

# Autochartist™

## User Guide

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# Welcome to Autochartist™

Autochartist™ scans forex markets across multiple timeframes to identify a variety of widely recognized chart patterns that have been time-tested to illustrate market trends and potential reversals of those trends. It then displays its findings in a quick-view matrix, giving you the opportunity to easily identify markets with emerging and completed patterns. Autochartist™ also displays other valuable pattern information, which you can view collectively to quickly determine if the price pattern is providing a strong signal to place a trade.

Not only does Autochartist™ automatically identify price patterns such as flags, pennants, double-tops, double bottoms and triangles, it also identifies several Fibonacci-based patterns, including ABCD, three-drive and – exclusive to GFT – butterfly and Gartley patterns.

The ABCD, three-drive, butterfly and Gartley patterns are known as forward-looking indicators, typically offering higher-probability trade opportunities. These patterns are based on time-tested technical analysis research to identify potential market entry and exit points as well as risk-management strategies. GFT is proud to offer butterfly and Gartley Autochartist™ patterns exclusively to our customers. To learn how all of these patterns work and to get a complete list of bearish and bullish Fibonacci patterns, visit [FX360.com](http://FX360.com) or [click here](#).

In addition to the Fibonacci-based patterns, Autochartist™ now offers three-point Fibonacci retracements and extensions, offering traders the opportunity to monitor potential Fibonacci patterns before they are identified. Fibonacci retracements and extensions are the building blocks used to identify Fibonacci patterns and forecast potential targets.

This guide is intended to help you get started using Autochartist™ as part of your overall trading strategy.

# Autochartist™ Installation Instructions

Autochartist™ is available for free from our website. You can download the latest version of the software to your PC and then follow the instructions below to install it.

**Note:** Depending on your browser type and settings on your PC, a window may appear that enables you to save the download file to a specific folder. Save the Autochartist™ download to a file location where you can find it on your PC. You may even want to write down the file location.

## Downloading and installing Autochartist™ to your PC:

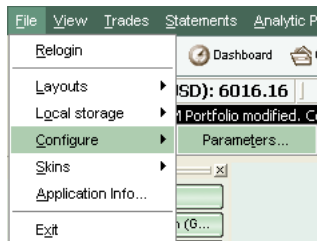
1. Open your preferred internet browser on your PC.
2. Navigate to <https://www.gftforex.com/tradingtools/autochartist/download.asp>.
3. Click **Download Now**. Your browser displays a pop-up window, asking if you want to save the file.
4. Save the Autochartist™ setup.exe file to a file location where you can find it on your PC.
5. On your computer, navigate to the file location where you saved the Autochartist™ download.
6. Double-click the file and select **Run**.
7. Make sure the language you want is displayed. English is selected by default. When the language is selected, click **OK**.
8. When the Autochartist™ Setup Wizard appears, make sure all other applications are closed and click **Next**.
9. Use the scrollbar to review the disclaimer. When complete, click **I Agree** to accept the terms of the agreement.
10. Make sure that the Autochartist™ application is being installed in the folder you want. By default, the location is C:\Program Files\Autochartist. If you want to change this, click in the **Destination Folder** field to type in a new location or click **Browse** to navigate to a new folder. When done, click **Install**.
11. Click **Finish** when complete.

# How to Use Autochartist™

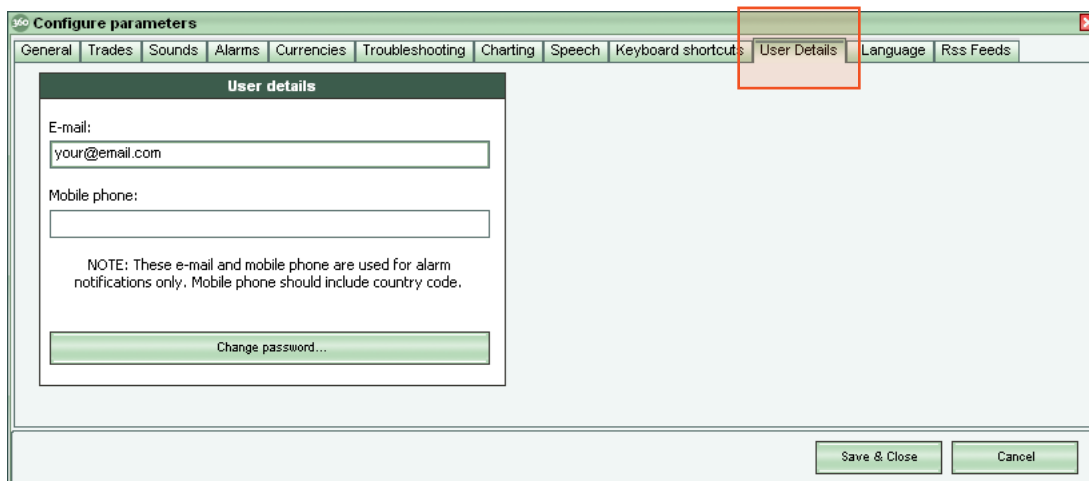
To use Autochartist™, you must have a GFT live account. If you do not have a GFT live account, you can apply for one at [www.gftforex.com/openaccount](http://www.gftforex.com/openaccount). You must also have an email address registered within DealBook® 360. If you have not already registered your email address, follow the steps below. Once registered, you can download, launch and login to Autochartist™.

## Register your email address with DealBook® 360:

1. Click **Start > All Programs > Global Forex Trading > DealBook® 360**.
2. When the login screen appears, enter your user name and password. If you do not know your user name and password, contact customer service at 1 800 465 4373.
3. When the application has finished loading, choose **File > Configure > Parameters** from the menu at the top.



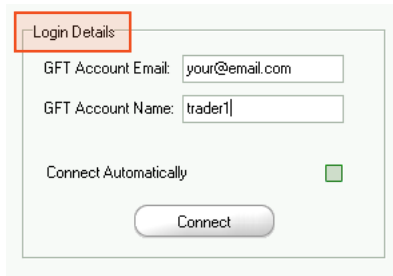
4. In the window that opens, select the **User Details** tab.



5. Enter your email address in the space provided.
6. Click **Save & Close**.

## Log into Autochartist™:

1. Launch Autochartist™. If you used the default settings to install Autochartist™, click **Start > All Programs > Autochartist™ > GFT Chart Patterns**.
2. When the login window appears, enter your email you registered at GFT in the GFT Account Email field and your GFT Account Name.



Login Details

GFT Account Email:

GFT Account Name:

Connect Automatically

3. Click **Connect**.

For future log-ins, you may want to check the **Connect Automatically** box. This will save your credentials and allow the program to log-in automatically each time you start it.

## Explore the Interface

When you log in for the first time, the program displays the full list of complete and emerging standard patterns for all the major forex pairs offered by GFT as well as the current Fibonacci-based patterns.

## Standard Pattern View

**1 Complete Patterns:** Shows a list of the most recent patterns with a breakout. The program defaults to the FX Majors 60 search, but you may create custom searches based on your own parameters.

**2 Emerging Patterns:** Shows a list of patterns which are forming, but are incomplete. No breakout has occurred. These patterns are meant to be used to enable the trader to be proactive, but should not be used as a basis for trading until a breakout has occurred, and as always it's best to use multiple tools in conjunction with each other.

**3 Tool Bar:** Contains buttons for creating a new search, deleting a search and editing a search, as well as buttons for launching DealBook® 360 and Live Chat to talk with a GFT support specialist.

