

Abonacci EURUSD System

Summarized by **VanDerPjer**, v11.11

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Abonacci Trading

This is a summarized version of some rules posted on ForexFactory in “**Aboonacci System - for EUR/USD prediction**” thread (<http://www.forexfactory.com/showthread.php?t=255974>).

I have been collecting all the valuable information from the thread since Bobi “aebab” Abonacci had started it and now I finally revised it into a coherent form. I must thank Bobi for what he does as I have already changed views on forex trading because of him. Results on my account undisputedly confirm that and I am very grateful for that!

Bobi has investigated EUR/USD and some other pairs and found an advanced formula for market movements which he won't disclose. That comes very natural to me, as I also don't get all the blueprints, technical drawings, reports, research, etc. when I buy BMW. And I said BUY it, I didn't get it for free.

So, we should all appreciate Bobi's and his group's efforts to share their knowledge, tools and support with us. Bear in mind – FOR FREE! Use what you can and don't demand babysitting!

As this is a system, it must have rules which you find in the following chapters.

Chart's Related Rules & Info

Aebab publishes 2 templates at the beginning of each new month.

1. **Abonacci Monthly Power 3 Template** – Phase structure
2. **Abonacci Monthly Power 4 Template** – Break Outs structure

You can simply download them from the thread. From now on I will not be explaining all the details, but rather focus on rules and important information. Should anyone have further questions, please read thread first and if you don't find answers, only then post your question. This way we focus more on trading and less on repeating umpteenth times how to place templates onto MT4 or what happens when price crosses this or that level!

Please read last sentence twice again!

Abonacci Power 3 Template - Phase Structure

When Power 3 template is applied to your EURUSD chart you notice many lines. Each 0-100% group of lines is called a Phase in this system. It is important to know that **all Abonacci levels are constant until the end of the month** and the following rules can be applied to them:

1. **Base line (0) is a fundamental line for all the phases in a month. Price can cross it several times.**

If base line is not crossed by the price for 10 days of the month, or is not crossed at all, that means a good trending month.

2. **The key point of trading Power 3 template is 38.2 % level. If this level is broken upwards then price should reach 76.4% and eventually 100% level.**

WARNING: For price to continue its upward journey it should not come back down and break the 61.8% level of the phase below. If this is broken then the immediate direction would have changed.

3. **If price is heading down, then 61.8% level becomes a key point as this is the equivalent of the 38.2% from the other side. If this level is broken then price should reach the 23.6% level then the 0% level.**

WARNING: As in paragraph 2. this is a rule based system, so once price has broken the 61.8% by 7-10 pips, then price should not go back into the above phase and break the 38.2% level. If it does then like before the immediate trend would have changed direction.

4. **If 2.38 phases or 302 pips are reached, than this month is in an uptrend, so trend will not be reversed and will get to 4th phase.**

WARNING: Price should not come back and break the base line, but if it does than it's a warning for a possible large drop.

5. **If price goes 429 pips away from a base line, then it has no power to be reversed and break its opposite direction.**
6. **If a High Reversal point of each phase is broken, then price should not go down more than 157 pips from High Reversal Point.**

If that happens then a good reversal is happening. Thus, that high reversal should not be broken again and price will go down for at least one more phase downside in pips. Furthermore, if price goes more than one phase away, then the trend has changed, cannot be reversed and break High Reversal again.

Abonacci Lines

“White” Fibonacci Lines (WFL)

WFL help you to find breaking points on charts. Follow next steps to learn how to draw them.

1st Step:



2nd Step:



3rd Step:



1. The best reversal point is **38.2%** of the white fibonacci drawn resulted from Step3;
2. There are 2 other ways of drawing **38.2%** white Fibonacci level:
 - a. Draw it from Template 3 **50%** - 8 pips
 - b. Draw it in the middle of Template 3 **38.2%** and **50%** lines.
3. If this level is broken then we should reach the **0%** level at the bottom of the current phase

Only **1 pip** over these breakout lines can be enough to say a level has been broken. But to make sure, wait for **7 pips**. 7 is the main digit for EUR/USD calculations as it's **13** for GBP. Each currency has a unique and constant value and calculations are done based on that.

