Twitter Thread by Akshay Chinchalkar, CMT, CFTe, EPATian

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@AkshayChinchal4

#Fibonacci

#Nifty

I realized yday that nobody in my pretty large circle knows how fib levels are calculated on log scale. So here goes:

1. Take the highest high (HH) & the lowest low (LL) of the range

2. Next, take the natural log (ln function in excel) of the ratio HH/LL.

3. So, you now have the log returns, really the best way to measure them. Call it R.

4. Now take the difference between the natural log of HH and the fib ratio multiplied by the log returns

5. Say, ln(HH) - (0.382*R). Call it A

6. Finally, take exp(A)

That will be the level which corresponds to the 38.2% fib of the range between the HH and the LL on a log scale basis.

Big shout to to Dr Strange aka @shetty_ashish for this.