You can sort completed and emerging patterns by each of the column headings. For example, if you wanted to sort the completed patterns by quality, click the **Quality** heading and the chart will now be sorted from lowest quality to highest. To display from highest quality to lowest, click the heading again.

When new patterns are found, Autochartist™ sounds an alarm and displays an alert under your Windows® taskbar, which contains the number of new emerging and completed patterns detected. To view the new patterns, you can click the alert, or simply go to the main interface. New alerts appear on the matrix with a yellow starburst in the left column.

Excha...	Symbol	Interval	Pa
☀	FOREX	GBP/USD	15 minute
☀	FOREX	EUR/ZAR	30 minute
	FOREX	EUR/CHF	30 minute

**IMPORTANT:** Emerging patterns should never be used to develop a trading plan; only complete patterns, which have a breakout, can provide a market forecast. Autochartist™ displays emerging patterns so traders can monitor market movements.

Excha...	Symbol	Interval	Pattern	Time	Len	Quality	Price Symmetry	Clarity
☀	FOREX	GBP/USD	3 Point Extension	28/4 14:15	71	★★★★	★★★★	★★
	FOREX	EUR/C...	3 Point Extension	28/4 13:30	41	★★★★	★★★★	★★
	FOREX	GBP/USD	ABCD	28/4 11:30	17	★★★★	★★★★	★★★★
	FOREX	USD/C...	3 Point Extension	28/4 12:00	28	★★★★	★★★★	★★★★
	FOREX	EUR/CHF	3 Point Retracement	28/4 11:15	9	★★★★	★★★★	★★
	FOREX	NZD/USD	3 Point Extension	28/4 10:45	9	★★	★	★★
	FOREX	EUR/CHF	3 Point Retracement	28/4 10:00	7	★★★★	★★	★★★★
	FOREX	USD/C...	3 Point Retracement	28/4 09:00	8	★★★★	★★★★	★★
	FOREX	USD/CHF	3 Point Extension	28/4 09:00	31	★★	★★★★	★
	FOREX	EUR/USD	3 Point Extension	28/4 08:15	24	★★★★	★★★★	★★★★
	FOREX	EUR/ZAR	Gartley	28/4 08:30	45	★★★★	★★★★	★★★★
	FOREX	EUR/ZAR	3 Point Retracement	28/4 09:00	26	★★★★	★★★★	★★★★
	FOREX	EUR/ZAR	Gartley	28/4 08:15	89	★★★★	★★★★	★★★★
	FOREX	EUR/ZAR	3 Point Retracement	28/4 08:30	51	★★★★	★★★★	★★★★
	FOREX	EUR/CHF	ABCD	28/4 08:15	15	★★★★	★★★★	★★
	FOREX	EUR/ZAR	Butterfly	28/4 08:15	55	★★★★	★★★★	★★★★
	FOREX	EUR/CHF	3 Point Extension	28/4 08:30	12	★★	★	★★
	FOREX	EUR/CHF	3 Point Extension	28/4 08:15	23	★★	★	★★
	FOREX	USD/ZAR	3 Point Extension	28/4 08:00	13	★★★★	★★★★	★★★★
	FOREX	USD/ZAR	3 Point Extension	28/4 07:30	26	★★★★	★★★★	★★★★
	FOREX	EUR/NZD	3 Point Extension	28/4 07:30	54	★★★★	★★	★★★★
	FOREX	EUR/JPY	3 Point Extension	28/4 07:00	8	★★★★	★★★★	★★★★
	FOREX	AUD/U...	3 Point Extension	28/4 07:00	10	★★	★★	★★
	FOREX	EUR/A...	3 Point Extension	28/4 07:00	53	★★	★★	★★
	FOREX	EUR/A...	3 Point Extension	28/4 07:00	26	★★	★★	★★
	FOREX	EUR/USD	3 Point Extension	28/4 05:00	18	★★★★	★★★★	★★
	FOREX	EUR/USD	3 Point Extension	28/4 05:00	104	★★★★	★★★★	★★★★
	FOREX	EUR/USD	3 Point Extension	28/4 05:00	22	★★★★	★★★★	★★★★
	FOREX	EUR/USD	3 Point Extension	28/4 04:30	16	★★	★★★★	★
	FOREX	EUR/USD	3 Point Extension	28/4 04:30	100	★★★★	★★★★	★★★★

The **Fibonacci Patterns** tab has a slightly different appearance than the **Standard Patterns** interface. Fibonacci patterns do not appear as either emerging or completed. Instead, all identified patterns appear in one list. Because Autochartist™ does not identify Fibonacci patterns until they have reached their anticipated completion point, all Fibonacci patterns are considered completed. Additionally, the **Volume**, **Uniformity** and **Initial Trend** headers are not used, as they do not apply to these types of patterns.

The column labeled **Price Symmetry** identifies how well the pattern fits with its ideal standards in terms of Fibonacci ratios. For example, with an ABCD pattern, ideally point C will be 61.8 or 78.6 percent of the AB line or “leg”. Price Symmetry measures how closely the identified pattern fits with that standard and others that apply to the other Fibonacci patterns.

As with the standard patterns, you can sort the list by each of the column headings by clicking on the heading by which you wish to sort. For example, clicking on the **Quality** heading will sort the list by quality, from lowest to highest. Clicking the same heading again will sort the list by highest to lowest quality. You can sort the columns located at the top from highest to lowest, including the symbol, interval, pattern, direction, time, etc.

When new patterns are found, Autochartist™ displays an alert under your windows taskbar, which contains the number of new emerging and completed patterns detected. To view the new patterns, you can click the alert, or simply go to the main interface. New alerts appear on the matrix with a yellow starburst in the left column.

	Excha...	Symbol	Interval	Pa
	FOREX	GBP/USD	15 minute	3 f
	FOREX	EUR/ZAR	30 minute	AE
	FOREX	EUR/CHF	30 minute	AE

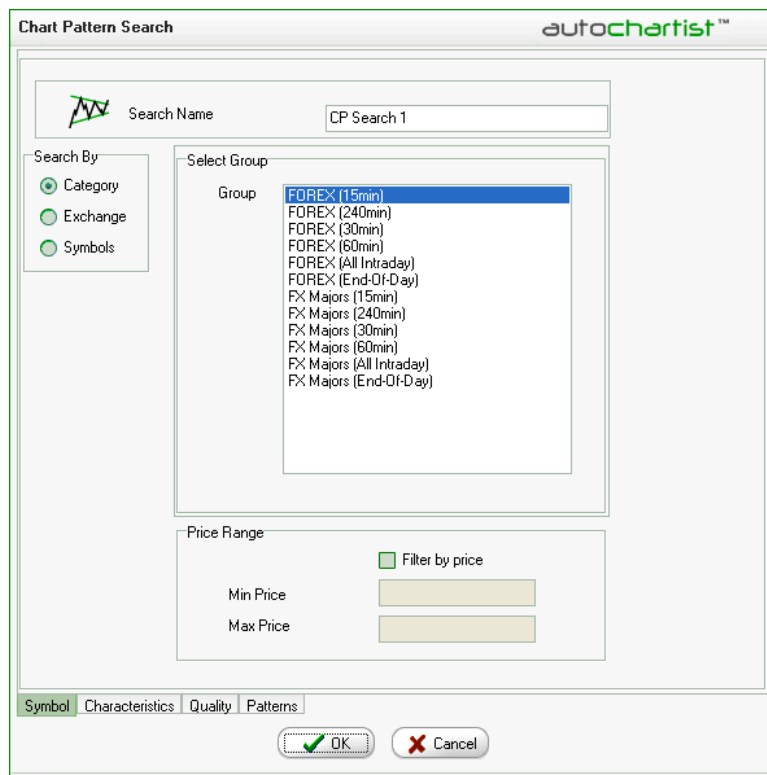
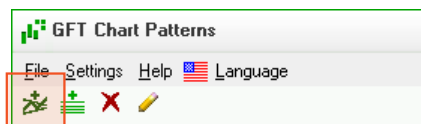
## Create a Custom Standard Pattern Search

