

Moving **A**verage **C**rossover **FIBO**nacci MacFibo

Written by : Sufian Said

Opening Remark

I like to make things super simple. One of the most simple mechanical trading systems out there are dual moving average crossovers. Entry is when xxMA crosses yyMA and exit the trade when yyMA recross xxMA. Simple right? Well, Macfibo is that kind of system.. However, what makes this system a bit different and unique from any pure moving average crossover system (entry and profit taking are all based on moving average crossovers) is it's ability to objectively to pick a highly probable target even before a "opposite crossover" in which sometimes could lose you some pips, and sometimes turn your winning trade into a losing one. Macfibo combines the simplicity of dual moving average crossovers technique with Fibonacci price projections to pick price targets.

Let me tell you now, it is not 100% (there is no 85% system, nevermind 100%.. if there is, I'd love to hear it heheh), well you can be the judge of it anyway. What I am about to share is the rawest and simplest version of the system. You are more than welcome to criticise, comment, test, share, trade (in your own risk) and by all means, try to improve it. Thanks.

Chart and Tool Setup

Timeframe : H1 or H4 or D1 (Never test it lower than H1 and higher than D1)

Currency Pair : EURUSD (You may test other pairs)

Indicators :

5 Exponential Moving Average (Red)

8 Simple Moving Average (Gold or Yellow)

20 Simple Moving Average (Black)

Fibonacci Retracement Tool (Add 127.2% and 161.8%)

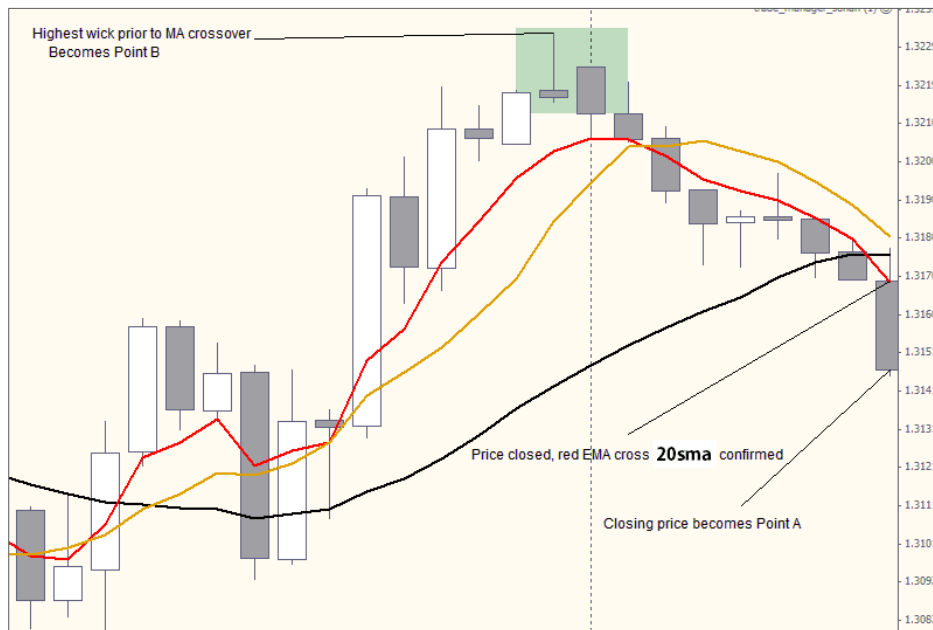
//NEXT PAGE

Sell Entry

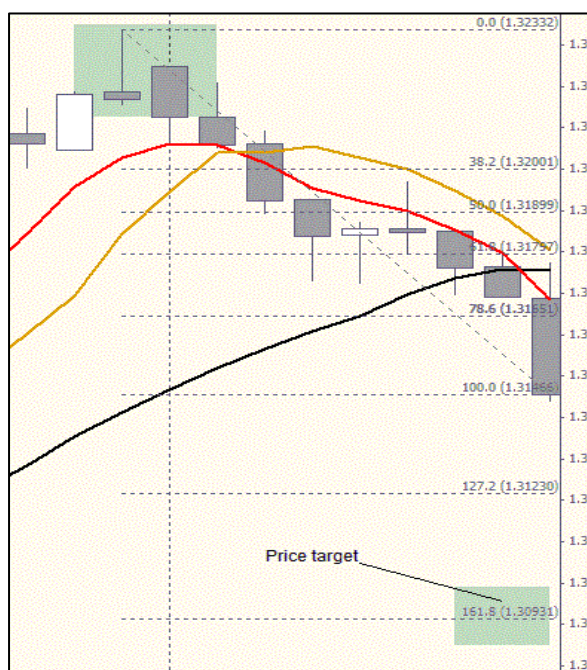
When red MA crossed below 20sma

DO following steps :

