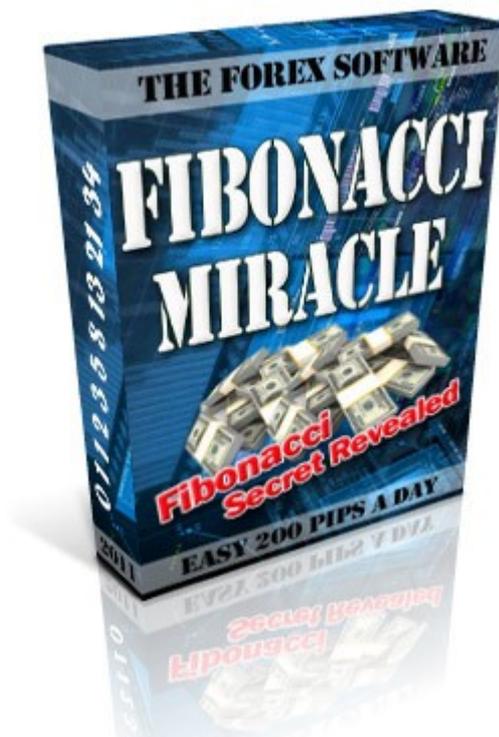


FIBONACCI MIRACLE

User's manual



www.FibonacciMiracle.com Karl Dittmann

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Introduction

Welcome and thank you for purchasing the “Fibonacci Miracle”. The “Fibonacci Miracle” is a complete trading tool designed primarily to trade the FOREX markets successfully and consistently.

Important: There are many different Fibonacci indicators which can be found on the web, but they are all hard to understand and use. In addition, it is still very unclear for many traders what Fibonacci retracement, r1, r2 and other levels are. The main idea of this software is to take away the decision making process associated with complex Fibonacci principles and allow you to make guided profitable trades. Our software is a combination of multiple advanced indicators – ALL in one: Fibonacci levels + BB + custom trend indicator + daily high/low and open/close indicator + trades commentator. This software will give you the power of a professional trader and allow you to magically trade based on Fibonacci levels without learning complicated Fibo courses and books.

“Fibonacci Miracle” is LIKE YOU HAVE A FRIEND – PROFESSIONAL TRADER, who recommends to you when to trade and how to trade! Isn’t this every trader’s dream?

The hit rate of the indicator is about 75-87% in most currencies, and higher in the currency pairs recommended in the next chapters.

The main difference of this software is that the Fibonacci Miracle will NOT generate a lot of signals a day as any traditional Buy/Sell software. Fibo trading works in a different way – it’s very safe entries.

We advise that you read and make sure you understand the entire system before putting it into practice. Experiment and gain experience in demo accounts before trading with your own money. If you find that you need further help or have any questions, do not hesitate to contact our technical department.

We wish you great trading success,
Karl Dittmann Team

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What are Fibonacci Numbers and the Golden Ratio?

The Fibonacci sequence first appeared as the solution to a problem in the Liber Abaci, a book written by Leonardo Fibonacci in 1202 to introduce the Hindu-Arabic numerals used today to a Europe that was still using Roman numerals.

The original problem in the Liber Abaci posed the question: How many pairs of rabbits can be generated from a single pair, if each month each mature pair brings forth a new pair, which, from the second month, becomes productive.

The Golden Ratio

After the first few numbers in the Fibonacci sequence, the ratio of any number to the next higher number is approximately .618, and the lower number is 1.618. These two figures are the golden mean or the golden ratio.

Its proportions are pleasing to the human senses and it appears throughout biology, art, music, and architecture. A few examples of natural shapes based on the Golden Ratio include DNA molecules, sunflowers, snail shells, galaxies, and hurricanes.

Important Retracement Levels

The two Fibonacci percentage retracement levels considered the most important in trading are 38.2% and 62.8%. Other important retracement percentages include 75%, 50%, and 33%.

Three Profit Tips for Using Fibonacci Numbers

1. Fibonacci Defines Stop Loss Levels

A trader can use Fibonacci numbers to set stop loss orders.

For instance, if at least three Fibonacci price levels come together in a relatively tight zone, a stop loss placement just below or above the zone may be set.

A Fibonacci number helps define stops in the following way, if a trader trades against a support zone, if the support zone is violated and the price trades below that zone, the reason for the trade is negated and the position should be closed.

Setting stops using Fibonacci retracements takes the emotion out of trading and gives a pre defined exit point.

2. Fibonacci Defines Position Size

Depending on the risk you are prepared to take per trade, Fibonacci numbers can also define position size. For instance, if prices are right on a specific level, you may wish to have more positions than if the price is further away.