While the default setting for Autochartist™ provides you with a scan of many types of price patterns over a wide range of time intervals, most traders prefer to start with a more basic setup. For example, your personal trading strategy may have you following one currency pair or just a few. In this instance, you wouldn't want to be notified about patterns emerging for currency pairs you are not following. Similarly, if you tend to follow 30-minute or one-hour charts, you may not wish to be notified about emerging or completed patterns on the 15-minute charts. You can create customized searches using only the parameters you prefer to help you better focus the program to fit your personal strategy.

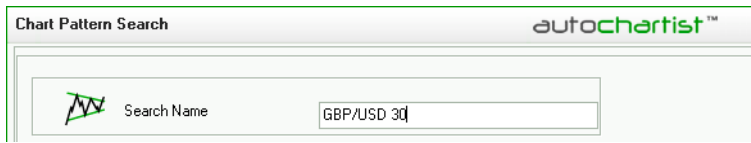
For example, let's say you want to focus your trading on the GBP/USD on a 30-minute chart.

### Create a Custom Standard Pattern Search for GBP/USD:

1. In the Autochartist™ toolbar, click **New Chart Pattern Search**  to open the **Chart Pattern Search** window.

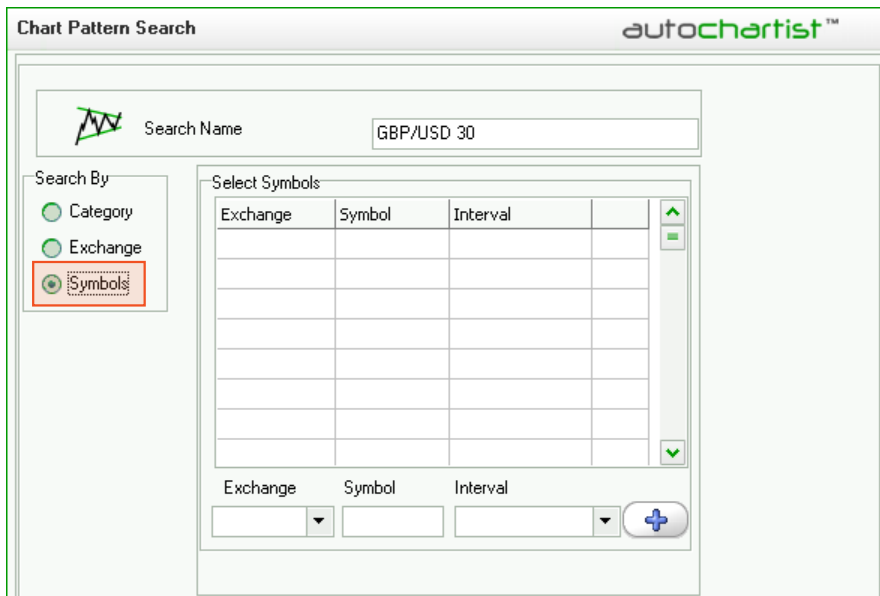


- In the **Search Name** field, enter a name for your search to help you identify it (i.e., GBP/USD 30).



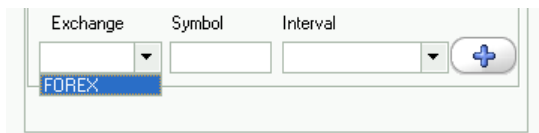
The screenshot shows the 'Chart Pattern Search' window with the 'Search Name' field containing the text 'GBP/USD 30'. The window title is 'autochartist™'.

- Select **Symbols** in the **Search By** box.



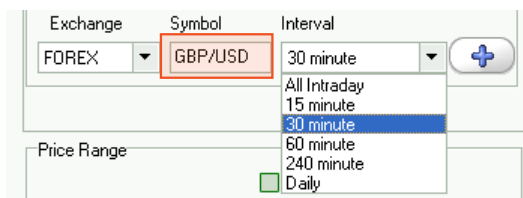
The screenshot shows the 'Chart Pattern Search' window with the 'Search By' section on the left. The 'Symbols' option is selected and highlighted with a red box. The 'Select Symbols' table is empty. Below the table are input fields for 'Exchange', 'Symbol', and 'Interval', and a '+' button.

- Under **Exchange**, select **FOREX** from the drop-down menu.



The screenshot shows the 'Exchange' drop-down menu with 'FOREX' selected. The 'Symbol' and 'Interval' fields are empty.

- In the **Symbol** box, type **GBP/USD** and in the **Interval** menu, choose **30 minute**.



The screenshot shows the 'Symbol' field containing 'GBP/USD' and the 'Interval' menu open with '30 minute' selected. The 'Exchange' field is set to 'FOREX'.

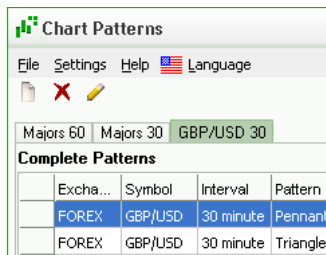
- Click **+** to add the pair to your search. If you wish to cancel your search, click the **Cancel** button.

- Click **OK**.



The screenshot shows two buttons: 'OK' with a green checkmark icon and 'Cancel' with a red X icon.



Your new search appears as a tab at the top of the main window. To view your search, click the tab and your results will appear. Autochartist™ will update your custom search each time new patterns emerge or are completed.

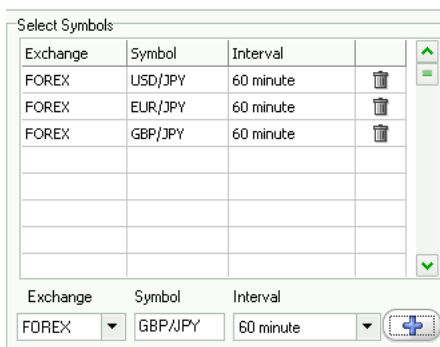


You can also create searches that include multiple currency pairs and/or timeframes.

For example, let's say you wanted to see patterns for only the USD/JPY, EUR/JPY and GBP/JPY currency pairs. Furthermore, you wish to see only those emerging and completed patterns on the 60-minute chart.

