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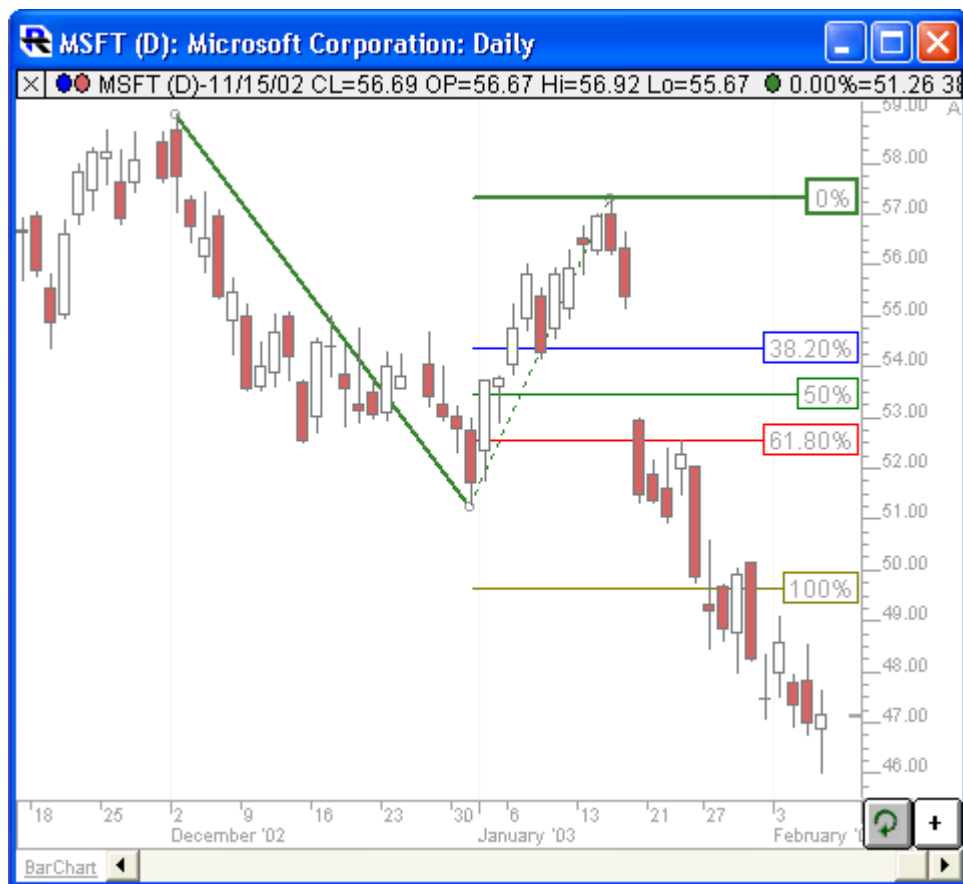
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## **Fibonacci Extensions**

The Fibonacci Extensions tool is similar to the Fibonacci Retracements tool. The Fibonacci Extensions indicator requires a third point. The extensions and retracement levels are drawn from this third point, but based upon the distance between the first two points. A common use of this tool is to first connect two points that represent the endpoints of a major trend (or wave). Then choose the third point to be the endpoint of a retracement of that trend. Extensions are then drawn in the direction of the initial trend, from the third point, using the distance between points one and two as a basis for the extension levels. For example, suppose the initial trendline moved in price from 100 (point 1) to 110 (point 2). Then, price retraced to 105. The 0% extension line would then be drawn at 105 ( $105 + 0\% \times (110 - 100)$ ). A 100% extension line would be drawn at 115 ( $105 + 100\% \times (110 - 100)$ ). A 50% extension line would be drawn at 110 ( $105 + 50\% \times (110 - 100)$ )...and so on. The Fibonacci Extensions toolbar button and drawing tool work much like the Andrew's Pitchfork drawing tool. First, click on the Fibonacci Extension button on the toolbar. Then, click three times, once on each of the points that are involved in the Fibonacci Extension. The first click should be on the starting point of the initial trendline. The second click should be on the ending point of the initial trendline. The third click should be on the ending bar of the retracement period. As with Fibonacci Retracements, there is a great deal of flexibility for all three price points (Begin, End, and Extend Prices). Each price level can have "Use Bar" or "Use Price" selected. If "Use Bar" is selected, the endpoints will snap to the extreme prices of the corresponding bars. If "Use Price" is selected, the exact price at each mouse click point will be used. Fibonacci Extension share the same flexibility as Fibonacci Retracements regarding "Show Price", "Show %", "Extend Left", "Extend Right", "Text on Right", etc. Also, both retracements and extensions in both time and price may be drawn.

## **Presentation**



Above is a Daily Chart of an Microsoft Corporation (MSFT). The diagonal red line represents a trendline between two extreme points, based on the date-time ranges specified below. The horizontal trendlines represent the Fibonacci Levels selected in the preferences example on this page.