When market comes below Low Reversal Point @ **38.2%** of WFL the market will range and that is a good time to come out of trade.

“Close” Fibonacci Lines (CFL)



1. As a picture shows, place a fibonacci with **100%** at close price of the previous day and **0%** should be **78 pips lower** (depends on each month's calculation – October 78 pips)

SL: Wherever above 0% you may enter your buy order and put SL below 0%. This works accurate many times.

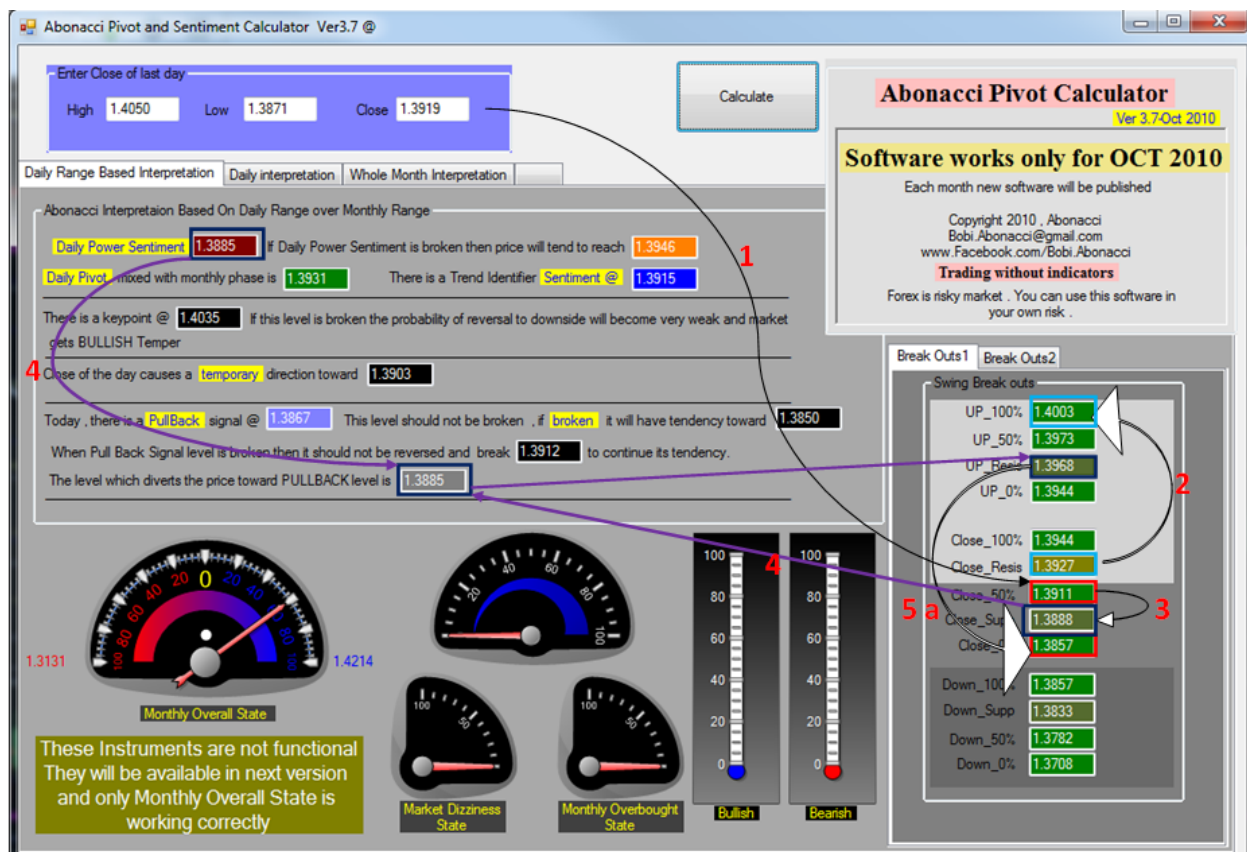
PS: You cannot draw another Fibonacci upward from close; it's valid only for BUYS.

Calculator Info

Trading with calculator is somehow an advanced style of Abonacci trading. It should be traded together with the Power 3 template.