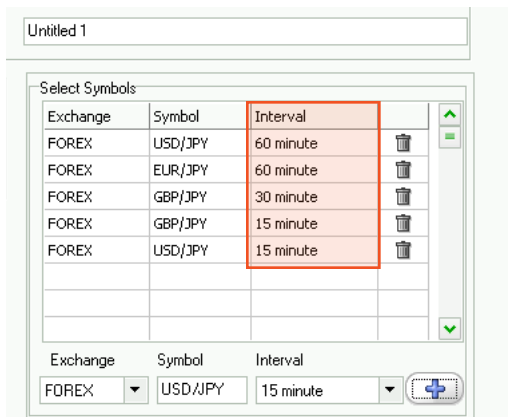
### Creating a Custom Standard Pattern Search for USD/JPY, EUR/JPY and GBP/JPY Currency Pairs:

1. In the Autochartist™ toolbar, click **New Chart Pattern Search**  to open the **Chart Pattern Search** window.
2. In the **Search Name** field, enter a name for your search to help identify it.
3. Select **Symbols** in the **Search By** box.
4. Under **Exchange**, select **FOREX** from the drop-down menu.
5. In the **Symbol** box, type **USD/JPY** and in the **Interval** menu, choose **60 minute**.
6. Click  to add the pair to your search.
7. Repeat steps 4 and 5 to add the **EUR/JPY** and **GBP/JPY** symbols.

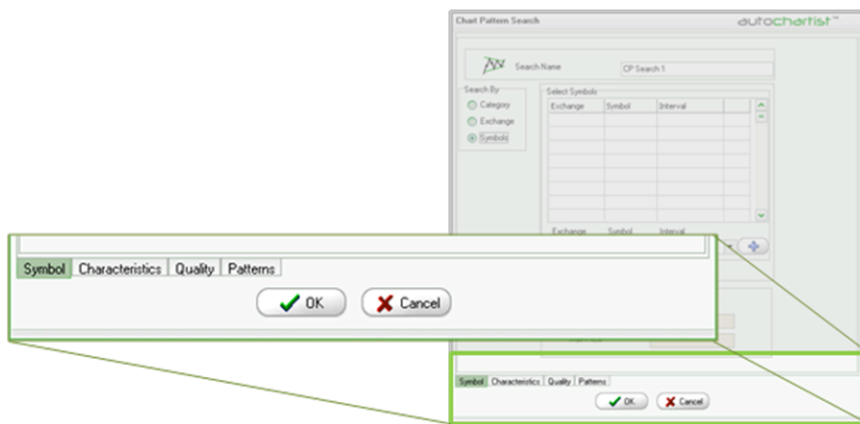


8. Click **OK**.

To display multiple timeframes in one search, simply follow the steps above again, but this time, choose another timeframe under the **Interval** menu.



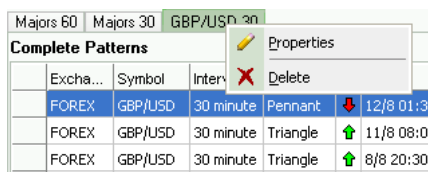
## Advanced Search Options



You can further clarify your searches using the tabs at the bottom of the **Chart Pattern Search** window. Under the **Characteristics** tab, you can specify pattern directions, trend changes and the minimum pattern length. The **Patterns** tab enables you to specify only the patterns you wish to follow.

Under the **Quality** tab, you can use the sliders to adjust the minimum **Clarity**, **Uniformity**, **Initial Trend**, **Breakout Strength**, **Volume Increase** and **Overall Quality**. Those adjustments can be especially helpful because each of those criteria is used by Autochartist™ to grade each pattern breakout for its potential to reach the forecast zone. By adjusting the minimums to search for higher quality patterns, you can eliminate notifications for breakouts with lower quality scores. It's important to note, though, that higher pattern quality scores *do not guarantee* that a breakout will reach the forecast zone. All forecast prices should be confirmed using your own price level analysis.

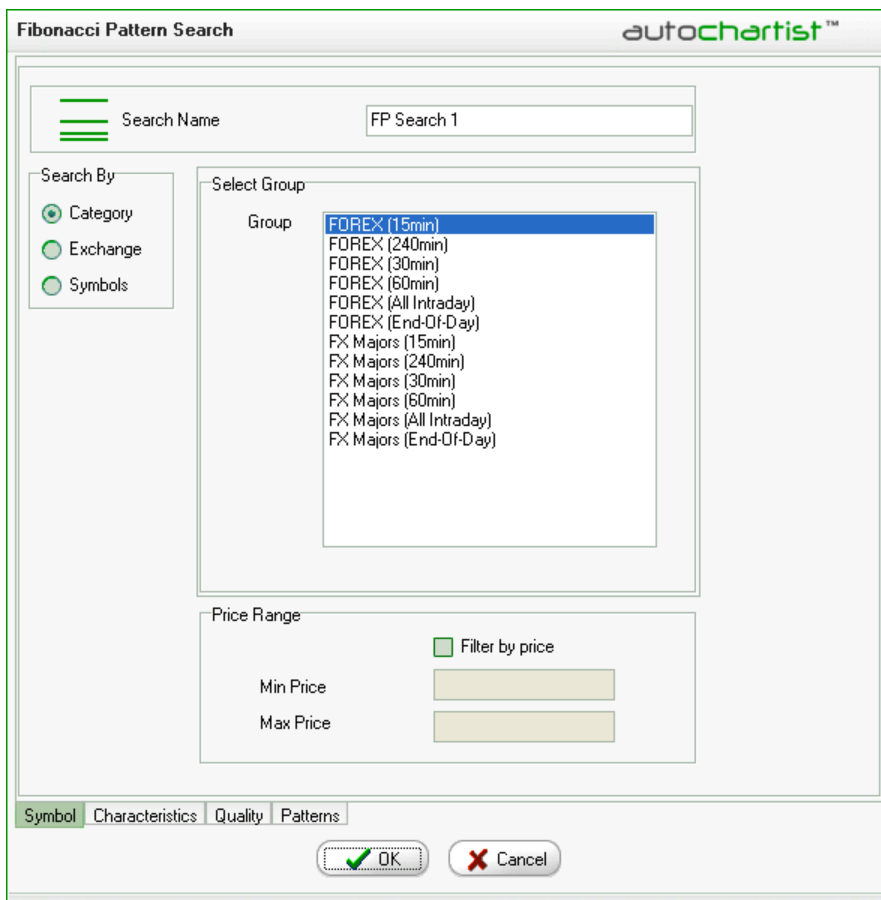
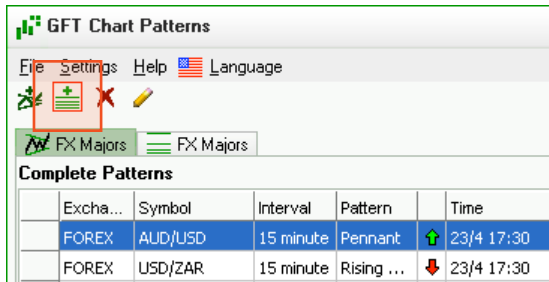
You can edit a custom search at any time by right-clicking on the tab and choosing **Properties**. You can delete a custom search by right-clicking on the search tab and selecting **Delete**.



## Create a Custom Fibonacci Search

### Creating a Custom Fibonacci Search for GBP/USD:

1. In Autochartist™, click **New Fibonacci Pattern Search** to open the **Fibonacci Pattern Search** window.



- In the **Search Name** box, enter a name for your search to help identify it (i.e., GBP/USD 30).

**Fibonacci Pattern Search** autochart

Search Name: GBP/USD 30

Search By:

- Category
- Exchange

Select Group:

Group: FOREX (15min)  
FOREX (240min)

- Select **Symbols** in the **Search By** box.

