

## micmed's Channels

micmed's Channels are a new graphical tool developed by micmed, a participant of ONIX forum. It is based on Andrews' Pitchfork, but anchoring points of the pitchfork are selected in a special way.

Below are micmed's quotations from some posts on ONIX forum (translated into English by MetaQuotes Software Corp.):

...such as shown in the screenshots can also be added to the set of pitchforks, I call them "golden section". Trying VL (\*), I discovered that such pitchforks retained proper channels most frequently...

This is what explains the interest in this drawing: the golden section built according to the above requirements works further as a channel, though it is built far before the borders of a classical channel are shown. And this fits completely in the harmony related to Fibonacci numbers...

...these are not pitchforks, really, it was just comfortable to build using them. As to the building, I put point 1 on a vertical line built from B. Some observations are given below:

1. If diagonal line AB is shorter than diagonal line BC, I build at a distance of 32,8% from vertex B
2. If diagonal line AB is longer than diagonal line BC, then 61.8% from vertex B
3. There are also 50%, usually at pivots, and they follow each other, 2-3 triangles
4. If the channel is broken through, point 38.2 will change for 61.8 and vice versa (screenshots)

\* - VL - Versum Levels -a new graphical tool to be described later.

Parameters:

- **ExtCM\_0\_1A\_2B** - enables drawing of micmed's channels. The value should be chosen among numbers of 1-2-3-4. The default value of 0 means that normal Andrews' Pitchfork will be built.
- **ExtCM\_Fibo** - sets the Andrews' Pitchfork median line location to draw micmed's channels. The value can vary from 0 to 1.

Parameter ExtCM\_0\_1A\_2B anchors all Andrews' pitchforks (see above) to other points. To draw micmed's channels, you should build Andrews' pitchforks first. Then, using parameter ExtCM\_0\_1A\_2B, select new anchoring points for pitchforks. The value of parameter ExtCM\_0\_1A\_2B depends on lengths of AB and BC.

Below is the author's description of how channels can be drawn:

micmed's channels in the ZUP, starting from version 55 are built using standard tool named Andrews' Pitchfork on three points, points 2 and 3 being selected on two peaks, like in classical pitchforks, whereas point 1 being selected by two parameters:

- **ExtCM\_0\_1A\_2B** (can be 0, 1, 2, 3, 4) defines vertical line, on which point 1 will be located

respectively, if

0 - micmed's channels are not drawn, a standard pitchfork is drawn

1 - point 1 is selected on the vertical line from peak A along Fibbo levels AB

2 - point 1 is selected on the vertical line from peak B along Fibbo levels BC

3 - point 1 is selected on the vertical line from peak A along Fibbo levels BC

4 - point 1 is selected on the vertical line from peak B along Fibbo levels

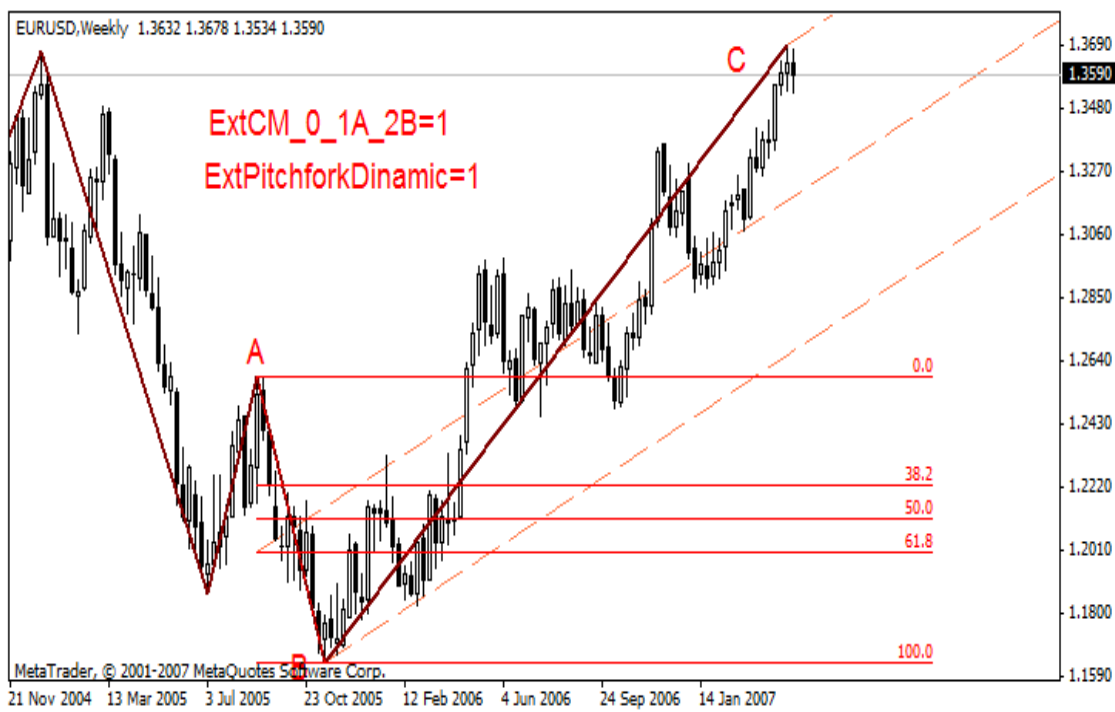
calculated according the following algorithm: if  $AB > BC$ , then the value is 0.618;