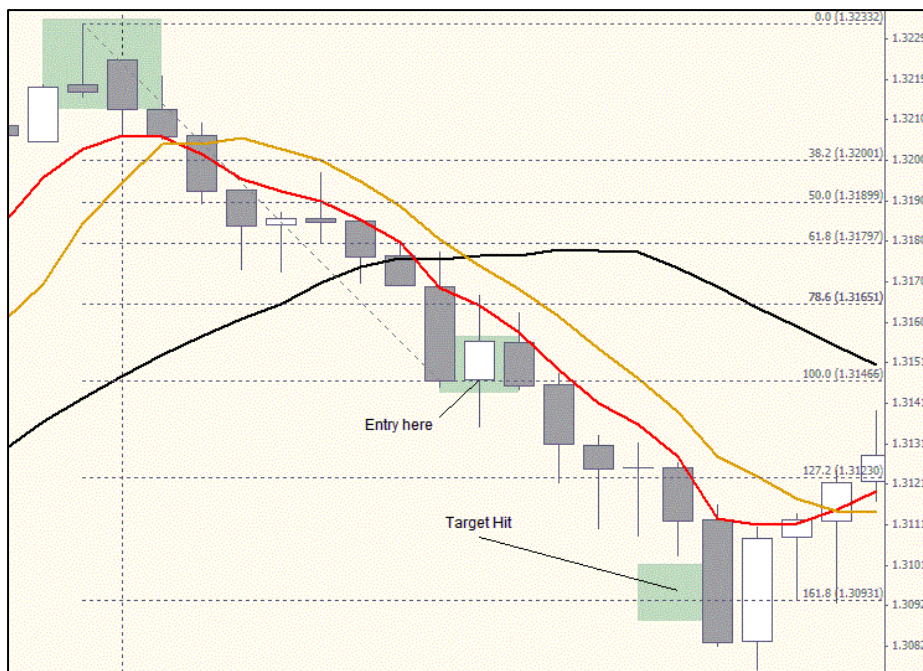
- a) Identify Candle **CLOSE PRICE** that confirmed the red/20sma downside crossover, mark that as **POINT A**. After that identify the **HIGHEST PRICE/WICK** of the current wave prior to the crossover, mark that as **POINT B**.



- b) Drag your Fibonacci retracement tool from **Point A to Point B**. Mark price @ 161.8 as take profit level

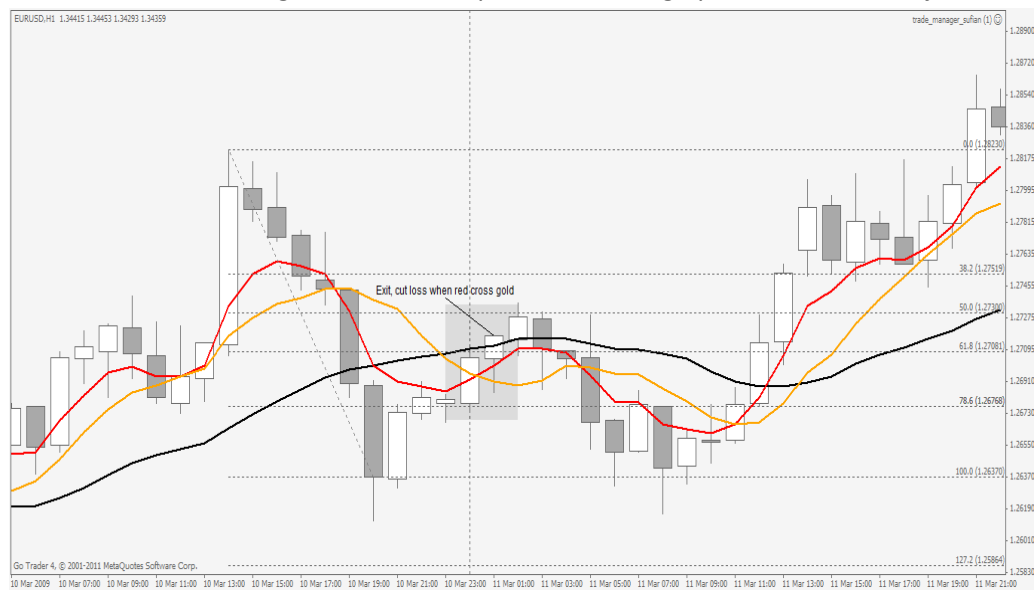


- c) Enter Short, TP @ 161.8 Fibonacci



Stoploss/Exiting Losing Short Trade

When red MA crossed gold MA to the upside eventhough price hasn't hit TP, just exit the trade.