**Fibonacci Pattern Search** autochartist™

Search Name: GBP/USD 30

Search By:

- Category
- Exchange
- Symbols

Select Symbols:

Exchange	Symbol	Interval	

- Under **Exchange**, select **FOREX** from the drop-down menu.

Exchange: FOREX  
Symbol:   
Interval:   
+

- In the **Symbol** box, type **GBP/USD** and in the **Interval** menu, choose **30 minute**.

Exchange: FOREX  
Symbol: GBP/USD  
Interval: 30 minute  
All Intraday  
15 minute  
30 minute  
60 minute  
240 minute  
Daily  
Price Range:

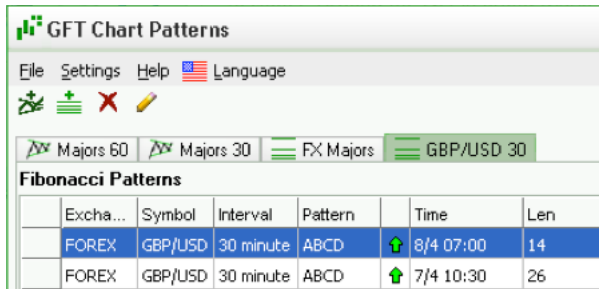
- Click **+** to add the pair to your search.

- Click **OK**.

Characteristics Quality Patterns

OK Cancel


Your new search appears as a tab at the top of the main window. To view your search, click the tab and your results will appear. Autochartist™ will update your custom search each time new patterns emerge or are completed.

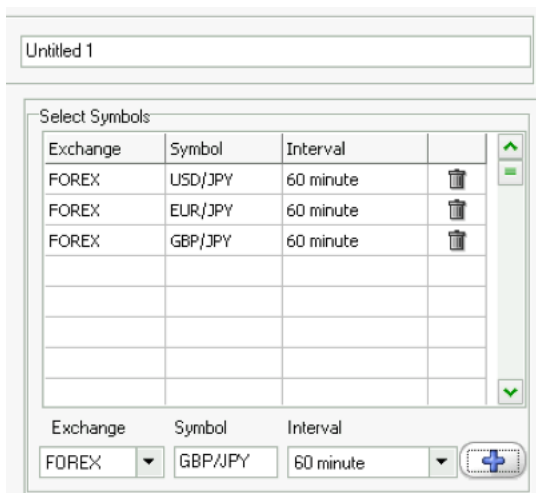


You can also create searches that include multiple currency pairs and/or timeframes.

For example, let's say you wanted to see patterns for only the USD/JPY, EUR/JPY and GBP/JPY currency pairs. Furthermore, you wish to see only those emerging and completed patterns on the 60-minute chart.

### Creating a Custom Fibonacci Pattern Search for USD/JPY, EUR/JPY and GBP/JPY Currency Pairs:

1. In Autochartist™, click **New Fibonacci Pattern Search** to open the **Fibonacci Pattern Search** window.
2. In the **Search Name** box, enter a name for your search to help identify it.
3. Select **Symbols** in the **Search By** box.
4. Under **Exchange**, select **FOREX** from the drop-down menu.
5. In the Symbol box, type **USD/JPY** and in the **Interval** menu, choose **60 minute**.
6. Click  to add the pair to your search.
7. Repeat steps 4 and 5 to add the **EUR/JPY** and **GBP/JPY** symbols.



8. Click **OK**.



3. **Interval** – Time interval of the data on which the pattern was identified. If all patterns in your search were identified on the same interval, this column will be hidden.
4. **Pattern**– The type of pattern identified.
5. **Pattern End** – The date and time at which the pattern broke through either the support or resistance line.  
**Note:** *Date is shown as day/month.*
6. **Trend Change**– This is either a continuation or reversal.
7. **Length** – Length of the pattern. This is the amount of time that a pattern took to develop for that specific time frame. For example, a pattern length of 30 found on 60-minute interval would mean that the pattern was formed over 30 hours. Generally, the longer the pattern, the more reliable it may be.
8. **Direction** – Direction in which the breakout occurred. An up arrow means the price broke through the resistance line. A down arrow means the price broke through the support line. In the case of emerging patterns, blank arrows (up or down) are used to indicate the anticipated breakout direction.
9. **Quality** – The average of all the other pattern indicators, offering an overall quality score.
10. **Initial Trend** – Quality of the trend preceding the pattern formation. A longer, steadier initial trend is an important component of a high-quality pattern.
11. **Uniformity** – How uniformly spaced the price turning points are that touch the support or resistance lines. Generally, the more uniform the turning points, the better the trend.
12. **Clarity** – The number of random price movements during the formation of the pattern. The less random price movements, the better the clarity score.
13. **Breakout** – The decisiveness with which the price broke through the support or resistance line. This quality measure is irrelevant for emerging patterns.
14. **Volume** – The relative amount of increase in the trading volume at the time of breakout through the support or resistance line. This quality measure is irrelevant for emerging patterns. This is characteristic is only relevant to exchange-traded instruments, such as stocks or futures.
15. **Forecast To/Forecast From** - The highest and lowest price levels in the forecast range of a completed pattern.

## View and Analyze Forecast Regions for Standard Patterns



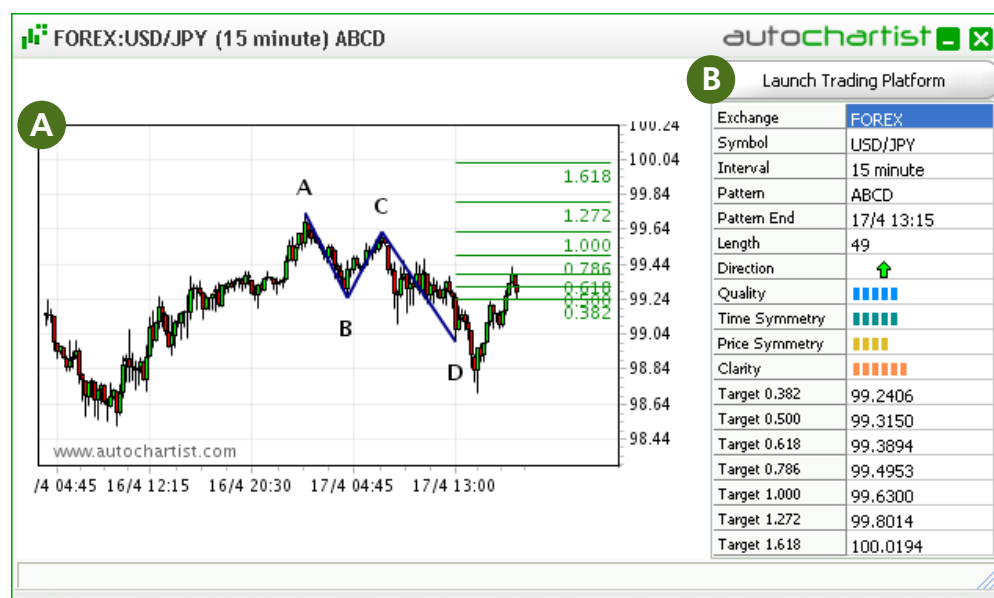
Autochartist™ does not offer recommendations as to market entry and exit points, but based on its assessment of the various quality indicators, it does forecast target price regions when a breakout has occurred. When viewing a standard pattern, the price forecast region appears as a *grey area* on the chart. These regions, when combined with your own pricing analysis, may be used to determine a general idea of where you may wish to exit the market and collect any potential profits. Market entry points should be determined using your own technical analysis as part of your regular trading strategy.