if  $AB < BC$ , then the value is 0.382

- **ExtCM\_Fibo** (may vary from 0.0 to 1.0) defines the value for Fibbo level of point 1

Exemplary drawings:

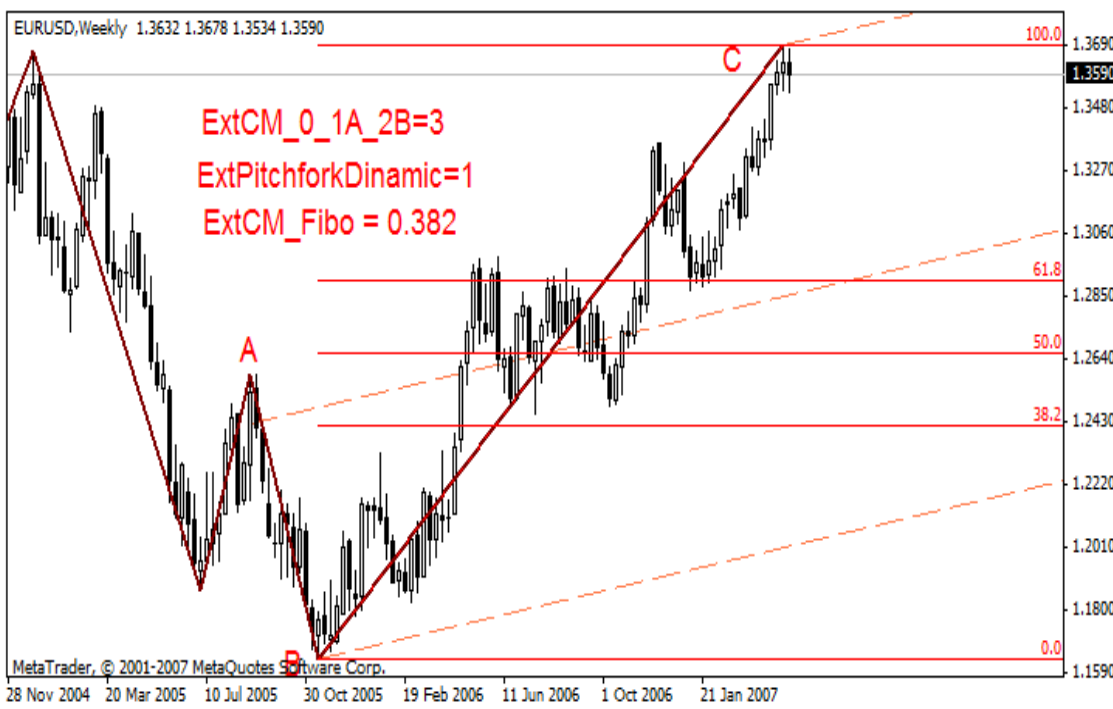
ExtCM\_0\_1A\_2B = 1, ExtCM\_Fibo = 0.618



ExtCM\_0\_1A\_2B = 2, ExtCM\_Fibo = 0.618



ExtCM\_0\_1A\_2B = 3, ExtCM\_Fibo = 0.382



Analyzing history on EURUSD, Daily starting from year 1989 - ZUP\_v54 with parameters of Extindicator=6 , minBars=25 - there were 103 triangles built where

- if  $AB > BC$ , point 1 is selected on the vertical line of peak B on the value of 0.618 (31 triangles)
- if  $AB < BC$ , point 1 is selected on the vertical line of peak B on the value of 0.382 (31 triangles)

it was also observed that in broken channels Fibo values for point 1 change from 0.382

to 0.618 and vice versa (trend direction change), as well as value 0.5 at flats (40 triangles).

Mode 3 is useful for very fast peaks. Otherwise, the channel will be at a very acute angle...

I would like to share an important, to my point of view, observation. In channel building mode 4 (perhaps, in others, too, but this one is automated), price ALWAYS(!) reaches the price at the level of intersection of RL 161.8 with the channel median line and practically always within the range of RL 100 - 161.8.

