



Welcome to

The Traders & Investors Club

Tuesday, 16th November 2010

www.tradersandinvestorsclub.co.uk

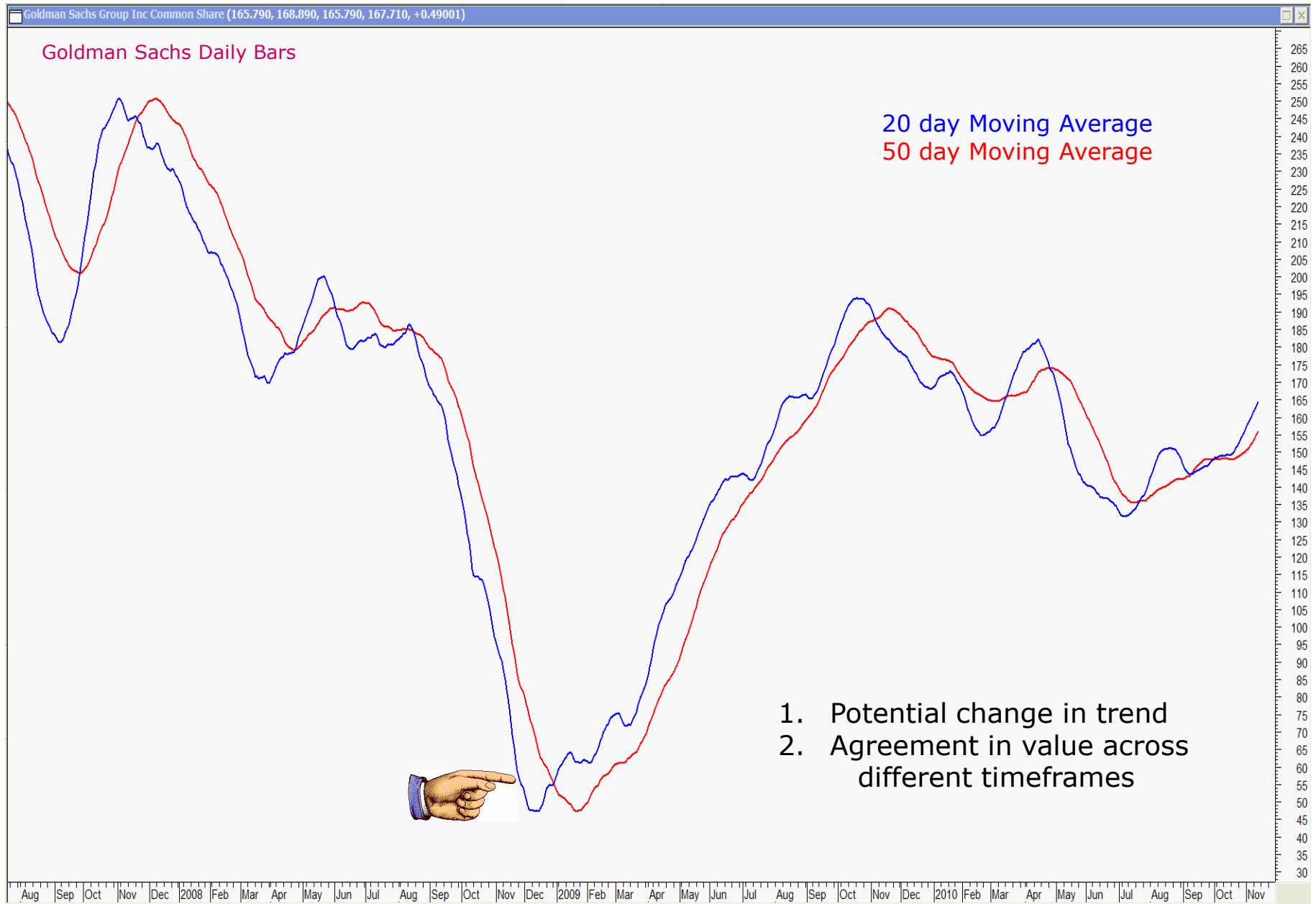


Trading With The Multiple Moving Average

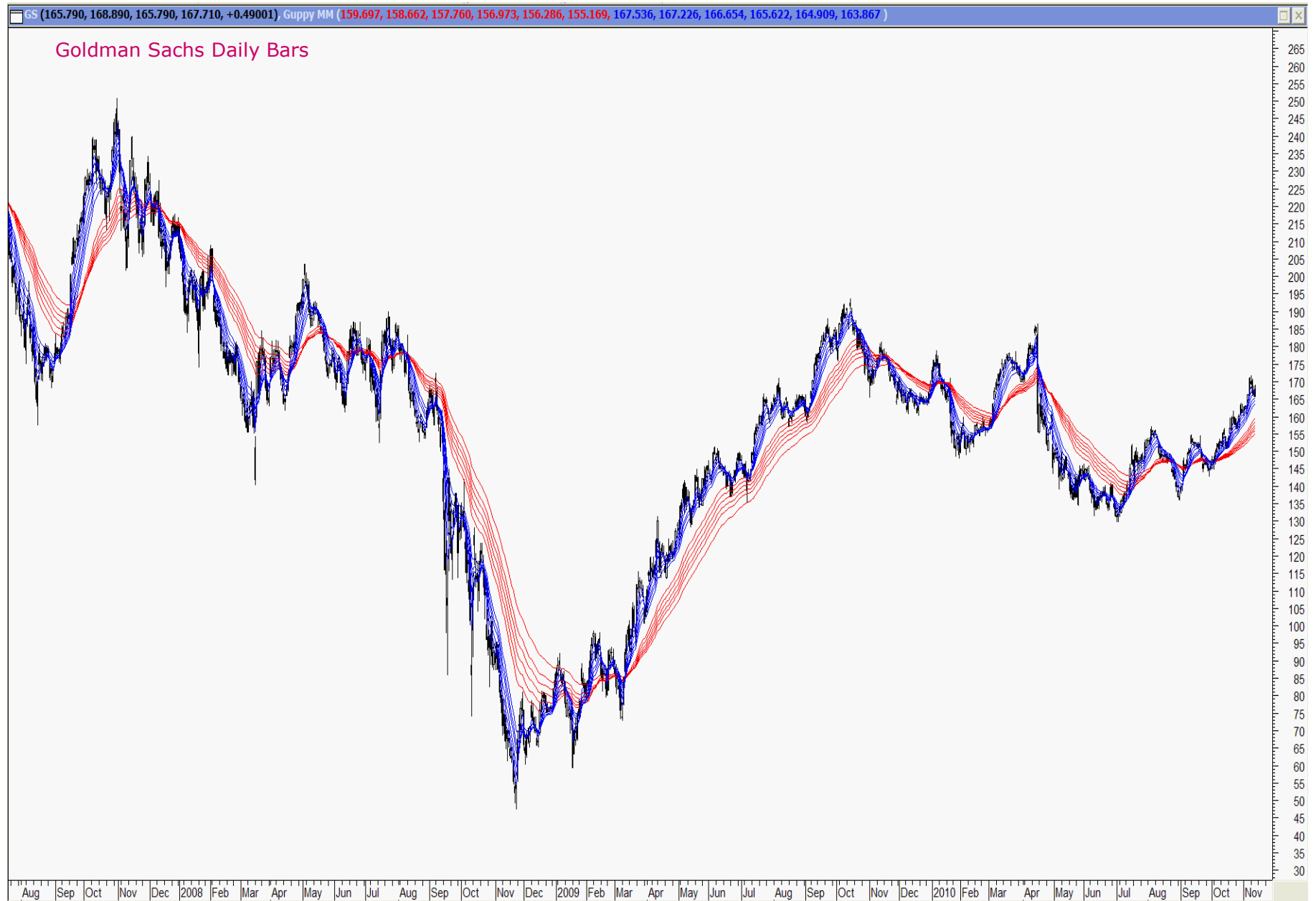
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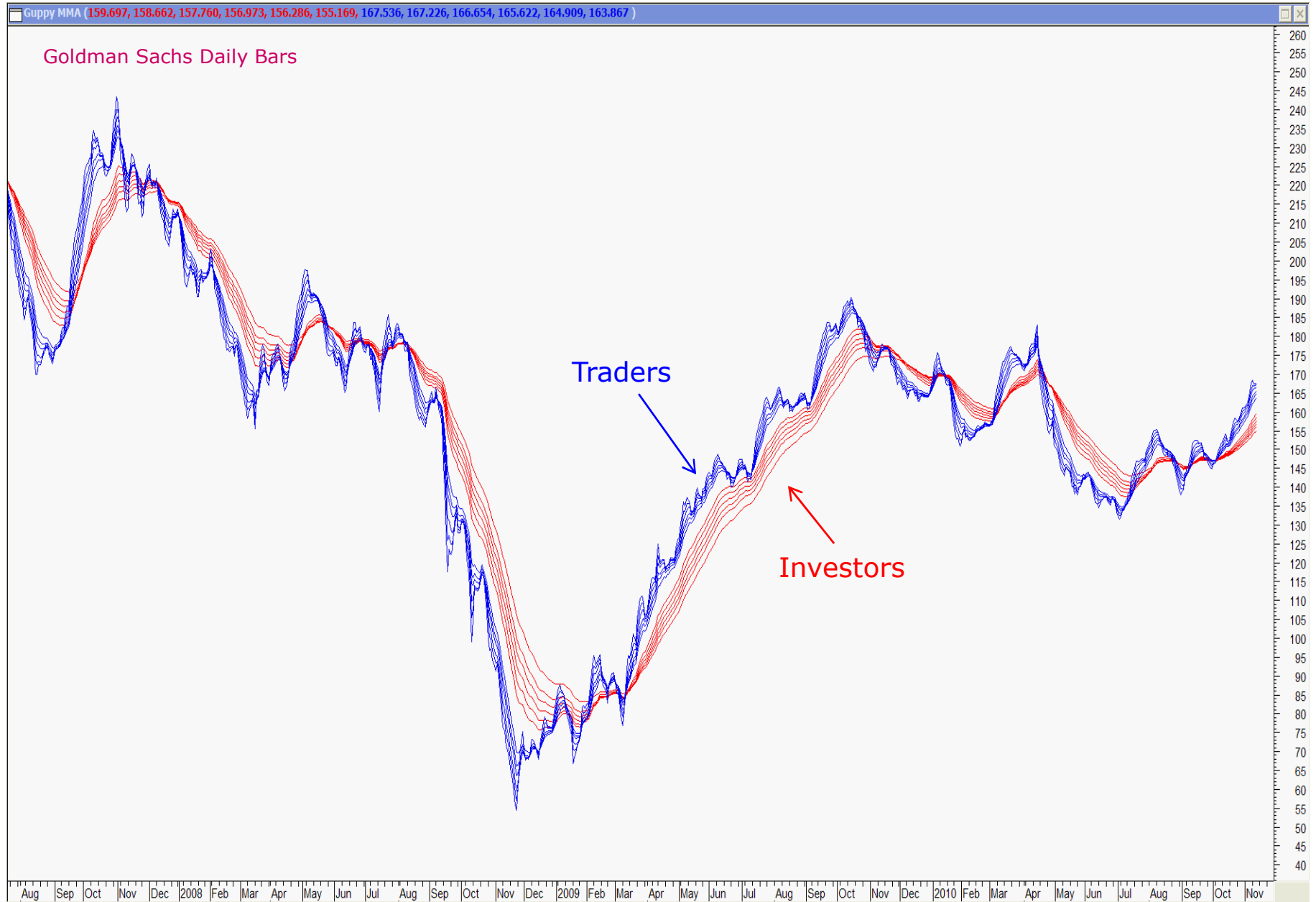
Trading With The Multiple Moving Average



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Formula:

Short-Term Band – Traders

3-Period Exponential Moving Average;
5-Period Exponential Moving Average;
7-Period Exponential Moving Average;
10-Period Exponential Moving Average;
12-Period Exponential Moving Average;
15-Period Exponential Moving Average;

Long-Term Band – Investors

30-Period Exponential Moving Average;
35-Period Exponential Moving Average;
40-Period Exponential Moving Average;
45-Period Exponential Moving Average;
50-Period Exponential Moving Average;
60-Period Exponential Moving Average;