### Preferences:

Retracement Price Source

Begin: Use Price 3,089.44971

End: Use Price 3,096.42456

Extend: Use Price 3,098.70801

Retracements: Neither
Extensions: Price

<input checked="" type="checkbox"/>	<span>0</span>	<span></span>	<input checked="" type="checkbox"/>	<span>100</span>	<span></span>	<span>%</span>
<input checked="" type="checkbox"/>	<span>38.2</span>	<span></span>	<input type="checkbox"/>	<span>161.8</span>	<span></span>	<span>%</span>
<input checked="" type="checkbox"/>	<span>50</span>	<span></span>	<input type="checkbox"/>	<span>200</span>	<span></span>	<span>%</span>
<input checked="" type="checkbox"/>	<span>61.8</span>	<span></span>	<input type="checkbox"/>	<span>300</span>	<span></span>	<span>%</span>
<input type="checkbox"/>	<span>23.6, 77.4</span>				<span></span>	<span>%</span>

☒ Extend Right
☐ Show Price
☐ Text on Right
☐ \$

☐ Extend Left
☒ Show % / \$
☐ One Color
☐ Live

☐ Draw Triangle
☒ Translucent

☒ Label Current Value
☐ Format: 99

Text Label:

Scope: This Chart, This Instrument @ES#

Recalculate Every Use Defaults

Calc'd 1 Times (0ms)

Presets 
Help
Cancel
Apply
OK

Retracements:			Extensions:		
<input checked="" type="checkbox"/>	0		<input checked="" type="checkbox"/>	100	
<input checked="" type="checkbox"/>	38.2		<input type="checkbox"/>	161.8	
<input checked="" type="checkbox"/>	50		<input type="checkbox"/>	200	
<input checked="" type="checkbox"/>	61.8		<input type="checkbox"/>	300	
<input type="checkbox"/>	23.6, 77.4				


- ☒ Extend Right
- ☐ Show Price
- ☐ Text on Right
- ☐ \$
- ☐ Extend Left
- ☒ Show % / \$
- ☐ One Color
- ☐ Live
- ☐ Draw Triangle
- ☒ Translucent

☒ Label Current Value
 ☐ Format: 99
   
 Text Label:
   
 Scope: This Chart, This Instrument @ES#
   
 Recalculate Every Use Defaults
   
 Calc'd 1 Times (0ms)

Presets  Help Cancel Apply OK

- **Retracement Price Source** -Specifies what method will be used for identifying the beginning, ending, and extension points of the extension trendline(s).
- **Begin/End/Extend** -The preferences labeled "Begin" or "End" have different meanings based on which Price Source checkbox is selected. If "Use Bars" is selected, then Begin or End will represent the beginning or ending dates that will be used as endpoints to the trendline. The extreme price of the bar will be used as the endpoint price. If "Use Price" is selected, then Begin or End will represent the beginning or ending prices of the trendline. If "Use Variables" is selected, then Begin and End will be a choice of variable prices, including High, Low, and the V# custom variables. Begin and End are not used for Automatic Retracements.
- **Use Bar** -This option allows the user to specify the date/times of the bars that will be used for the extension trendline(s). The prices will be determined based on the high of the higher bar, and the low of the lower bar.
- **Use Price** -This option allows the user to use specific prices as trendline endpoints, independent of the highs and lows of the actual bar data.
- **Use Variable** -This option allows the user to link the trendline endpoints to different variables, including the High and Low of the day, or any of the custom V# variables. By giving the user access to the V# custom variables, the user may set the endpoints to essentially any data accessible using RTL.
- **Retracement** -Retracement options include Price, Time, Both, and Neither. Price Retracement

lines are horizontal lines retracing from then ending price of the trendline back towards the beginning price of the trendline. Time retracement lines are vertical lines retracing from the ending date/time back towards the beginning date/time of the trendline. A 70% Price Retracement line drawn on a fib trendline going from \$60 to \$70 will be drawn as a horizontal line at \$63.

- **Expansions** -Expansion options include Price, Time, Both, and Neither. Price Expansion lines are vertical lines projecting past the ending price. Time expansion lines are vertical lines projecting forward in time past the ending date/time. A 50% Time Expansion drawn on a fib trendline that spans 50 bars, will be drawn as a vertical line 25 bars (50% of 50) past the endpoint of the trendline.
-  - Dictates whether that retracement level will be draw in the chart. The last and longest entry box allows the user to enter comma or space delimited numbers for additional retracement levels.
- **% Levels** -Fib percent levels at which to draw the horizontal lines. These levels can also be \$ levels if the "\$" checkbox is checked. See "\$ (Use Absolute Dollar Retracement)" below.
- **Color** -Color and style of the retracement lines in the chart. Each level can have it's own color and width. If the "One Color" checkbox is checked, then all but one color control will be hidden, and that color will be used for all lines.
- **Extend Right** -Extend the retracement lines to the right edge of the chart.
- **Extend Left** -Extend the retracement lines to the left edge of the chart.
- **Show %/\$** -Show the % or \$ retracement or expansion levels of each line.
- **Show Price** - Show the price of each line.
- **Text on Right** - Place the text labels on the right side of the chart.
- **One Color** - Allow the user to specify only one color for all retracement lines, as opposed to unique color for each. When check, all color controls except one will be hidden.
- **\$ (Use Absolute Dollar Retracements)** -This option changes your retracement levels from % levels to absolute \$ levels. For instance, if your trendline is drawn from 10 to 20, in the % mode, a retracement of 10(%) would bring you back to 19, while in the \$ mode, a retracement of 10(\$ would bring you back to 10.
- **Live** -When this option is checked, a line is drawn at the right edge of the chart showing the actual percent retracement level of the current bar. This value/line updates dynamically as price changes.

## Keyboard Adjustment

The keyboard can be used to move the first trendline points to the right and left. First, click on the chart. Then hit the tab key repeatedly until you notice your Fibonacci Extension lines are selected. Then, press the right or left arrow keys on your keyboard to move the entire Fibonacci line right or left one bar. To move the trendline up or down, press the up and down arrows on the keyboard. If you would like to move only the endpoint, then hold down the Ctrl key while pressing the right or left arrow keys. If you would like to move only the beginning point, then hold down the Shift key while pressing the right or left arrow keys.

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[STATISTIC](#)

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