ICT Fibonacci Levels – Fib Setting

In this article we will teach you all about ICT fibonacci levels from their setup to application in the charts.

Fibonacci is a tool used to measure the retracements of price. It helps traders to trade the continuation of trend after retracement.

What are ICT Fibonacci Levels

ICT fib levels are the one used personally by Michael Huddleston AKA Inner Circle Trader (ICT).

Fibonacci levels are crucial part of ICT Trading Strategy including ICT Optimal Trade Entry – OTE Pattern.

So you need to setup your fibonacci according to ICT to trade using his strategy.

Following are the Fib Levels used by ICT.

1	Start
0.5	Equillibrium
0.62	62% Retracement
0.705	OTE 70.5
0.79	79% Retracement
0	Profit Scale
-0.27	Target 1
-0.62	Target 2
-1	Symmetrical Price

How to Use ICT Fibonacci Levels in Bullish Market?

In bullish market price makes “higher highs” and “higher lows”. Before making a new high price retraces down and then continues its bullish trend.

When price retraces back you can use ICT fib levels to find Premium and Discount and then you can find a good trade entry in discount area using ICT Optimal Trade Entry – OTE Pattern.
(I) To draw fibonacci in bullish market you have to identify a Swing High and Swing Low.
(II) Now draw fibonacci tool from swing low to swing high as shown in picture below.
(III) Wait for price to retrace back to 70.5% OTE level.

(IV) Look for bullish evidence like ICT Market Structure Shift in lower timeframes at OTE level.

(IV) After confirmation you can execute a buy trade at OTE level with stop loss below the swing low and for profit target you can use ICT fib levels.

How to Use ICT Fibonacci Levels in Bearish Market?

In bearish market price makes “lower highs” and “lower lows”. Before making a new low price retraces up and then continues its bearish trend.

When price retraces back you can use ICT fib levels to find Premium and Discount zone and then you can find a good trade entry in premium zone using ICT Optimal Trade Entry – OTE Pattern.

(I) To draw fibonacci in bearish market you have to identify a Swing High and Swing Low.

(II) Now draw fibonacci tool from swing high to swing low as shown in picture below.

(III) Wait for price to retrace back to 70.5% OTE level.

(IV) Look for bearish evidence like ICT Market Structure Shift in lower timeframes at OTE level.

(IV) After confirmation you can execute a sell trade at OTE level with stop loss above the swing high and for profit target you can use ICT fib levels.

Ideal Fibonacci Retracement Levels for Trade Entry?

According to Michael Huddleston ideal fibonacci level are below 50% retracement in bullish trend like 62% , 70.5% and 79%.

And in bearish trend ideal fibonacci levels to initiate a trade will be above 50% level which is called ICT Premium Zone.

So price is expected to bounce back from these fib levels and traders anticipate here for trade entry.

Where to Set Stop Loss while Using ICT Fib levels for Trade Entry?

While using ICT fib levels to execute a trade, your stop loss will be 10/20 pips below the 1 (100%) fibonacci level in case of buy trade.

While in case of a sell trade your stop loss will be 10/20 pips above the 1 (100%) level of fibonacci.