Trading With The Multiple Moving Average

Trading With The MMA Bands

The degree of separation and compression in the short-term group of averages

The degree of separation and compression in the long-term group or averages

The degree of separation between the two groups

Trading With The Multiple Moving Average

Compression

Agreement about price and value - always temporary

Compression and crossover in the long-term group confirms the trend

Separation

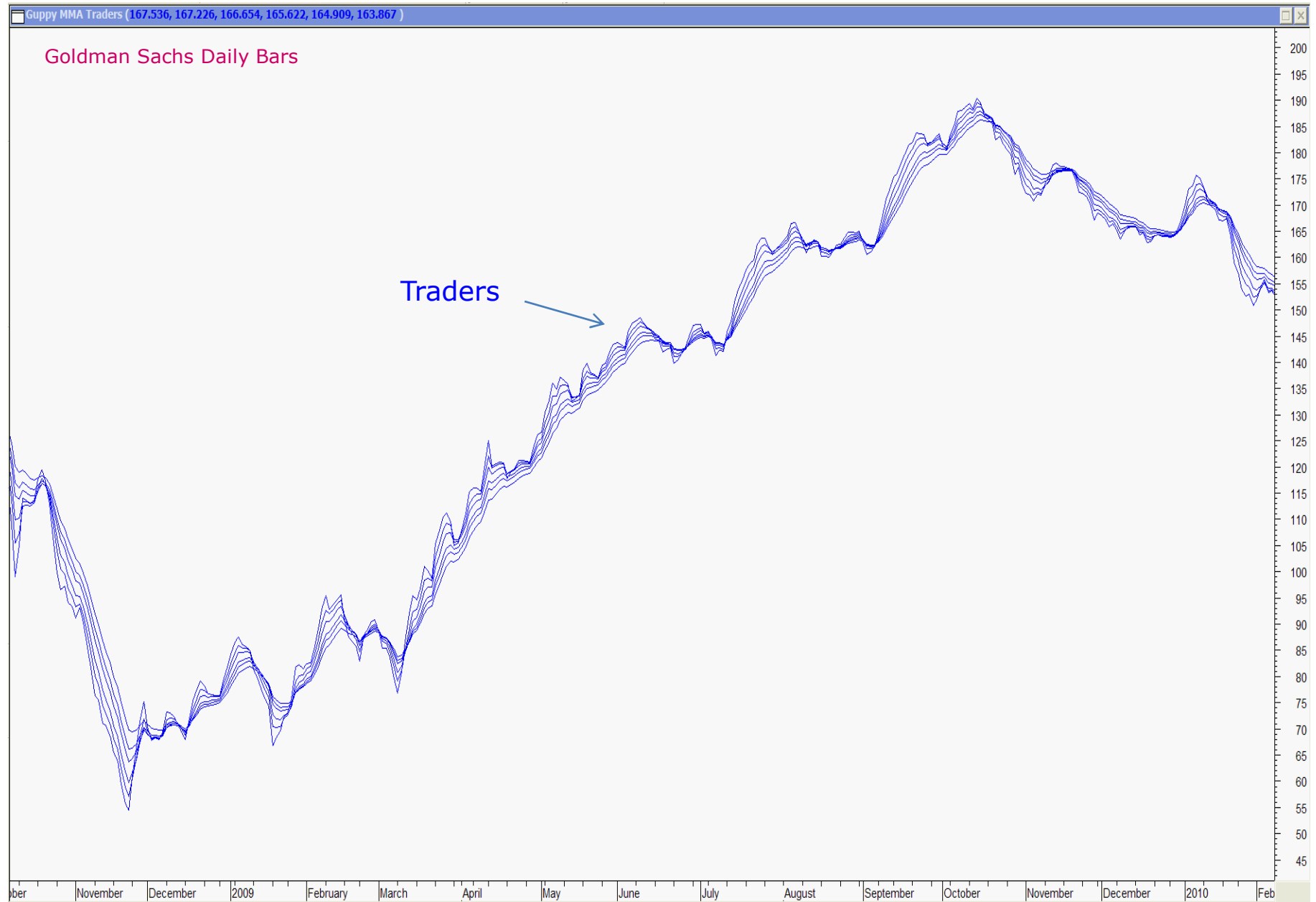
Wide separation in long-term group confirms the trend