To get values out from the calculator one must firstly enter:

- HIGH,
- LOW,
- CLOSE of the Previous Trading Day (recommended FxPro feed)



Bobi claims if he cannot find the reason why price passed one level by as little as 2 pips then trading becomes very difficult. Everyone should know why on one particular day highest level occurred and why price was bouncing around other area.

If you can believe it or not there is no candle or level which Abonacci System couldn't provide a reason for.

Daily Range Based Interpretation

1. Daily Power Sentiment (DPS)

- a) DPS is a level that should be met before trending happens.
- b) If DPS is lower than Close of the Day it means the price is already situated in a Bullish Area
- c) If price falls under DPS and re-cross it later again, then we will have a signal to its target (orange calculator field)

2. Daily Pivot mixed with Monthly Phase (DPMP)

- a) This level is very, very important!!! It should not be broken.

If it's broken then it gives a signal toward pullback signal.
- b) If in Asian session & before UK session this level is not broken, then a big movement and a very trendy day is expected.

If this level is broken downwards and tends to be sold, then this level should not be broken again.
- c) Several breakings of this level will show a choppy, sloppy, none trending day. (Oct. 8)
- d) This is the first time that a level indicates strength of a trend for the beginning of the daily market. Pay attention to this level a lot!

3. Trend Identifier Sentiment (TIS)

- a) TIS level indicates trend before UK session and is likely to be met almost all the times.

If TIS level is broken in UK session (after 9:00 GMT), it indicates trend for US session.

It's called broken when price goes through at least 10 pips!
- b) If DPMP is greater than TIS, then there is a bias to the LONG side.
- c) If DPMP is lower than TIS, then there is a bias to the SHORT side.

4. Temporary Direction (TD)

- a) This level shows where market will move in the Asian session.

5. PullBack Signal (PBS)

- a) The market may be pulled back from this level.
- b) If $PBS < \text{PullBack Level}$, then this PBS area is a good resistance and good place to sell.
- c) If $PBS > \text{PullBack Level}$, then this PBS area is a good support and good place to buy.

6. Diversion Point (DP)

- a) If DP is below PBS then DP is also a support for a PBS.

In this case DP is a good level to buy, while SL is put 10-15 pips below DP.

7. PBS Tendency & Reversed Break Level (RBL)

- a) If PBS level is broken, market will have tendency to reach this level.
- b) When the distance between PBS and its tendency toward level is few pips, then this means a bullish reversal.
- c) When PBS level is broken market should not reverse and break RBL in order to continue towards its tendency level.

If it is broken, then it gives a bullish signal.

8. Keypoint

- a) If the distance between close of the last day and Keypoint is more than 159 pips, this indicates a big bullish pressure should be exerted to get to this level.

Thus, not much of a sloppy market is expected.