3. Fibonacci Defines Objectives

With Fibonacci numbers, once a pattern completes against a Fibonacci price zone you can use them to set profit objectives to bank partial profits or tighten stop loss levels. This clear objective for traders helps them to lock in profits. The great

advantage of Fibonacci numbers and the golden ratio is the fact that they take the emotion out of trading and can define not only stop losses to exit a market, but also set profit objectives as well.

Installing the Software (Indicator)

IMPORTANT: If you don't have MetaTrader ® installed, please download it from this link:

http://www.alpari.co.uk/files/site_uk/000software/MT4_set_up.exe

Follow the instructions and open a demo or real account. We recommend trading the indicators on a demo account before proceeding to real accounts.

The indicator file is: **fibonaccimiracle.ex4**

➔ **Step 1:** Copy the indicator file EX4 into your /experts/indicators/ folder. This folder is in the folder of the MetaTrader trading platform.

Examples:

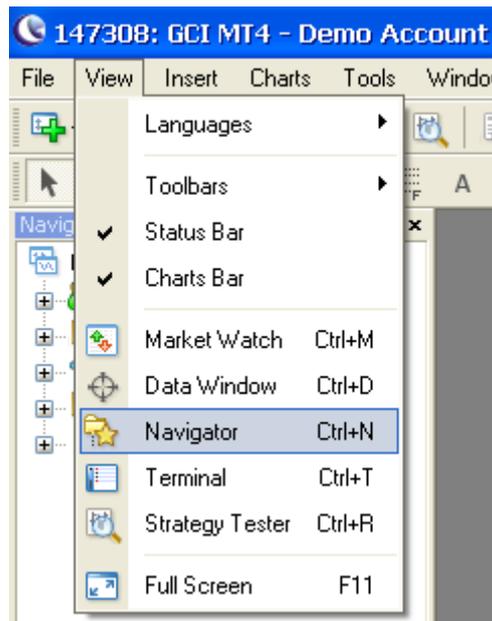
If you are using the Interbank FX Trader broker, the folder will be at
C:\Program Files\Interbank FX Trader 4\experts\indicators\

If you are using the Alpari MetaTrader broker, the folder will be at
C:\Program Files\MetaTrader - Alpari\experts\indicators

If you are using the FXDD broker, the folder will be at
C:\Program Files\FXDD – MetaTrader 4\experts\indicators\

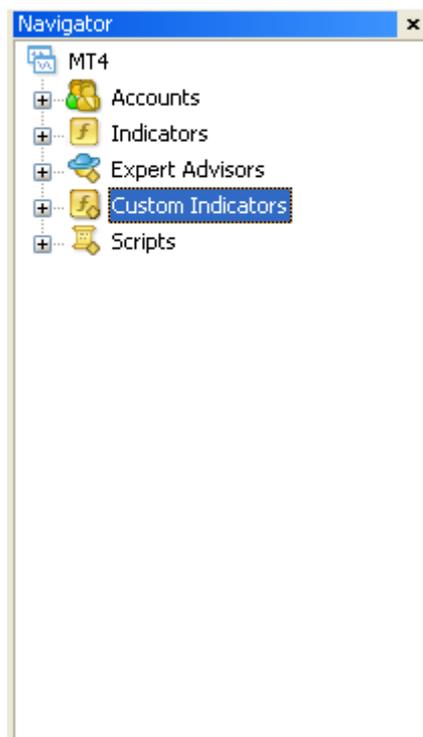
If you can't find your /experts/indicators/ folder, please contact our technical support.

➔ **Step 2:** Open the MetaTrader® platform, and click on View -> Navigator. You can also click on CTRL+N.



Click on 'Navigator'

➔ **Step 3:** A window titled 'Navigator' should appear. Click on Custom Indicators.



The Navigator

➔ **Step 4:** You should see the **Fibonacci Miracle** at the Custom Indicators folder. Double click on both indicators and click OK to load them onto your chart.

