1D Fib 61.8% + 4H Fib 38.2% overlapping in the same area:
→ Strong confluence → high probability entry
```

Downloaded from PSEDYS Ecosystem | t.me/PSEDYS

8. PSEDYS — Fib as Entry Levels

Fibonacci in PSEDYS = objectively calculable entry zones:

```
# Calculated from detected swing points
swing_high = max(highs[last_n_bars])
swing_low  = min(lows[last_n_bars])
range_sz   = swing_high - swing_low

fib_levels = {
    '23.6': swing_high - range_sz * 0.236,
    '38.2': swing_high - range_sz * 0.382,
    '50.0': swing_high - range_sz * 0.500,
    '61.8': swing_high - range_sz * 0.618,
    '78.6': swing_high - range_sz * 0.786,
}

# Entry zone detection
for level_name, level_price in fib_levels.items():
    if abs(close - level_price) / level_price < 0.003:
        potential_entry_zone = True
```

9. Practical Application vs Automation

Manual: Trader draws Fibonacci on visually identified swing points → levels appear on the chart.

Automated: Swing points detected algorithmically (see SH/SL manual) → Fibonacci calculated and monitored automatically → alert when price enters ±0.5% from key level.

Subjectivity: Choice of swing points affects levels. Two traders may draw Fibonacci differently. Preferable: use clear swing points on larger TFs (4H, 1D).

10. Practical Exercises

Exercise 1: BTC at Fib 61.8% with RSI = 38

Situation: BTC retraces from 68000 to 55600 (Fib 61.8%). RSI 4H = 38. EMA 200 4H at 54000 (below price). Low volume on retracement.

Answer: High-quality Long Entry. Fib 61.8% + RSI near OS + retracement on low volume + EMA 200 4H as macro support = strong confluence. Long Entry with SL below Fib 78.6% = 53200. TP1 = Fib 38.2% = 60600; TP2 = swing high = 68000. R:R = (60600-55600)/(55600-53200) = 2.08 — okay.

Downloaded from PSEDYS Ecosystem | t.me/PSEDYS

Exercise 2: Price breaks Fib 61.8% and tests 78.6%

Situation: ETH retracement. Broke Fib 61.8% = 1850 and approaches 78.6% = 1790. EMA 200 4H at 1810.

Answer: Weakened trend but not invalidated. Break below 61.8% = deep retracement. At 78.6% confluence with EMA 200 4H at 1810 = possible last support. Long Entry at 1790-1810 zone with SL strictly below 1750 (below 100% Fib). Reduced sizing (50%) compared to entry at 61.8%. Break below 78.6% = swing invalidated → exit.

---

11. Cheat Sheet — Quick Summary

Level	Calculation (bull trend)	Importance
23.6%	`H − (H-L)×0.236`	Low
38.2%	`H − (H-L)×0.382`	Medium
50.0%	`H − (H-L)×0.500`	Medium-high
61.8%	**`H − (H-L)×0.618`**	**Maximum (Golden Ratio)**
78.6%	`H − (H-L)×0.786`	High (last support)
100%	Low	Swing invalidated

Concept	Rule
Bullish trend	Draw Low→High; levels = retracement support
Bearish trend	Draw High→Low; levels = retracement resistance
Confirmation	Reversal bar + RSI + volume at level
SL Long	Below Fib level where you enter (or below 78.6%)
TP	Previous swing high (or extensions)
Confluence	Fib 61.8% + EMA/VWAP/PP = high probability
Invalidation	Break below 100% (swing low)
Zone	±0.5-1% from exact level

PSEDYS Fibonacci Retracement Technical Manual v1.0 — May 2026

Downloaded from PSEDYS Ecosystem | t.me/PSEDYS

Downloaded from PSEDYS Ecosystem | t.me/PSEDYS