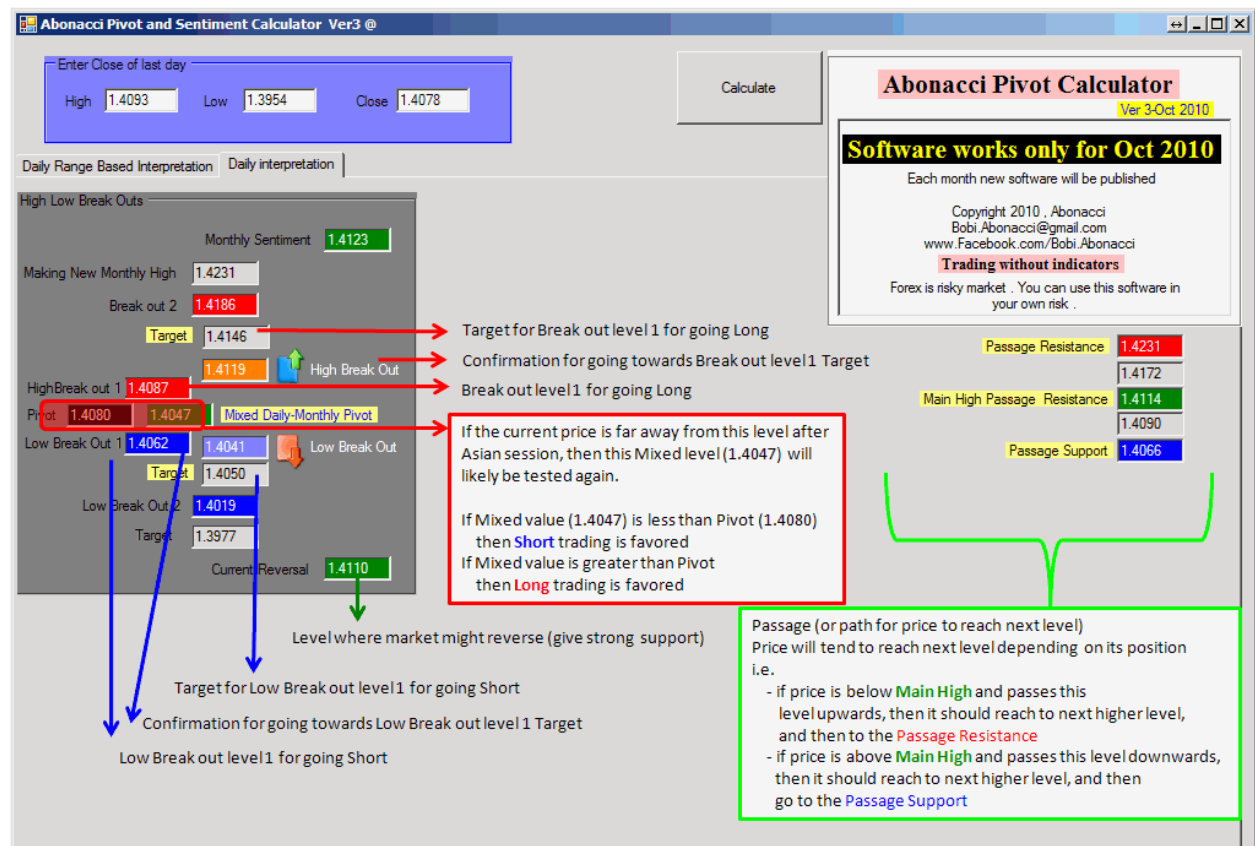
9. Swing Break Outs (SBO)

This part of the calculator is divided into three areas:

- Light Silver Level, which is the UPPER area with a bullish sentiment
 - Dark Gray Level, which is the LOWER area with a bearish sentiment
 - Mid Gray Level, which is in between both previous areas
- a) SBO levels are pre-determined and only related to the close input value. You can put in any active close value you want and Calculator will calculate new SBO levels.
 - b) This system is very helpful in the beginning of the week/month to follow the trend.
 - c) It is also very handy for scalpers, as they can easier follow the remaining trend.

- d) If price breaks through **Close_Resis** level (brown) upwards then we will enter light silver area and price should reach the **UP_100%** level to complete its journey.
- e) If price goes below **Close_50%** level than price will need to reach the **Close_0%** to complete its journey.
- f) **2 pips** are enough to be said that a level has been broken

Daily Interpretation



1. High BreakOut 1 (HBO1)

- a) HBO1 is a confirmation to get to its target.
- b) If HBO (not 1) is higher than its target, this means a good bullish signal is on its way.

2. Low BreakOut 1 (LBO1)

- a) LBO1 is a confirmation to get to its target.
- b) When LBO1 is greater than Pivot AND Mixed Daily-Monthly Pivot, then it indicates a good SELL when market breaks this level.

3. Passages

- a) They are a passage area to get to other zone. **Passages should be used all the times you trade!**

SL: 4 pips are usually enough.

Suppose price is below "Main High Passage Resistance". If market can pass this level price will tend to reach passage resistance.

Additional findings

- a) The only day that all 3 breakout trades that were taken were losses, the pivot and monthly sentiment were exactly the same figure and it ranged all day.
- b) In the majority of Aebab's own posts of live trades he has gone in at the break of the pivot with his SL behind the High/Low breakout 1.
- c) Trend Identifier Sentiment level is where market is likely to reach before London session begins. It has been reached EVERY DAY in October, with one exception. On October 13th, price didn't reach this level. Instead it took about 235 or so pips drawdown and three days to reach this level. Therefore, technically, The Trend Identifier Sentiment level is reached 100% of the time in October.