Strong trends are supported by long-term investors

Traders v Investors

When the short-term group penetrates the long-term group, the trend is over

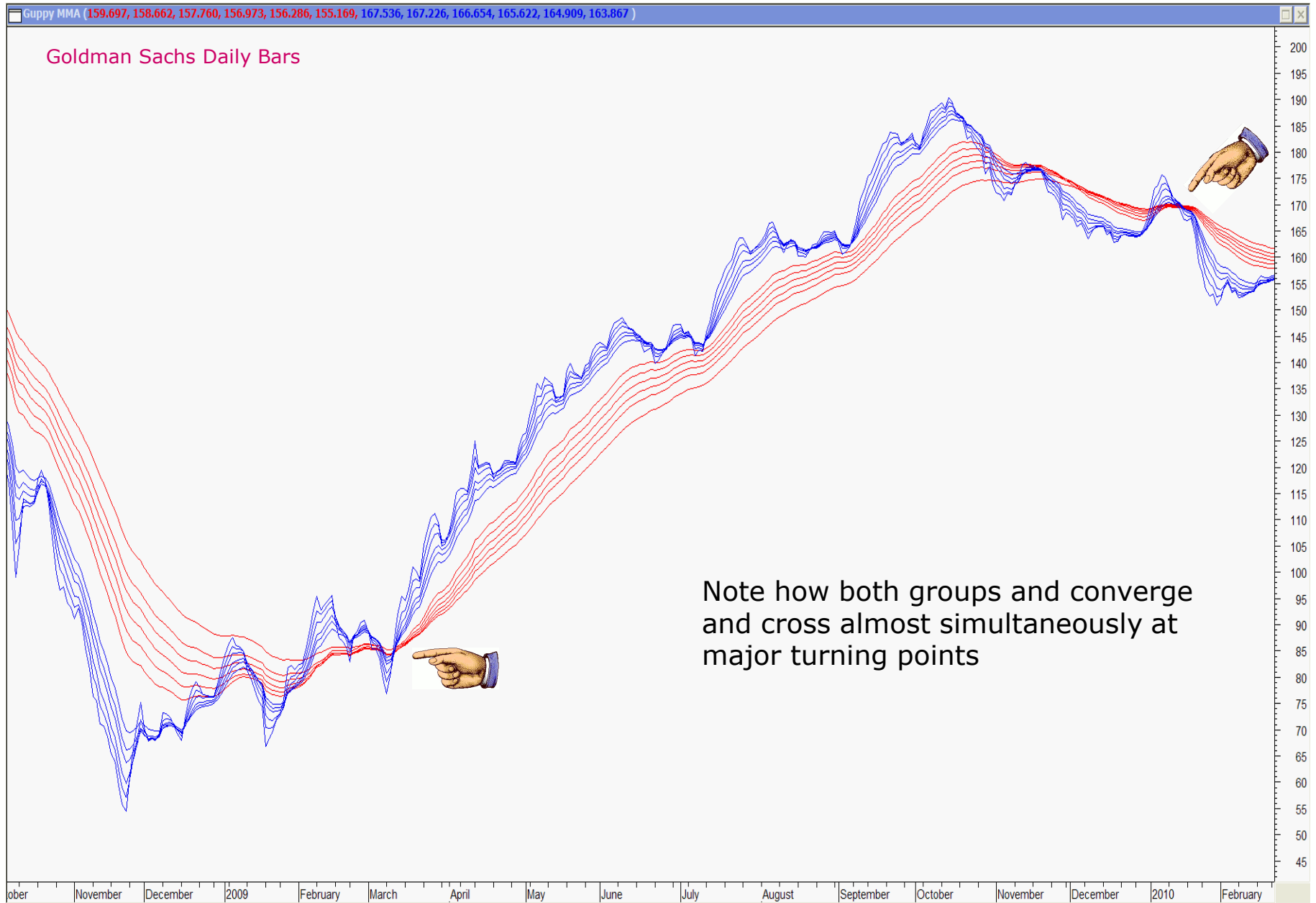