Because forecast regions represent *possible* market movements, they should not be considered 100% accurate. Depending on the pattern, currency, pair, timeframe and market conditions, the forecast region may be as small as a few pips wide or as large as 10, 20 or even 100 pips or more. Furthermore, many factors affect market movements, so it is always possible that the market may not reach the forecasted region.

Remember, Autochartist™ does not offer recommendations or suggestions as to possible stop and limit order placement. Stops, limits and other risk management criteria should be determined by each trader as part of a comprehensive trading strategy. For information on forming a trading strategy, [click here](#).

## View a Fibonacci Pattern

To view a Fibonacci pattern, double-click on the row in the Fibonacci pattern matrix. Similar to standard patterns, the Fibonacci pattern will appear in a separate window, along with a number of pattern indicators and quality ratings.



The **Pattern Display** shows the chart with the current pattern detected (A). If the market changes and the pattern is invalidated, Autochartist™ will display a message indicating that the pattern is no longer valid. **Autochartist™ Pattern Indicators** (B) provide data about the strength and quality of the pattern, as well as the type and potential direction.

### Autochartist™ Fibonacci Pattern Indicators (see image above)

1. **Exchange** – The type of instrument (FOREX) you are trading.
2. **Symbol** – The currency pair for which the pattern was found.
3. **Interval** – Time interval of the data on which the pattern was identified. If all patterns in your search were identified on the same interval (i.e., 30 minutes), this column will be hidden.
4. **Pattern** – The type of pattern identified.
5. **Pattern End** – The date and time at which the pattern reached its completion.  
**Note:** *date is shown as day/month.*

6. **Length** – The amount of time that a pattern took to develop for that specific timeframe. For example, a pattern length of 30 found on a 60-minute interval would mean that the pattern was formed over 30 hours.
7. **Direction** – Direction in which the market is forecasted to move following the pattern’s end.
8. **Quality** – The average of all the other pattern indicators, offering an overall quality score.  
**Note:** *A higher quality score does not guarantee that the market will behave as forecasted.*
9. **Time Symmetry** – Identifies how well the pattern fits with its ideal standards in terms of timing.
10. **Price Symmetry** – Identifies how well the pattern fits with its ideal standards in terms of Fibonacci ratios.
11. **Clarity** – The number of random price movements during the pattern’s formation. The fewer price movements, the better the clarity score.
11. **Targets** – Indicate price targets determined by the Fibonacci retracements/extensions shown on the pattern chart. These are the levels Autochartist™ uses to determine where the market may move following pattern completion.

## View and Analyze Forecasted Targets

Autochartist™ does not offer recommendations as to market entry and exit points, but based on its assessment of the various quality indicators, it does forecast target prices, based on Fibonacci retracements and extensions, when a Fibonacci pattern has completed.

When viewing the pattern, the price targets appear as both a Fibonacci retracement/extension on the chart and as price targets in the pattern indicators. When combined with your own pricing analysis, these targets may be used to determine a general idea of where you may wish to exit the market and collect any potential profits.

Because target forecasts represent potential market movements, they should not be considered to be a “sure thing.” Many factors affect market movements, so it is always possible that the market may not react as forecasted.

Remember, Autochartist™ does not offer recommendations as to possible stop and limit order placement. Stops, limits and other risk management criteria should be determined by each trader as part of a comprehensive trading strategy. For information on forming a trading strategy, [click here](#).

## Use Autochartist™ to Place a Trade in DealBook® 360

It’s important to understand that Autochartist™ is not a trading strategy. It does not offer buy or sell signals and it does not recommend entry or exit points. However, when its advanced pattern recognition capabilities are combined with your own technical price analysis, it can be an excellent way to confirm or enhance your trade decisions. The examples below are for illustration purposes only and should not be interpreted as recommended strategies or suggestions for placing trades.

## Potential Trade Example #1 (Standard Pattern)



Autochartist™ alerts you that a completed pattern has occurred for the EUR/CHF currency pair on the 15-minute chart. You identify the new alert by the yellow starburst in the left-hand column and double-click on the pair's line in the matrix to open the pattern.

According to the program's analysis, the forecasted region for the breakout is somewhere between 1.6210 and 1.6230 from its current price of 1.6199. After further examination of the pattern analysis provided by Autochartist™, you note that the overall quality of the pattern is good and that the breakout appears to be relatively strong.

### Strong Indicators

Initial Trend	■■■■
Uniformity	■■■■■■■■
Clarity	■■■■■■■■
Breakout	■■■■■■■■
Volume	Not Applicable
Prediction From	1.058
Prediction To	1.075

### Weak Indicators

Length	558
Direction	↓
Quality	■
Initial Trend	■
Uniformity	■■■■
Clarity	
Breakout	

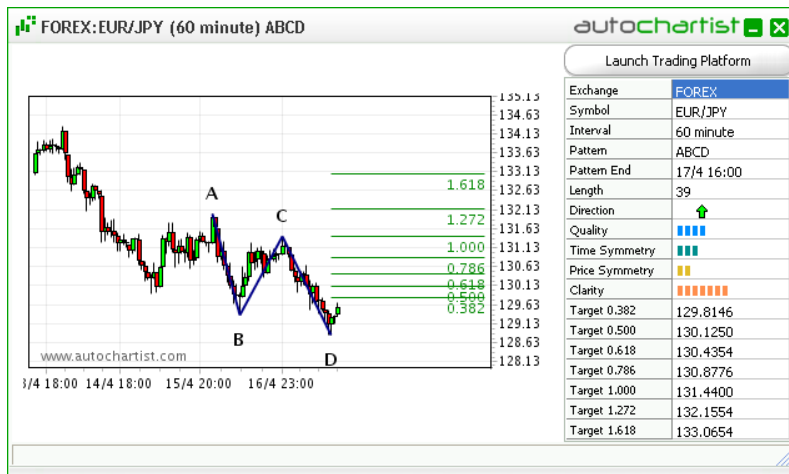
Looking at the pair's 15-minute chart in DealBook® 360, you apply a Fibonacci retracement\* and discover that 1.6225 is a likely point of resistance. The Slow Stochastics indicator\* also confirms that the pair appears to be moving to an upswing. Given that your technical analysis seems to confirm Autochartist's assessment, you may decide to go long on the EUR/CHF.

To place your order in DealBook® 360, click **New Order** from the menu at the top. In the window that appears, EUR/CHF as your currency pair. DealBook® 360 allows you to place an entire trade, including stops and limits, in one step with a parent & contingent (P&C) order. Choose **parent & contingent** as the order type. From your Fibonacci analysis, after choosing your stop level for risk management, you set your limit for 1.6220.

Under this scenario, if the market moves in your favor, you will be set to collect potential profits at 1.6220, but with a stop in place, you are also protected from significant losses should the market fail to move in a favorable direction.

\*For information on how to apply these indicators to charts in DealBook® 360, [click here](#).

## Potential Trade Example # 2 (Fibonacci)



Autochartist™ issues an alert that a new Fibonacci pattern has been identified for the EUR/JPY on the 60-minute chart. Opening the chart, you noticed that the overall quality of the pattern appears to be moderate, but the clarity appears to be relatively high.

Opening DealBook® 360, you note that on the two-hour chart, the pair appears to be nearing an important support level. The MACD indicator also appears to be indicating a potential reversal. Based on your further analysis, you decide to enter the market.

