Fibonacci Retracements Cheatsheet
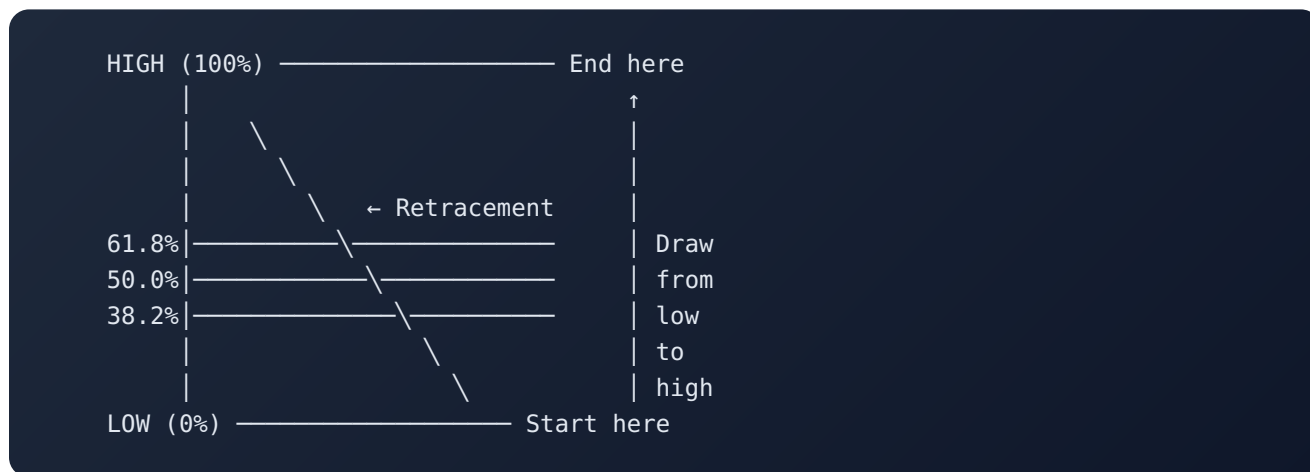
Key Levels, Applications & Trading Setups

The Core Fibonacci Levels

LEVEL	RATIO	PRIMARY USE
23.6%	0.236	Shallow retracement (strong trends)
38.2%	0.382	First major retracement zone
50.0%	0.500	Psychological midpoint (not true Fib)
61.8%	0.618	Golden ratio (most important)
78.6%	0.786	Deep retracement (last defense)
100%	1.000	Full retracement (trend may reverse)

How to Draw Fibonacci Retracements

For Uptrend (Finding Pullback Support)

```
    HIGH (100%) ──────────────── End here
     |                               ↑
     |        \                      |
     |          \                    |
     |            \     ← Retracement |
 61.8%|────────────\──────────────|  Draw
 50.0%|──────────────\────────────|  from
 38.2%|────────────────\──────────|  low
     |                  \            |  to
     |                    \          |  high
    LOW (0%) ───────────────── Start here
```

Rule: Click swing LOW first, then swing HIGH

For Downtrend (Finding Pullback Resistance)

```
    HIGH (0%) ──────────────── Start here
     |                  /          |
     |                /            |  Draw
 38.2%|─────────────/──────────|  from
 50.0%|───────────/────────────|  high
 61.8%|─────────/──────────────|  to
     |        /     ← Retracement |  low
     |      /                      |
     |    /                        ↓
    LOW (100%) ──────────────── End here
```
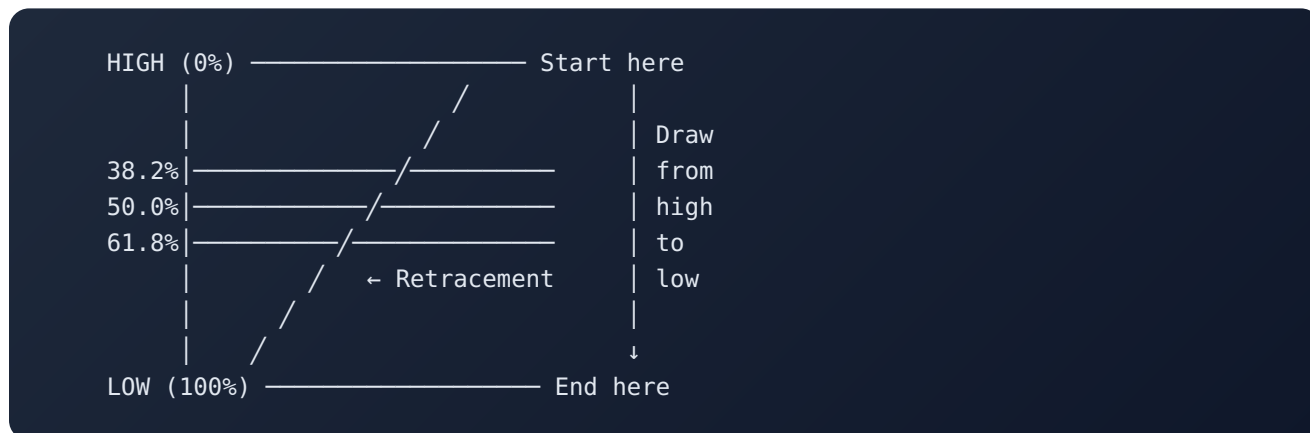
Rule: Click swing HIGH first, then swing LOW

The Golden Zone (61.8%)

> The 61.8% level is the "golden ratio" — the most watched and reliable Fib level.