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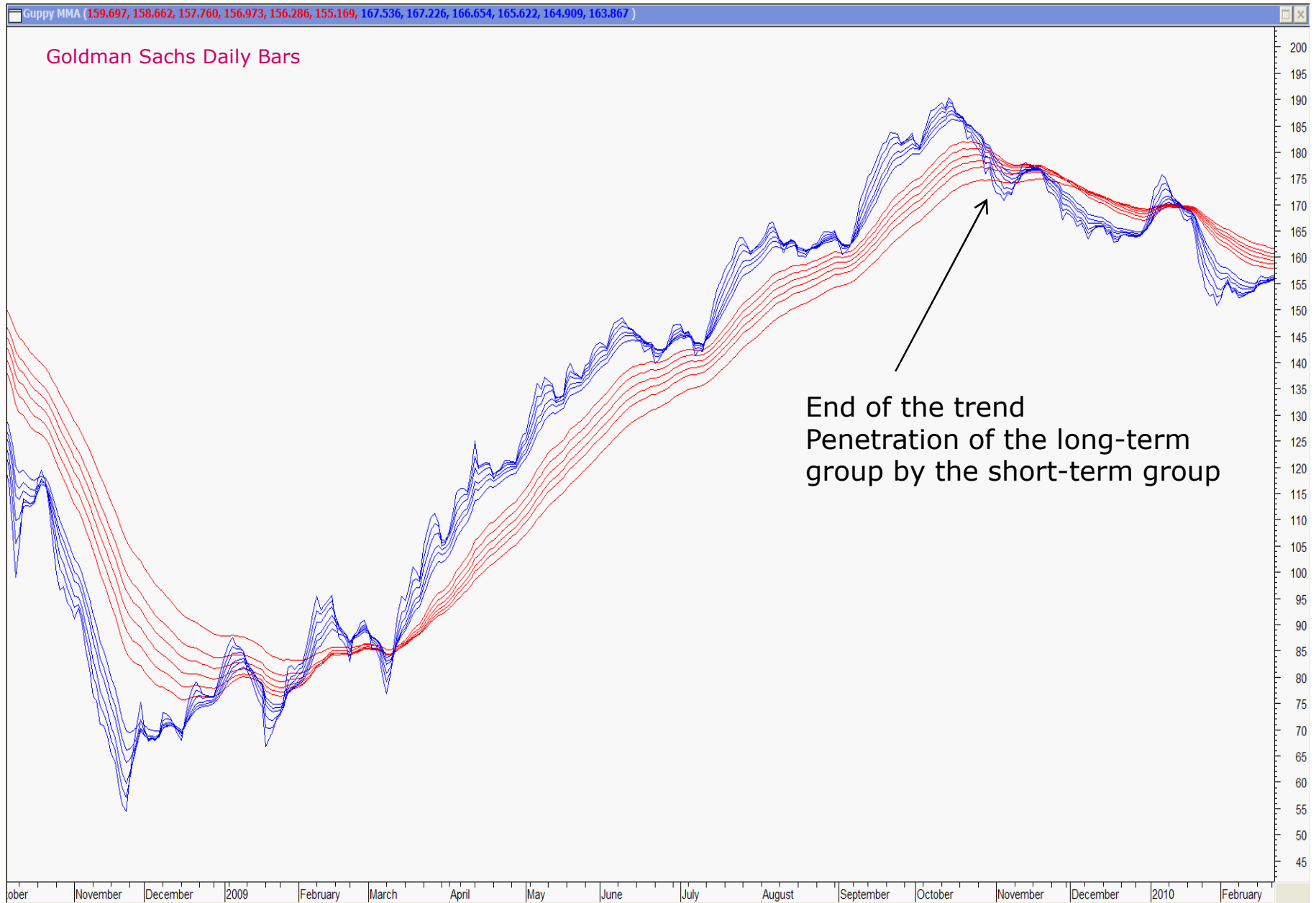
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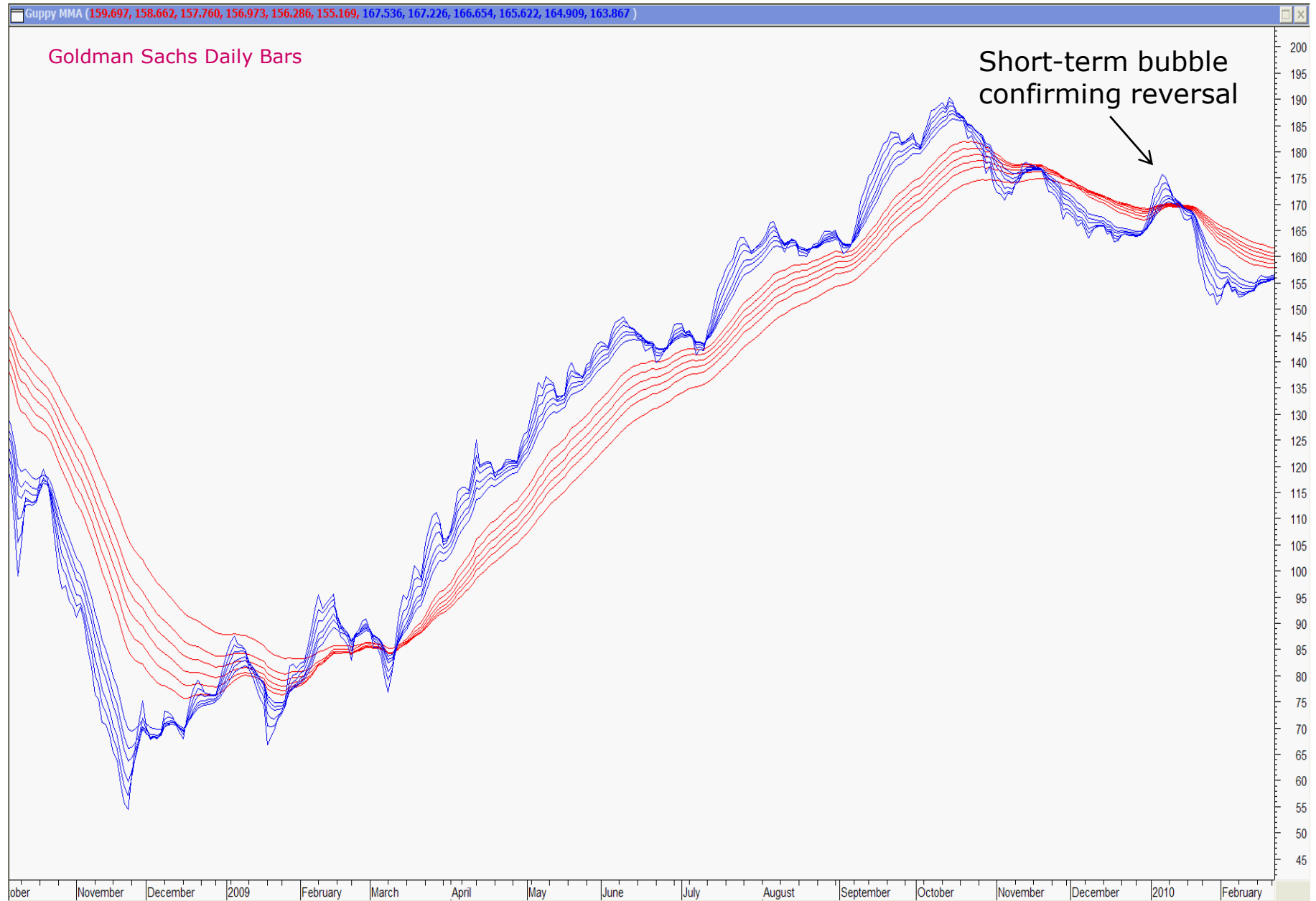
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