Your First Profitable System

Bollinger Bands & Keltner Channels

Stacking Edges

Edge: Markets trade sideways 80% of the time and only trend 20% of the time

Low volatility precedes high volatility, when a market is quiet, it requires less than normal volume to move it

Market Regimes + Entry Types + False Breakouts

The Setup

Bollinger Bands 20/2

Keltner Channels 20/1.5

These are free standard analysis tools with ANY charting software

Bollinger Bands

Upper Band

Midline

Lower Band

Euro / U.S. Dollar · 720 · FXCM O1.10475 H1.10543 L1.09964 C1.10171 −0.00304 (−0.28%)
BB (20, close, 2) 1.10417 1.10872 1.09962
Market Closed
EURUSD, 720
Euro / U.S. Dollar
Upper Band
Midline
Lower Band
BB:Upper 1.10872
1.10613
BB:Basis 1.10417
1.10171
BB:Lower 1.09962
1.12800
1.12600
1.12400
1.12200
1.12000
1.11800
1.11600
1.11400
1.11200
1.11000
1.10800
1.09800
1.09600
1.09400
1.09200
1.09000

Bollinger Bands

Midline = 20 Period Simple Moving Average

Upper Band = 2 Standard Deviations above

Lower Band = 2 Standard Deviations below

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1.11800
1.11600
1.11400
1.11200
1.11000
1.10800
1.09800
1.09600
1.09400
1.09200
1.09000

Euro / U.S. Dollar · 1440 · FXCM
O1.10407 H1.10677 L1.09964 C1.10171 −0.00236 (−0.21%)
BB (20, close, 2) 1.10370 1.11096 1.09645
Market Closed
EURUSD, 1440
Euro / U.S. Dollar
BB:Upper 1.11096
BB:Basis 1.10370
1.10171
BB:Lower 1.09645
1.19000
1.18500
1.18000
1.17500
1.17000
1.16500
1.16000
1.15500
1.15000
1.14500
1.14000
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1.13000
1.12500
1.12000
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Apple Inc · 1440 · NASDAQ
O221.39 H222.56 L217.47 C217.69 −3.26 (−1.48%)
BB (20, close, 2) 213.83 227.39 200.26
Market Closed
AAPL, 1440
Apple Inc
BB:Upper 227.39
217.69
BB:Basis 213.83
BB:Lower 200.26
244.00
240.00
236.00
232.00
224.00
220.00
216.00
212.00
208.00
204.00
196.00
192.00
188.00
184.00
180.00
176.00
172.00
168.00
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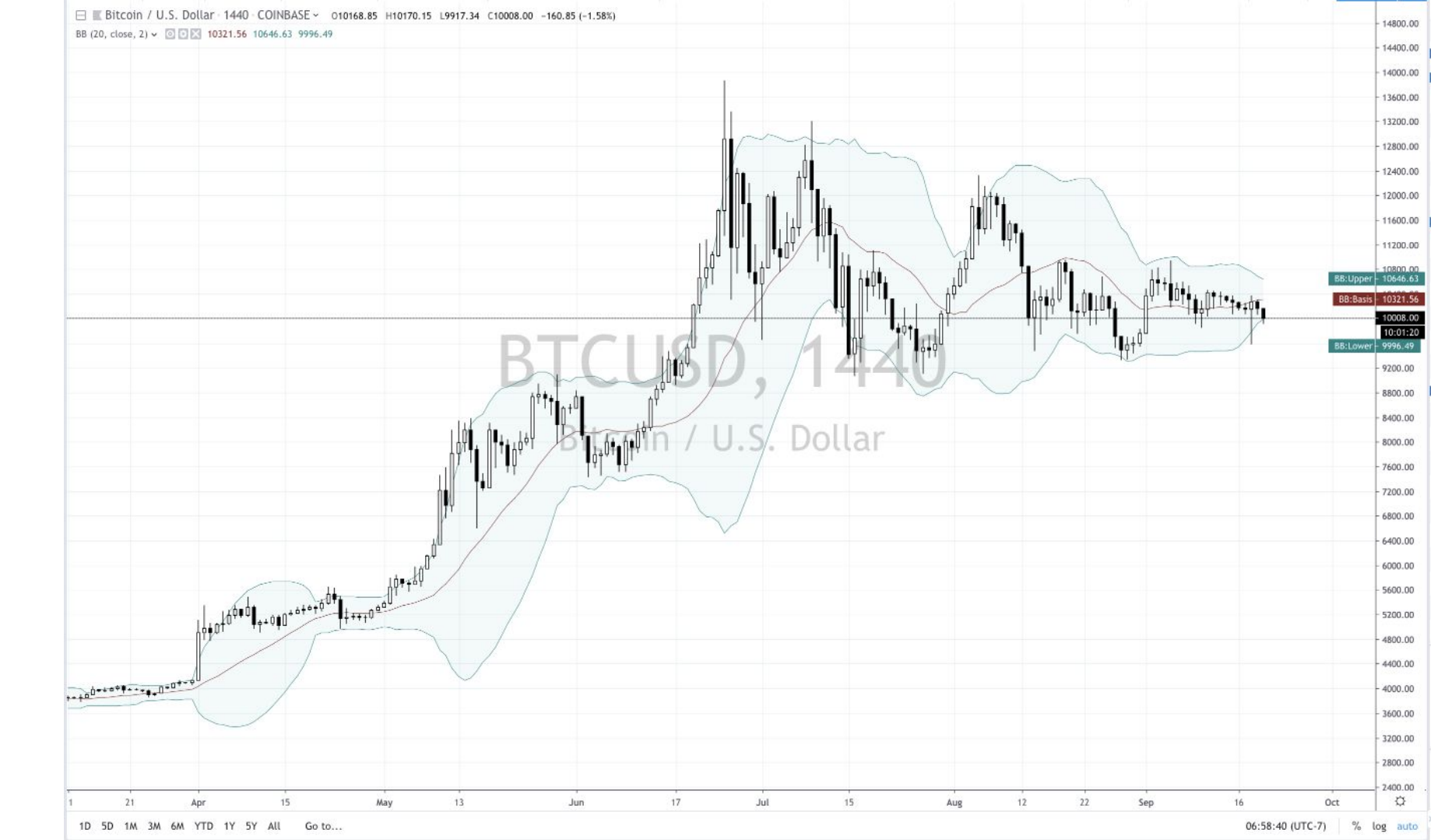
Bitcoin / U.S. Dollar · 1440 · COINBASE O10168.85 H10170.15 L9917.34 C10008.00 −160.85 (−1.58%)
BB (20, close, 2) 10321.56 10646.63 9996.49
BTCUSD, 1440
Bitcoin / U.S. Dollar
BB:Upper 10646.63
BB:Basis 10321.56
10008.00
10:01:20
BB:Lower 9996.49
14800.00
14400.00
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13200.00
12800.00
12400.00
12000.00
11600.00
11200.00
10800.00
9200.00
8800.00
8400.00
8000.00
7600.00
7200.00
6800.00
6400.00
6000.00
5600.00
5200.00
4800.00
4400.00
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Cheap or Expensive