Above are some quotations from micmed's posts. This was done to for better understanding of how the new graphical tool, micmed's Channels, works. Fibo levels are displayed in the chart in order to show the building algorithm of the Channels. The ZUP containing this graphical tools does not show Fibo levels.

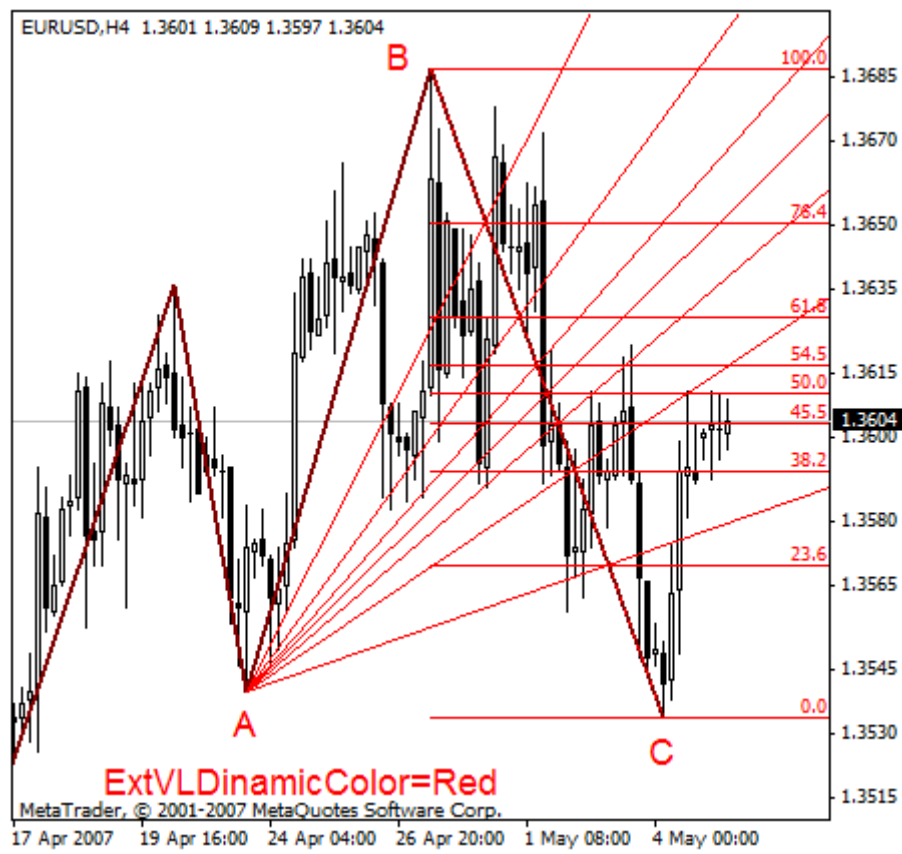
## Versum Levels

This graphical tool was developed by versum, the participant of forums at KBPauk and ONIX. It is quite possible that this tool has also been implemented by others. In ZUP, this tool is named Versum Levels.

Parameters:

- **ExtVLStaticColor** - enables static Versum Levels by selecting color
- **ExtVLDinamicColor** - enables dynamic Versum Levels by selecting color
- **ExtVLStaticNum** - sets the peak number, on which the static Versum Levels will be displayed

This tool complements Andrews' Pitchfork and resembles Fibo Fan. Like Andrews' Pitchfork, it works around the median line. Andrews' Pitchfork median line coincides with 50-% level of VL. Below is a sample of how a dynamic VL is drawn. Fibo levels are displayed in the chart in order to show how this graphical tool is built. The ZUP containing this graphical tools does not show Fibo levels.



Below are some quotations from versum's posts (translated into English by MetaQuotes Software Corp.):

This can be considered both a fan, i.e., radiating lines, and a Fibo Fan since I use a segment that intersects these lines and is divided into parts by Fibo level (a tool being at hand and that moment)... In Fig. 1, you can see that segment BC is divided into parts using a Fibo level. Lines are drawn from the preceding peak/trough, point A, through the points of intersection of the Fibo level and segment BC. These are the expected price levels.

### So what we have?

1. levels (which is most important) that change with the time
2. these are these variations, from which Gartley Patterns and other shapes and models develop, but they are visible "after"
3. expected trend development.

### How to use it?

If the price touches or exceeds the level of the 50-% line (that passes through the point divided by 50-% level), so we can say (though not with a 100-% probability) that the trend keeps the same direction. If it is below 50-% line, we can say that the current trend may change...

### Notes:

1. I do not use the obtained levels strictly, up to 1 pip. I think this should rather be

considered as an area.

2. I do not consider Fibon levels to be a panacea either. Other ratios between parts of the segment may turn to be better.