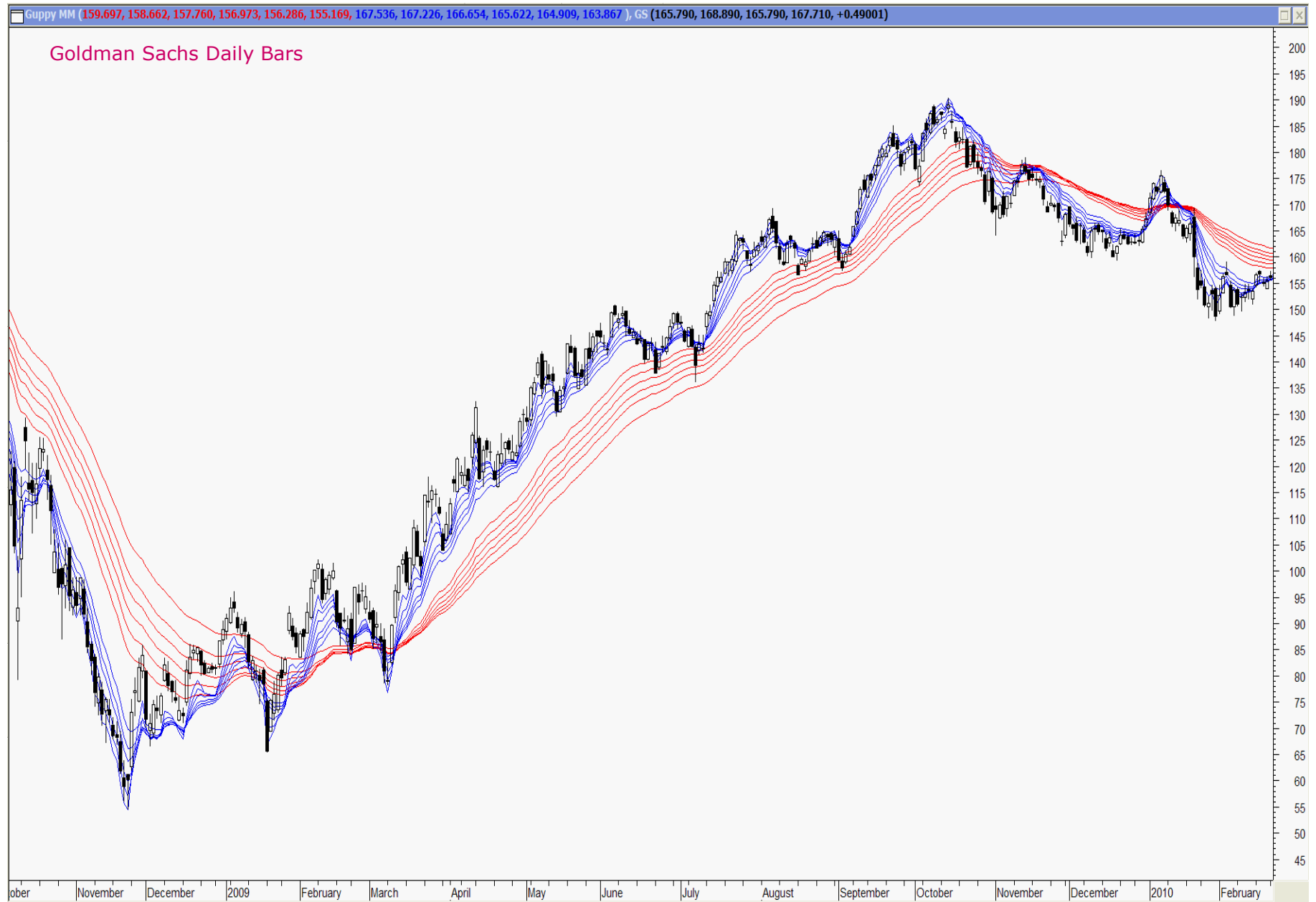
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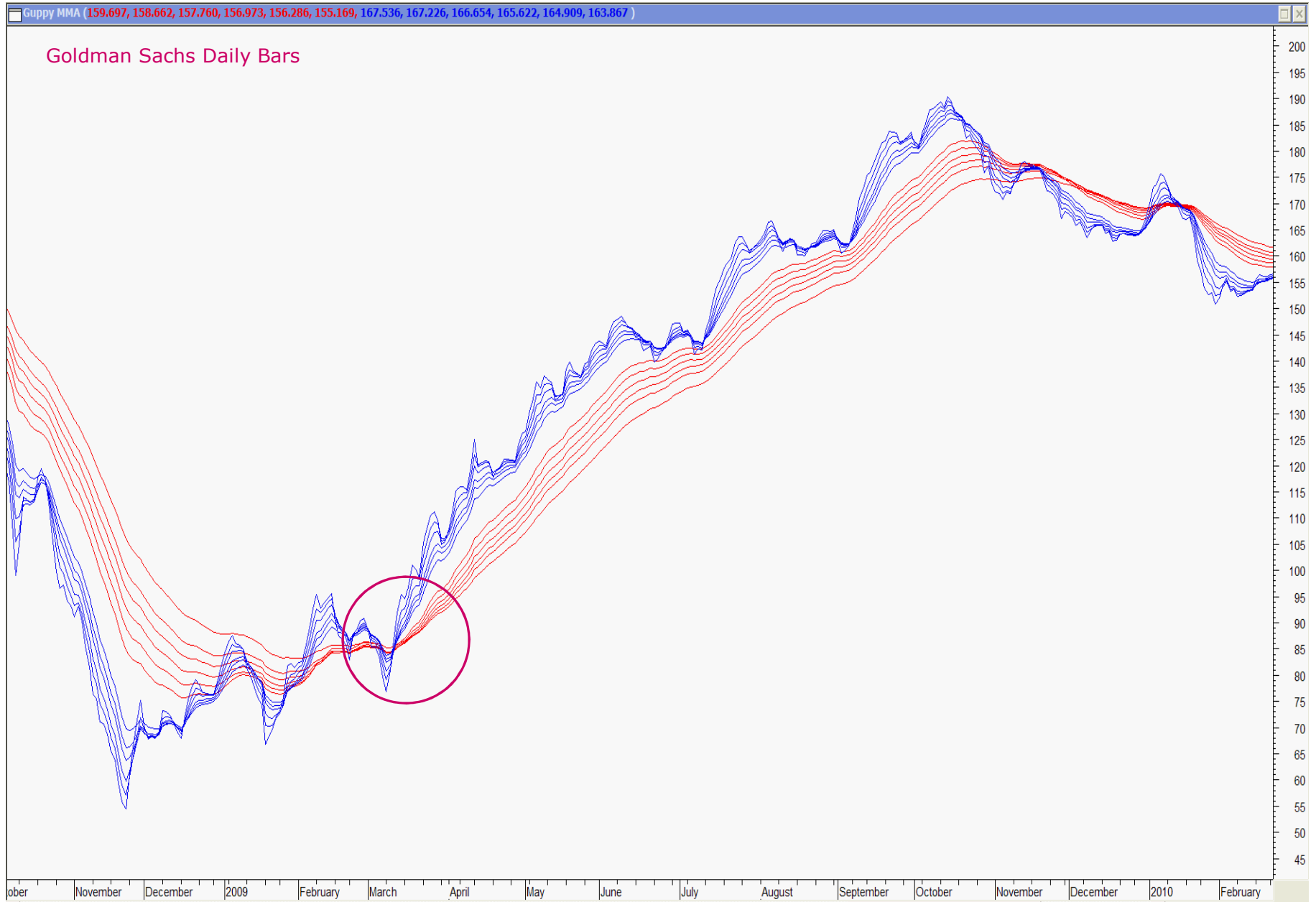
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