To place your order in DealBook® 360, click **New Order** from the menu at the top. In the window that appears, select **EUR/JPY** as your currency pair. DealBook® 360 allows you to place an entire trade, including stops and limits, in one step with a parent & contingent (P&C) order. Choose **parent & contingent** as the order type. Based on your analysis, you decide to enter with a market order. After choosing your stop level for risk management, you set your limit for 132.15, or the 1.272 Fibonacci extension.

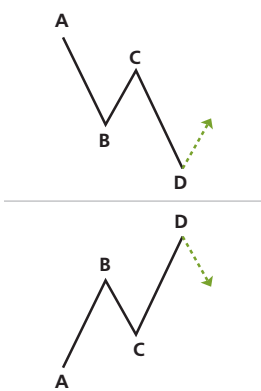
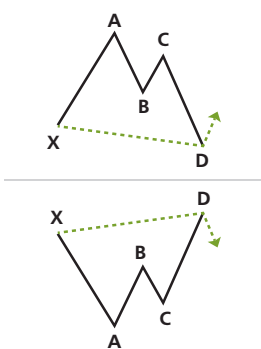
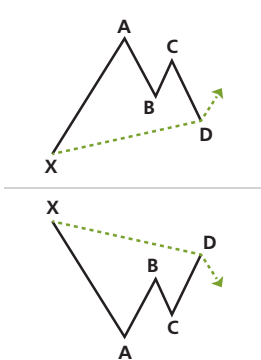
Under this scenario, if the market moves in your favor, you will be set to collect potential profits at 132.15, but with a stop in place, you are also protected from significant losses should the market fail to move in a favorable direction.

**Note:** *The preceding information is not a recommendation to follow a particular trading strategy and is intended to show only how Autochartist™ may be used to determine potential trades. Each trade should be considered carefully as to how it fits with your individual trading strategy, including risk tolerance.*

# Appendix 1: Pattern Recognition

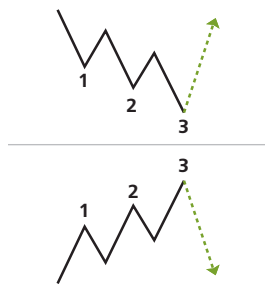
By default, Autochartist™ searches for the following patterns:

## FIBONACCI-BASED PATTERNS

Pattern Type	What is it?	Why is it important?	How do I find it?	
<ul style="list-style-type: none"> <li>• <b>ABCD</b></li> </ul>		<p>Suggests a potential market reversal. The ABCD pattern comprises three consecutive price swings or trends. Resembles a lightning bolt on a chart.</p>	<p>Helps identify potential buying and selling opportunities in nearly any market over nearly any timeframe. All other Fibonacci patterns are based on (or include) this pattern. May provide a stronger trade signal when it converges with other patterns.</p>	<p>Each turning point (A, B, C, and D) represents a significant high or significant low on a price chart. These points define three consecutive price swings, or trends, which make up each of the three pattern "legs." These are referred to as the AB leg, the BC leg, and the CD leg.</p>
<ul style="list-style-type: none"> <li>• <b>Butterfly</b></li> </ul>		<p>Suggests a potential market reversal. Contains an ABCD pattern preceded by a significant high or low. Represents a convergence of Fibonacci extension ratios where Point D = an extension of BC and XA, and is formed by two connecting triangles at B.</p>	<p>The convergence of Fibonacci extension ratios may provide higher probability for a change in market direction and may provide a better risk-to-reward ratio. Pattern failure may suggest a strong continuation move.</p>	<p>Butterfly patterns are similar to Gartley patterns in that they resemble an "M" or a "W" shape on a price chart.</p>
<ul style="list-style-type: none"> <li>• <b>Gartley</b></li> </ul>		<p>Suggests a potential market reversal. A visual, graphic price/time pattern comprising four consecutive price swings or trends. Typically resembles a "W" or "M" on a price chart. Contains an ABCD pattern preceded by a significant high or low (point X).</p>	<p>May help identify potentially higher-probability buying or selling opportunities in nearly any market and over nearly any timeframe. Reflects the convergence of Fibonacci retracement and extension levels at point D. May provide a more favorable risk-to-reward ratio.</p>	<p>For this pattern to be valid, each turning point (X, A, B, C and D) should represent a significant high or significant low on a price chart. These points define four consecutive price swings, or trends, which make up each of the four pattern "legs." These are referred to as the XA leg, AB leg, the BC leg, and the CD leg.</p>

Pattern Type	What is it?	Why is it important?	How do I find it?
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• **Three-Drive**







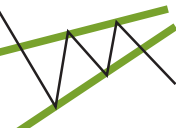



Suggests a potential market reversal. Formed by three consecutive symmetrical mountain tops (bearish) or three consecutive symmetrical valleys (bullish) – Contains two connecting (intertwined) bearish ABCD patterns – Also contains a bearish butterfly pattern (completing at the third drive).



Suggests the market may be at its most bullish or bearish, in which a more significant correction may occur. May offer an excellent risk-to-reward ratio. Pattern failure suggests a strong continuation may be in progress.

Price and time symmetry are key, so the pattern should really stand out as three distinct, symmetrical drives to a top or bottom. Traders should remember that this pattern is typically far less common than a butterfly or Gartley.

**STANDARD PATTERNS**

Pattern Type	Physical Characteristics	When does it form?	What does it indicate?
• <b>Head and Shoulders</b>			
	Three successive peaks: middle being the highest and two outside being lower and relatively equal in height.	After an uptrend.	Often signals an upcoming trend reversal.
• <b>Inverse Head and Shoulders</b>			
	Three successive peaks: middle being the lowest and two outside being higher and relatively equal in height.	After a downtrend.	Often signals an upcoming trend reversal.
• <b>Rectangles</b>			
	A horizontal trading range with two comparable highs and two comparable lows which can be connected to form two parallel lines that comprise a rectangle.	During a pause in a trend.	A consolidation zone or trading range.
• <b>Channels</b>			
	A trading range between diagonal parallel lines.	When an up or downtrend is formed between parallel support and resistance lines.	Possibly either a reversal in the trend or a change in the slope of the current trend.
• <b>Flags</b>			
	Small rectangle trading range between diagonal parallel lines; short term.	Typically following a sharp advance or decline.	Often indicates a small change in direction before the previous trend resumes.

Pattern Type	Physical Characteristics	When does it form?	What does it indicate?
<b>• Pennants</b>			
	A small symmetrical triangle that converges.	Typically following a sharp advance or decline.	Often indicates a small change in direction before the previous trend resumes.
<b>• Symmetrical Triangles</b>			
	Sideways pattern with two converging trend lines.	When an upper trend line is declining and a lower trend line is rising.	Often represents a relatively even balance between buyers and sellers and may indicate the continuation of a previous trend.
<b>• Ascending Triangles</b>			
	Two or more equal highs form a horizontal line at the top; two or more rising troughs form an ascending line that meets the horizontal line.	During an uptrend.	Often represents a continuation pattern if an established trend exists.
<b>• Descending Triangles</b>			
	Two or more equal lows form a horizontal line at the bottom; two or more declining peaks form a descending line that meets the horizontal line.	During a downtrend.	Often represents a continuation pattern if an established trend exists.
<b>• Wedge Continuation</b>			
	Two converging lines slanted upward (rising wedge) or downward (falling wedge).	During an uptrend or a downtrend.	Often represents a continuation of the original trend.
<b>• Wedge Reversal</b>			
	Two converging lines slanted upward (rising wedge) or downward (falling wedge).	After an uptrend or a downtrend.	Often represents a reversal in the original trend.
<b>• Double Top</b>			
	Two consecutive, roughly equal peaks with a moderate trough in between.	A major reversal pattern, it occurs after an extended uptrend.	Often represents a reversal pattern that indicates a minor, if not long term, change from an uptrend to a downtrend.
<b>• Double Bottom</b>			
	Two consecutive, roughly equal troughs with a moderate peak in between.	A major reversal pattern, it occurs after an extended downtrend.	Often represents a reversal pattern that indicates a minor, if not long term, change from a downtrend to an uptrend.