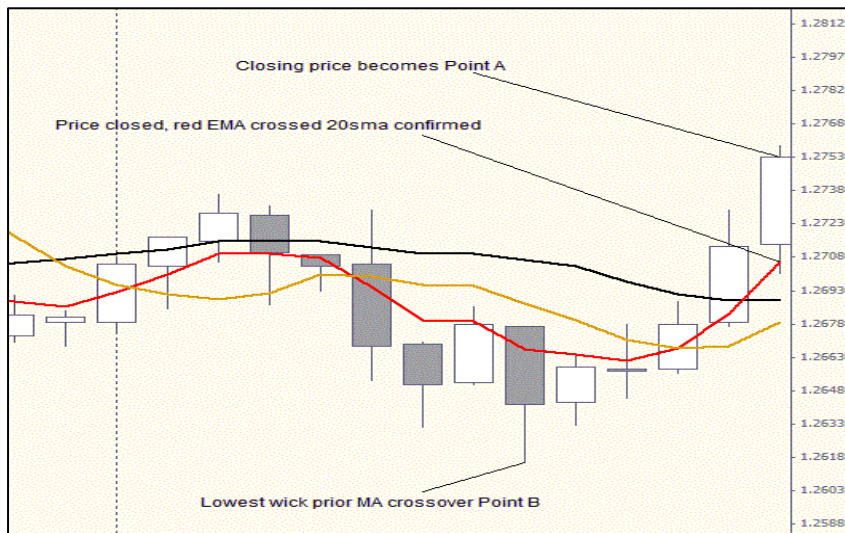
//NEXT PAGE

Buy Entry

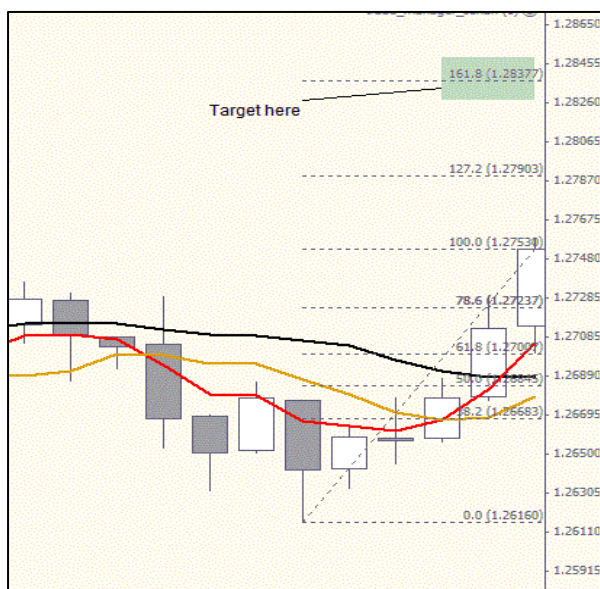
When red MA crossed above 20sma

DO the following steps :

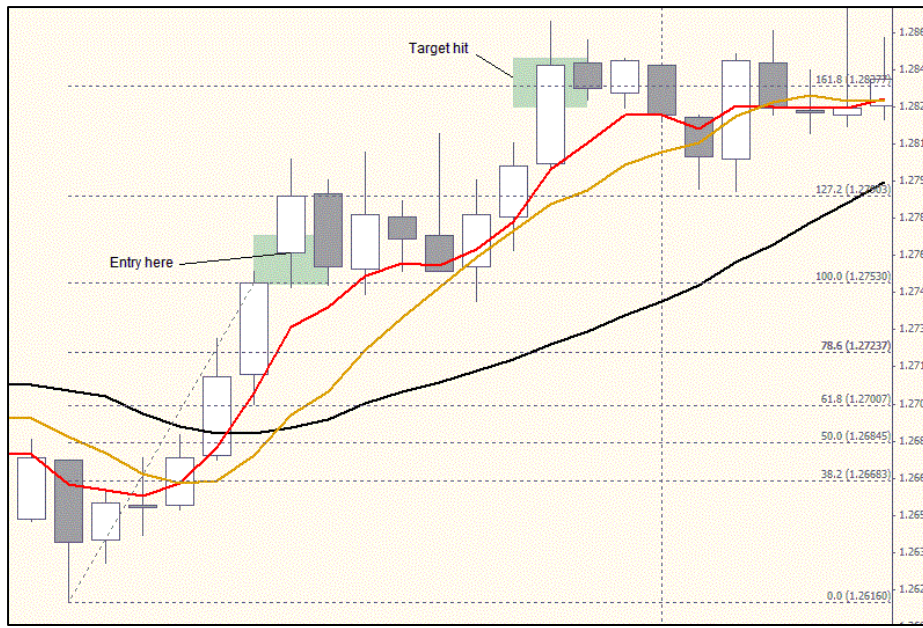
- a) Identify Candle **CLOSE PRICE** that confirmed the red/20sma upside crossover, mark that as **POINT A**. After that identify the **LOWEST PRICE/WICK** of the current wave prior to the crossover, mark that as **POINT B**.