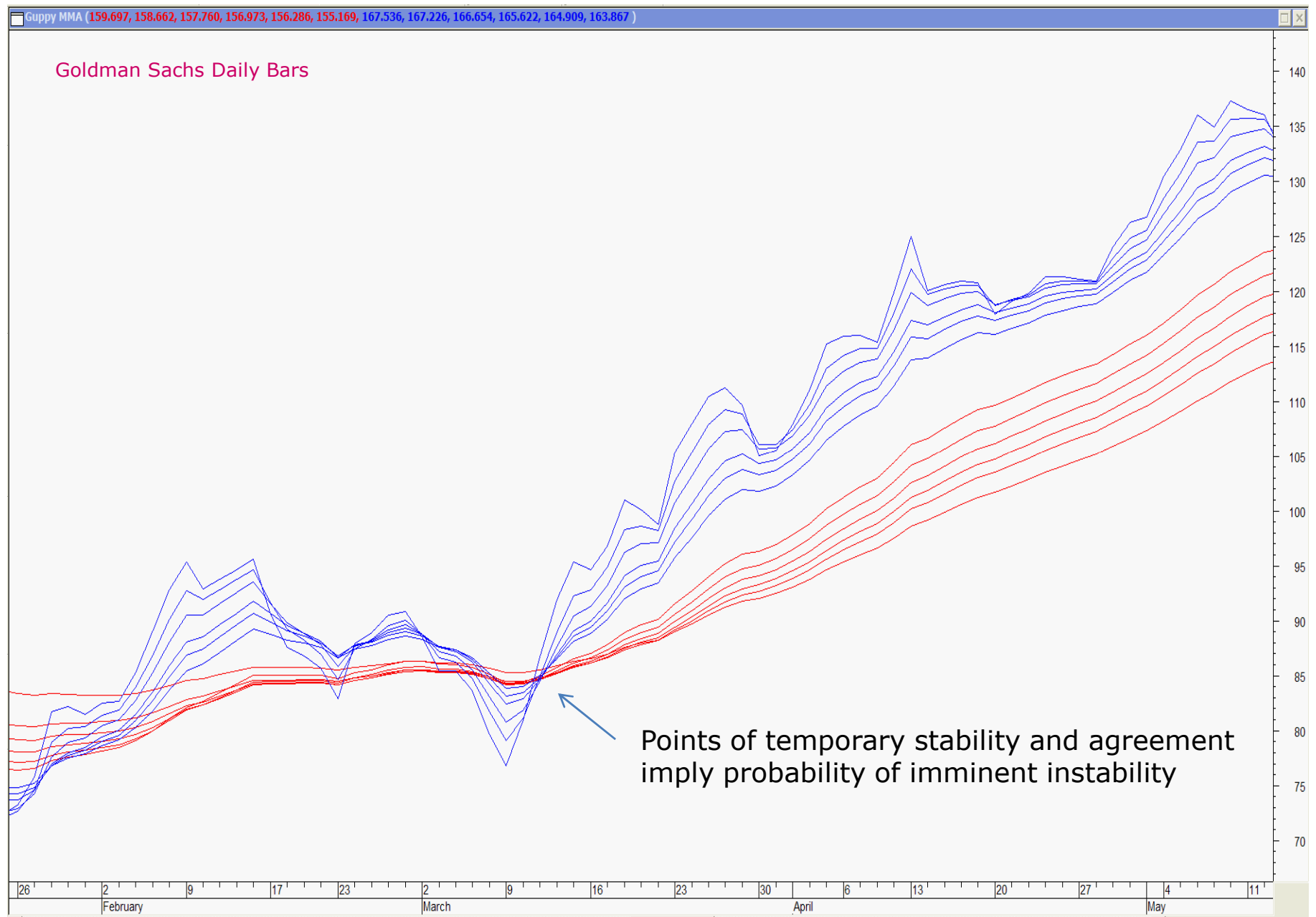
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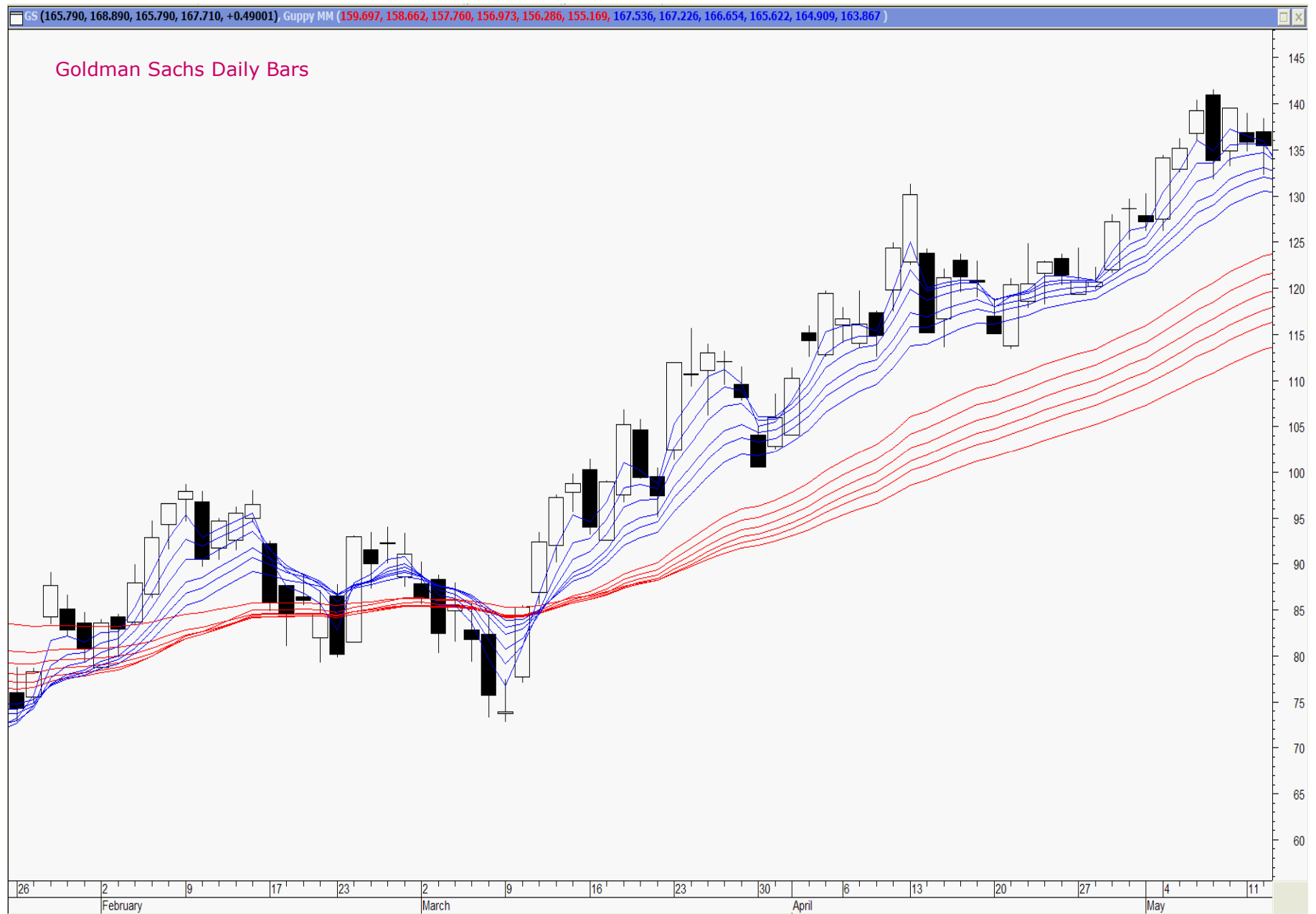
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Trading Guidelines