Pattern Type	Physical Characteristics	When does it form?	What does it indicate?
• <b>Triple Top</b>			
	Three consecutive, roughly equal peaks; may at first resemble a double top.	A major reversal pattern, it occurs after an extended uptrend.	Often represents a reversal pattern that indicates a minor, if not long term, change from an uptrend to a downtrend.
• <b>Triple Bottom</b>			
	Three consecutive, roughly equal troughs; may at first resemble a double bottom.	A major reversal pattern, it occurs after an extended downtrend.	Often represents a reversal pattern that indicates a minor, if not long term, change from a downtrend to an uptrend.

For more information about these and other Fibonacci-based patterns, including more detailed visual representations, visit [FX360.com](http://FX360.com) and select **Technical Analysis**, then select **Chart Patterns**.

## Glossary of Terms

**Breakout:** A breakout occurs when price movement breaks the support or resistance provided by a current trend line. Autochartist™ offers ratings of breakouts based on their strength.

**Completed Pattern:** A pattern identified by Autochartist™ where a breakout has occurred. Viewing a completed pattern will display Autochartist's forecast of price movement.

**Currency Pair:** Forex trading is the simultaneous buying and selling of currencies based on their value in relation to other currencies. Unlike many other types of trading, forex is always traded (and quoted) in pairs. When you buy one currency, you are selling another and vice versa.

**DiNapoli MACD:** One of the DiNapoli D-Levels™ tools included free with DealBook® 360, the DiNapoli MACD enables traders to gauge market momentum and possible reversal points.

**Emerging Pattern:** A pattern identified by Autochartist™ where a breakout has not occurred. Traders should use emerging patterns only as hints as to where a market may be moving, not as the basis for placing a trade.

**Fibonacci Extensions:** A very popular tool among traders whose strategies are based on technical analysis. Like Fibonacci retracements, Fibonacci extensions are derived from mathematical relationships based on ratios, the most important of which are 23.6%, 38.2%, 50%, 61.8% and 100%. They are used to help determine where a current move or trend may end.

**Fibonacci retracement:** A very popular tool among traders whose strategies are based on technical analysis. Fibonacci retracements are derived from mathematical relationships based on ratios, the most important of which are 23.6%, 38.2%, 50%, 61.8% and 100%. A Fibonacci retracement is created by taking two extreme points on a chart (usually a peak and trough) and dividing the distance by those key ratios. DealBook® 360 and DealBook® WEB offer a free Fibonacci retracement tool.

**Leg:** One of the price movements in the ABCD pattern. A leg may be the line from point A to B, B to C, or C to D.

**Pattern:** A pattern is the distinctive formation created by the movement of prices on a chart, identified by a line connecting common price points (closing prices, highs, lows) over a period of time. Autochartist™ searches for and identifies 15 of the most common types of chart patterns.

**Range Trading:** When a currency pair bounces repeatedly between relatively close support and resistance levels, it is said to be range-trading.

**Resistance Level:** The price level at which, historically, a financial instrument has had difficulty trading above. Traders may use resistance levels to help determine entry or exit points.

**Slow Stochastics:** A technical indicator included free with DealBook® 360 that calculates the location of a current price in relation to its range over a period of bars, which may confirm price movement and help identify possible turning points.

**Support Level:** The price level which, historically, a financial instrument has had difficulty falling below. Traders may use support levels to help determine entry or exit points.

**Target price range:** The price levels that Autochartist™ forecasts after a pattern is completed.

**Technical analysis:** The study of market movements based on past prices, patterns and trends in an attempt to forecast future prices, patterns and trends. Technical analysis varies between traders, but typically involves a number of pricing and timing indicators to determine the best prices and times to place high-probability trades. DealBook® 360 offers more than 100 free technical analysis tools.

# Frequently Asked Questions

## **Does Autochartist™ tell me when to place a trade?**

No. Autochartist™ examines chart movements to identify patterns that may provide insight into possible future market movements and price targets. Autochartist™ forecasts should be combined with your own technical analysis to determine potential entry and exit points.

## **When I view an emerging pattern, why is there no target price range indicated?**

An emerging pattern is one in which no price breakout has occurred, so Autochartist™ is unable to forecast a potential price target range. Emerging patterns are displayed to enable traders to be more proactive by preparing for potential upcoming trades. *Only completed patterns* should be used to help determine possible trades.

## **Will Autochartist™ use a lot of my system resources?**

No. The amount of data that Autochartist™ must examine requires more computing power than is available on a single personal computer, so all of the analysis is done on a series of powerful servers and then delivered to your personal computer via your Internet connection.

## **I placed a trade using a completed pattern's target price range, but the currency pair failed to trade to that range. Why did this happen?**

As with any technical tool, Autochartist™ cannot predict where the market will move, nor will it be correct 100% of the time. It offers forecasts of possible price movements based on emerging and completed patterns and the way those patterns have typically behaved in past markets. Many factors affect market movements, including financial news and human psychology. That is why it is extremely important to use Autochartist™ as part of a comprehensive trading strategy, including multiple forms of technical analysis to confirm or enhance the program's analysis. All potential trades should be weighed in terms of how it fits with your personal trading strategy, including risk appetite.

## **What is the file size of the Autochartist download?**

The Autochartist download is 4.9 MB.

## **Why can't I log into Autochartist?**

To use Autochartist™, you must have a GFT live account. If you do not have one, apply for one at [www.gftforex.com/openaccount](http://www.gftforex.com/openaccount). You must also have an email address registered within DealBook® 360. If you have not already registered your email address, follow the steps in the Register your email address with DealBook® 360 procedure at the beginning of this guide.

**If you continue to have problems logging in, contact GFT's customer service department at 1 800 465 4373.**

## **Where can I learn more about Fibonacci patterns?**

FX360.com, the latest online project from Kathy Lien and Boris Schlossberg, Directors of Currency Research at GFT, has a comprehensive explanation of the four Fibonacci patterns that appear in Autochartist in their Technical Analysis section. To learn more about the ABCD pattern, the three-drive pattern, and the GFT exclusive patterns, the butterfly and Gartley, [click here](#).

# Technical Support

If you have any questions or concerns, please contact technical support at **1 800 465 4373** (U.S.) or **1 616 956 9273** (International). You can also [click here](#) to access our online Live Help feature.

Past results are not necessarily indicative of future results. Trading, with or without Autochartist™ or any other system or service, presents substantial risk of loss, and only funds that a customer can afford to lose should be used for trading. This information was obtained from sources which GFT believes to be reliable, but such information has not been independently verified or audited by GFT, and GFT assumes no responsibility for its accuracy.

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