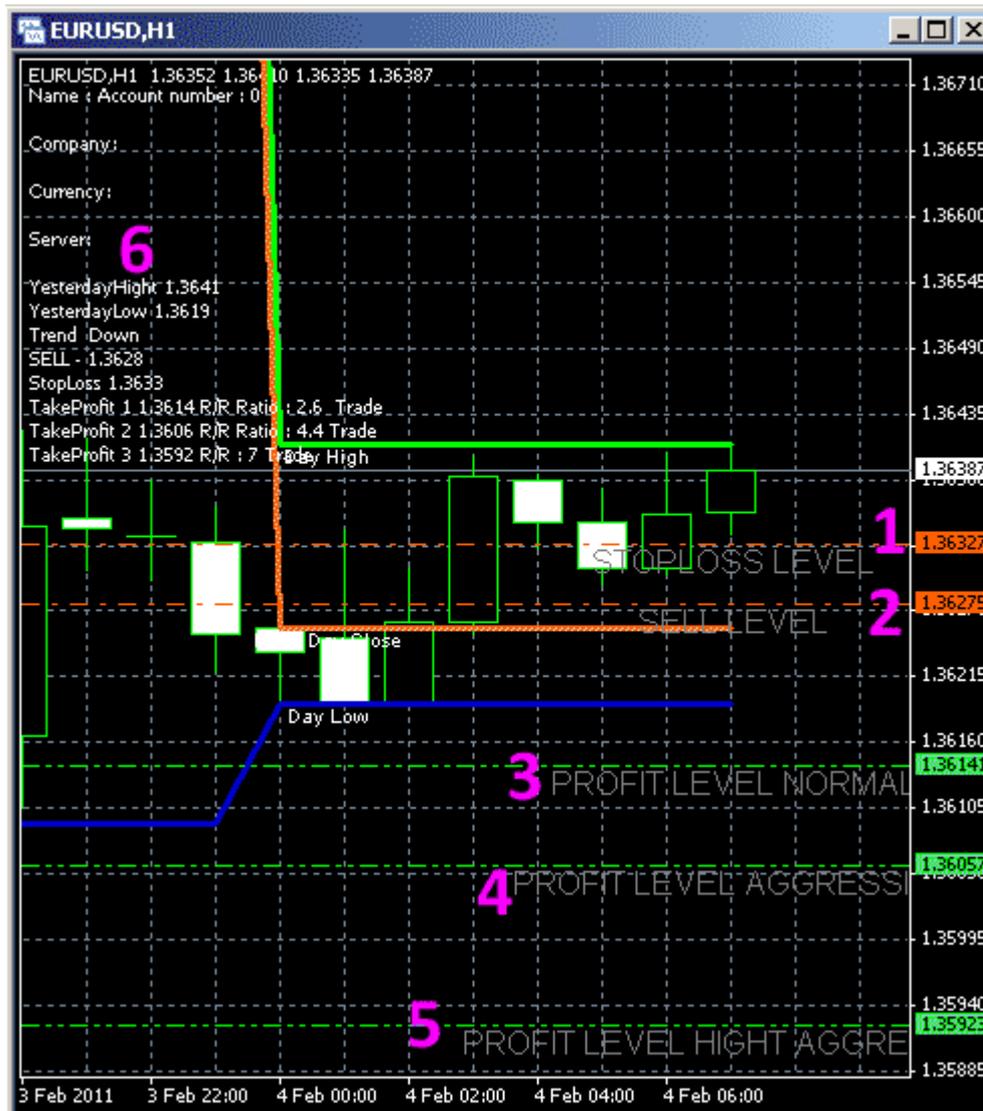
Here is a video showing how you to **install indicators onto the** MetaTrader ® platform:

<http://www.youtube.com/watch?v=F-VusM-Q8rw>

If you need any assistance, do not hesitate to contact our technical support team.

How it works:

- Attach the indicator to your chart
- The software will automatically determine a current trend, HIGHS and LOWS and print all the information on your chart:
Current trading opportunity - entry level, stop loss level, 3 take profit levels etc...



- 1 – Recommended stop loss level (based on the Fibonacci numbers)
- 2- If a current trend is down (bearish) your entry level (in this case SELL)
When a trend will change – the Fibonacci Miracle software will automatically re-print all the entries, SL, TP for a new trend.
Example as shown on the screenshot above – current trend is down. If a trend

changes to bullish (up trend) the software will automatically re-print new level for a bullish trend!

- 3- Take profit – level 1 (normal)
- 4 – Take profit level 2 – aggressive
- 5 – Take profit level 3 – high aggressive

6 – Trend, High/Low, Trade levels information...

Recommendations: If you are looking for 100+ pips profit a day, it is recommended to open three or four major currency pair charts with numerous timeframes, for example M5, M15, M30, 1H. Then attach the software to all them and trade on all charts at the same time. This way you will increase your odds by exposing yourself to more trading opportunities!

Built in high/low; open/close indicator

Daily high/low and open/close levels are strong support and resistance levels. Those levels are used by the Fibonacci miracle software and may help you understand where you can expect price to go (optional). Usually high/low used by traders to identify strong market level that helps to manage trades. In our case you don't have to worry about it – high/low and open/close is used by the “Fibonacci Miracle” software in combination with Fibonacci to optimize SL, Entry, TP 1, TP 2, TP3 levels and print them on your charts.