When both Traders and Investors bands narrow and converge, prepare for a dramatic increase in volatility

Trade in the direction of the crossover

Long-term band confirms the trend direction. Watch for contractions of the short-term band for entry setups

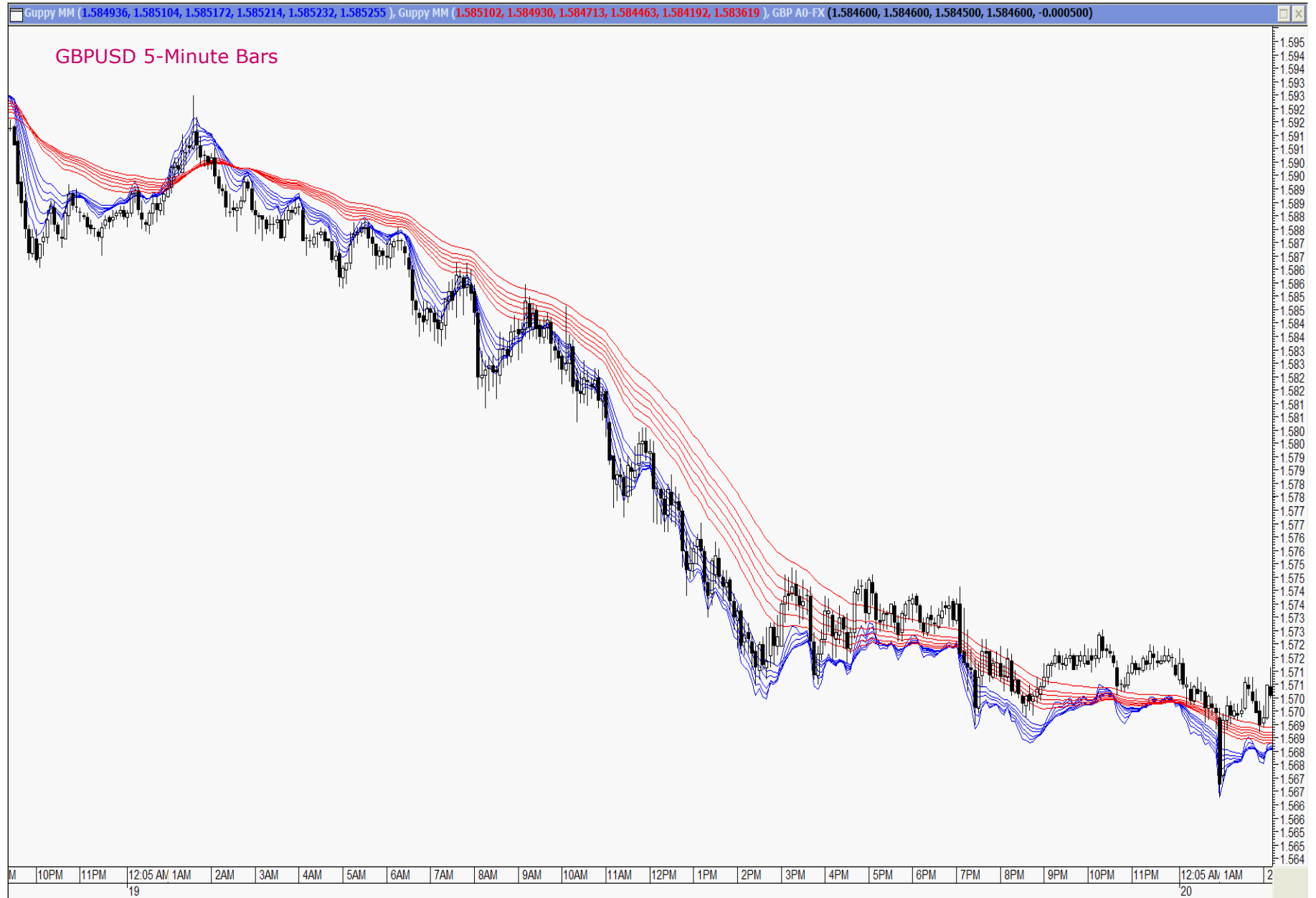
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Can this technique be used for intraday trading?

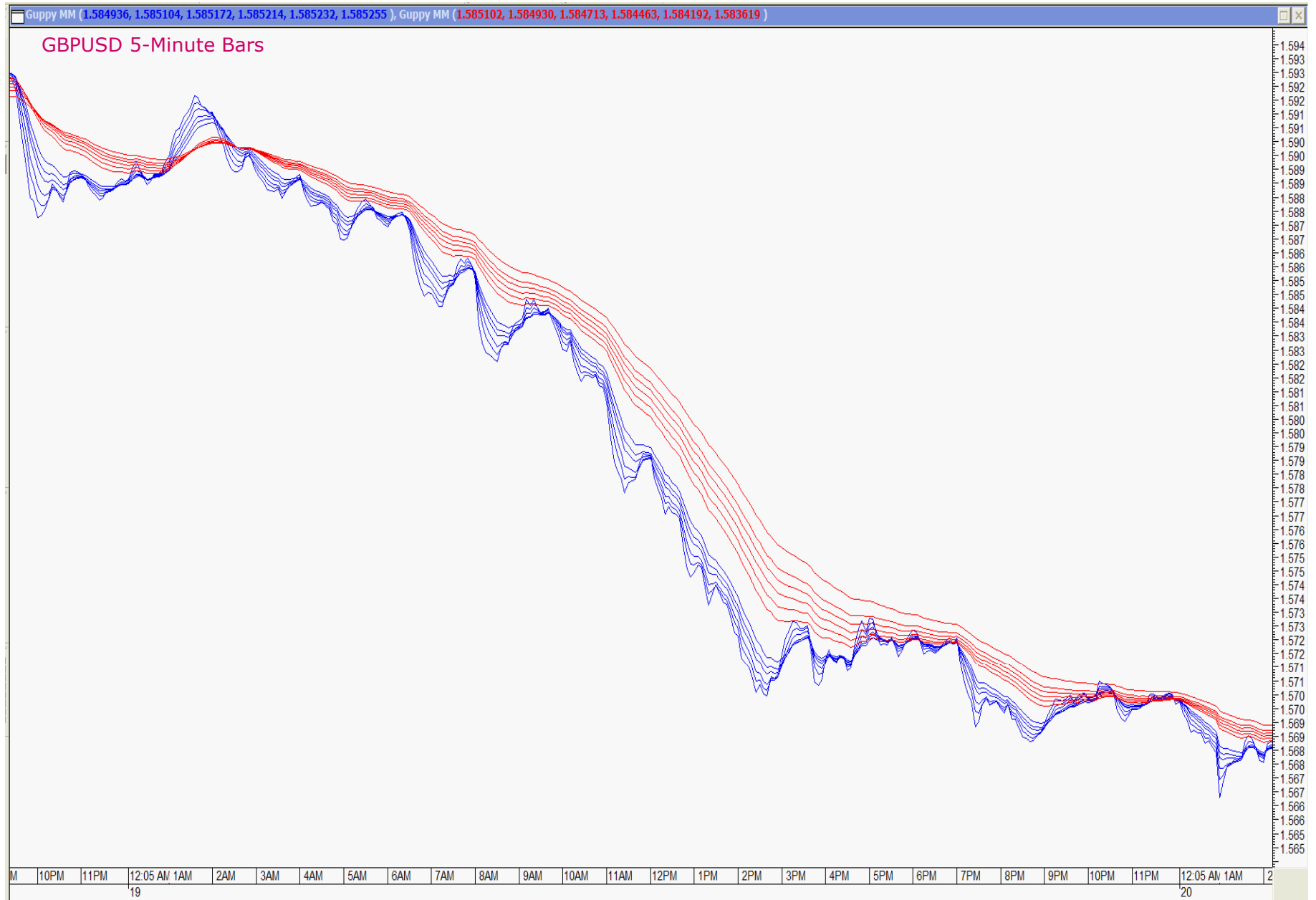
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