SCENARIO	INTERPRETATION
Price holds 61.8%	Strong trend, likely to continue
Price breaks 61.8%	Trend weakening, watch 78.6%
Price reverses at 61.8%	High-probability entry zone

Level-by-Level Breakdown

23.6% Retracement

CHARACTERISTIC	DESCRIPTION
Depth	Very shallow
Trend Strength	Extremely strong
Occurrence	Parabolic moves, news-driven
Trade	Aggressive entry, tight stops

38.2% Retracement

CHARACTERISTIC	DESCRIPTION
Depth	Moderate pullback
Trend Strength	Strong, healthy trend
Occurrence	Common in trending markets
Trade	Standard pullback entry

50% Retracement

CHARACTERISTIC	DESCRIPTION
Depth	Halfway back
Trend Strength	Moderate
Occurrence	Psychological level
Trade	Combine with other confluence

61.8% Retracement (Golden Ratio)

CHARACTERISTIC	DESCRIPTION
Depth	Deep but controlled
Trend Strength	Still intact but tested
Occurrence	Most reliable level
Trade	Highest probability zone

78.6% Retracement

CHARACTERISTIC	DESCRIPTION
Depth	Very deep
Trend Strength	Last chance for trend
Occurrence	Volatile conditions
Trade	Tight stops, trend may fail

Fibonacci Extensions (Targets)

EXTENSION	USE
127.2%	First profit target
161.8%	Primary target (most common)
200.0%	Extended target
261.8%	Aggressive target

Drawing Extensions

```
Point A (Low) → Point B (High) → Point C (Retracement)

Target = C + (B - A) × Extension %
```

Confluence Zones

What Makes a Fib Level Stronger?

CONFLUENCE	WHY IT MATTERS
Multiple timeframe Fibs	Same level on daily + 4H
Horizontal S/R	Fib aligns with prior swing
Moving average	Fib meets 50/200 SMA
Trendline	Fib intersects diagonal support
Round number	61.8% is also $100, etc.

Fib + SignalPilot Integration

FIB LEVEL	PENTARCH SIGNAL	ACTION
38.2% pullback	TD fires	Strong pullback entry
61.8% pullback	TD fires	High-conviction entry
78.6% pullback	TD fires	Last chance, tight stop
Extension 161.8%	WRN fires	Consider taking profit

FIB LEVEL	JANUS ATLAS	ACTION
Fib level + sweep	Sweep below level	Prime entry after reclaim

Trading Setups

Setup 1: Fib Pullback Entry

```
1. Identify clear trend move (swing low to high)
2. Draw Fib retracement
3. Wait for pullback to 38.2-61.8% zone
4. Look for reversal candle (hammer, engulfing)
5. Enter with stop below 78.6%
6. Target 161.8% extension
```

Setup 2: Fib Cluster Zone

```
1. Draw Fib on multiple timeframes
2. Identify where levels overlap (cluster)
3. Cluster zone = high-probability reversal
4. Enter when price reaches cluster
5. Confirm with candlestick/indicator signal
```

Setup 3: Fib Extension Target

```
1. Enter trade at Fib retracement
2. Draw Fib extension (A-B-C)
3. Set TP1 at 127.2%
4. Set TP2 at 161.8%
5. Trail stop after TP1 hit
```

Common Mistakes

MISTAKE	CORRECTION
Drawing from wick to wick only	Use both wick and close
Forcing Fibs on choppy charts	Only use on clear swings
Expecting exact level bounces	Use zones (±0.5%)
Ignoring higher timeframes	Always check HTF Fibs
No other confirmation	Fibs need confluence

Fibonacci Quick Reference

Memory Aid: Key Ratios

RATIO	APPROXIMATION
0.382	~40% (one-third)
0.500	50% (halfway)
0.618	~60% (two-thirds)
0.786	~80%
1.618	~160%

Entry Checklist

Before Entering at Fib Level

- [ ] Clear, impulsive prior move (not choppy)
- [ ] Fib drawn correctly (low→high or high→low)
- [ ] Level has additional confluence
- [ ] Price showing reversal signs at level
- [ ] Stop fits within risk management rules
- [ ] Target at Fib extension makes sense (2:1+)

Timeframe Guidelines

YOUR TRADING STYLE	DRAW FIBS ON
Scalping	15m, 1H for context
Day Trading	1H, 4H for context
Swing Trading	4H, Daily for context
Position Trading	Daily, Weekly for context

Pro Tips

1. **The 61.8% level rarely breaks cleanly** — Look for wicks through, closes above
2. **Confluence beats single level** — 2+ factors > 1 factor
3. **Failed Fib levels flip** — Old support becomes resistance
4. **Extension targets stack** — 161.8% of one move may be 61.8% of another
5. **Fibs work because traders watch them** — Self-fulfilling prophecy

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