- b) Drag your Fibonacci retracement tool from **Point A to Point B**. Mark price @ 161.8 as take profit level

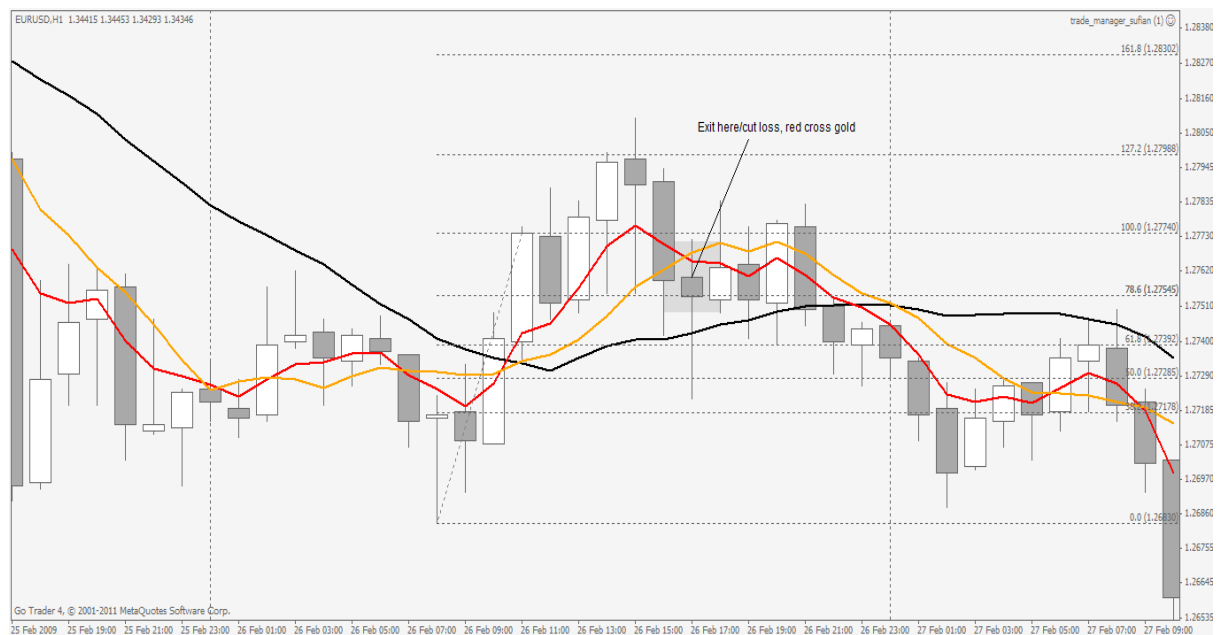


- c) Enter Short, TP @ 161.8 Fibonacci



Stoploss/Exiting Losing Sell Trade

When red MA crossed gold MA, exit trade



Additional information worth considering :

- Price also tend to reverse when price hits 127.2 fibonacci level
- Watch out trades during news/announcements
- Watch out when there is significant Support/Resistance “is in the way” towards the 161.8 level such as pivots, daily/weekly/monthly hi-lo prices etc
- Price not necessarily exhausted at 161.8, it could continue towards 200.0% and/or 261.8%

So that’s pretty much it. Try it and see how it works (or doesn’t) with you.

God Bless. Any questions please do ask.

Disclaimer: I will not hold responsible for every trading losses you have endured using the trading system. Not once in the document that I’ve mentioned this is the “Holy Grail”. Forex Trading is a risky business, it needs proper money management and trading discipline inorder to be successful.