Built-in TREND indicator

No more worries how to identify a current trend:

```

EURUSD,M30 1.29705 1.29766 1.29660 1.29681
Name : Account number : 0

Company:
Currency:
Server:

YesterdayHigh 1.299
YesterdayLow 1.2912
Trend : UP ●
BUY - 1.296
StopLoss 1.2942
TakeProfit 1 1.3009 R/R : 2.6 Trade
TakeProfit 2 1.3039 R/R Ratio : 4.1 Trade
TakeProtit 3 1.3087 R/R : 6.7 Trade
  
```

< built-in trend indicator

Entering Trades

The Fibonacci Miracle © will show you exactly where to enter a trade, where to exit and where to put a stop loss. These levels are based on Fibonacci levels and work very well.

The Fibonacci Miracle © SELL signal:

When the price reaches the recommended SELL LEVEL printed on your chart.

The Fibonacci Miracle © BUY signal:

When the price reaches the recommended BUY LEVEL printed on your chart.

Stop Loss

Place your stop loss exactly where the software advises you “STOP LOSS LEVEL” – the price of SL printed in red on your chart (in our case SL = 1.36327). Stop will be calculated and printed on your chart automatically for each new trade.



IMPORTANT: Set stop loss for all your trades and do not deviate from it. Once the trade has touched your stop loss be disciplined and close the trade. This will protect you from major capital losses.

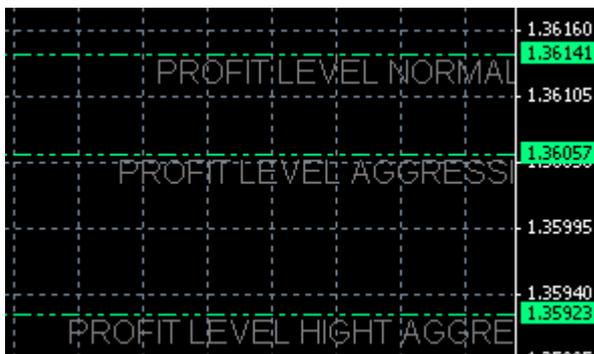
Exiting Trades (Take Profit)

1. Option I.

Set your own profit target, for example 20 pips per trade and exit all trades as soon as you reach your profit target – do not wait until the price hits the indicator’s “profit: level normal”. This is the safest way of trading and reduces your risk level.

2. Option II

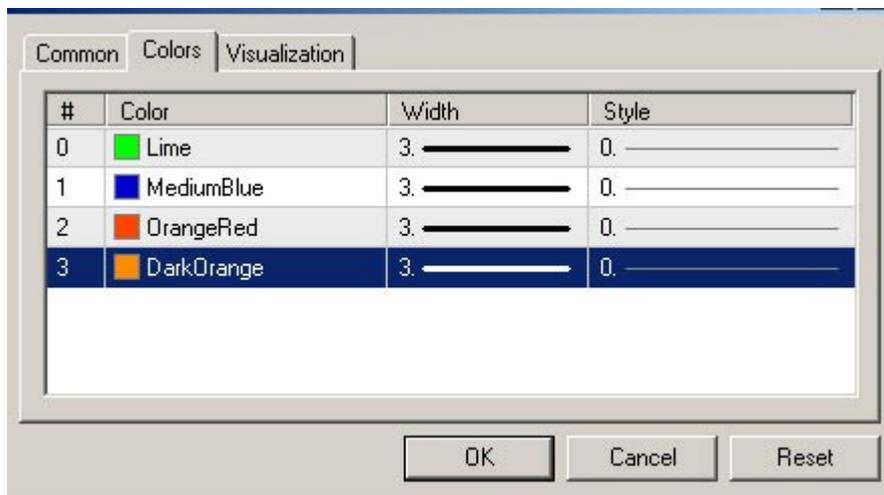
Exit trades when the price is close or touches the Fibonacci Miracle’s “PROFIT: LEVEL” level (either “profit level normal” or “profit level aggressive”). High aggressive level is risky and should be used by experienced traders only.



Time Frames and Pairs

- 5 min, **15 min**, **30 min**, **1H**, 4H, daily.
- All major pairs. You may use it for EUR/USD, GBP/USD and all other major pairs. Fibonacci secret works for ANY pair!

Parameters:



You don't need to change any parameters, everything is already set by Fibonacci numbers. The only thing you could change – COLORS.

BUY Trade sample screenshot:



Money Management

Money management is a very important concept that has an enormous effect on drawdowns and margin calls. The cardinal rule of money management is the following:

You should only risk 1-3% of your account on any single trade. You may have heard this rule hundred times before, but it is amazing to see how many good traders fail to comprehend this concept – and don't understand why they are wiped out again and again, despite great entries and timing of trades.

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February 2011

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