When price is trading near the top band, the asset is expensive

When price is trading near the bottom band, the asset is cheap

When price is trading at the midline, the asset is balanced

Expansion or Contraction

Bands close together = Squeeze

Bands wide = Expansion

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Market Closed
EURUSD, 720
Euro / U.S. Dollar
Upper Band
Midline
Lower Band
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1.10613
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1.10171
BB:Lower 1.09962
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1.12600
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1.11600
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1.11200
1.11000
1.10800
1.09800
1.09600
1.09400
1.09200
1.09000

Market Rhythm

Assets move from low volatility to high volatility

From high volatility to low volatility

Low Vol (squeeze) precedes High Vol (expansion)

High Vol (expansion) precedes Low Vol (squeeze)

CFDs on Gold (US$ / OZ) · 1440 · TVC O1499.31 H1517.05 L1497.70 C1516.78 +17.47 (+1.17%)
BB (20, close, 2) 1514.55 1554.39 1474.71
Market Closed
BB:Upper 1554.39
BB:Basis 1514.55
BB:Lower 1474.71
GOLD, 1440
CFDs on Gold (US$ / OZ)
1600.00
1580.00
1560.00
1540.00
1516.78
1500.00
1480.00
1460.00
1440.00
1420.00
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CFDs on Gold (US$ / OZ) · 1440 · TVC O1499.31 H1517.05 L1497.70 C1516.78 +17.47 (+1.17%)
BB (20, close, 2) 1514.55 1554.39 1474.71
Market Closed
BB:Upper 1554.39
BB:Basis 1514.55
BB:Lower 1474.71
1516.78
1381.65
GOLD, 1440
CFDs on Gold (US$ / OZ)
Sideways
Mean Reversion
Trending
1580.00
1560.00
1540.00
1520.00
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1380.00
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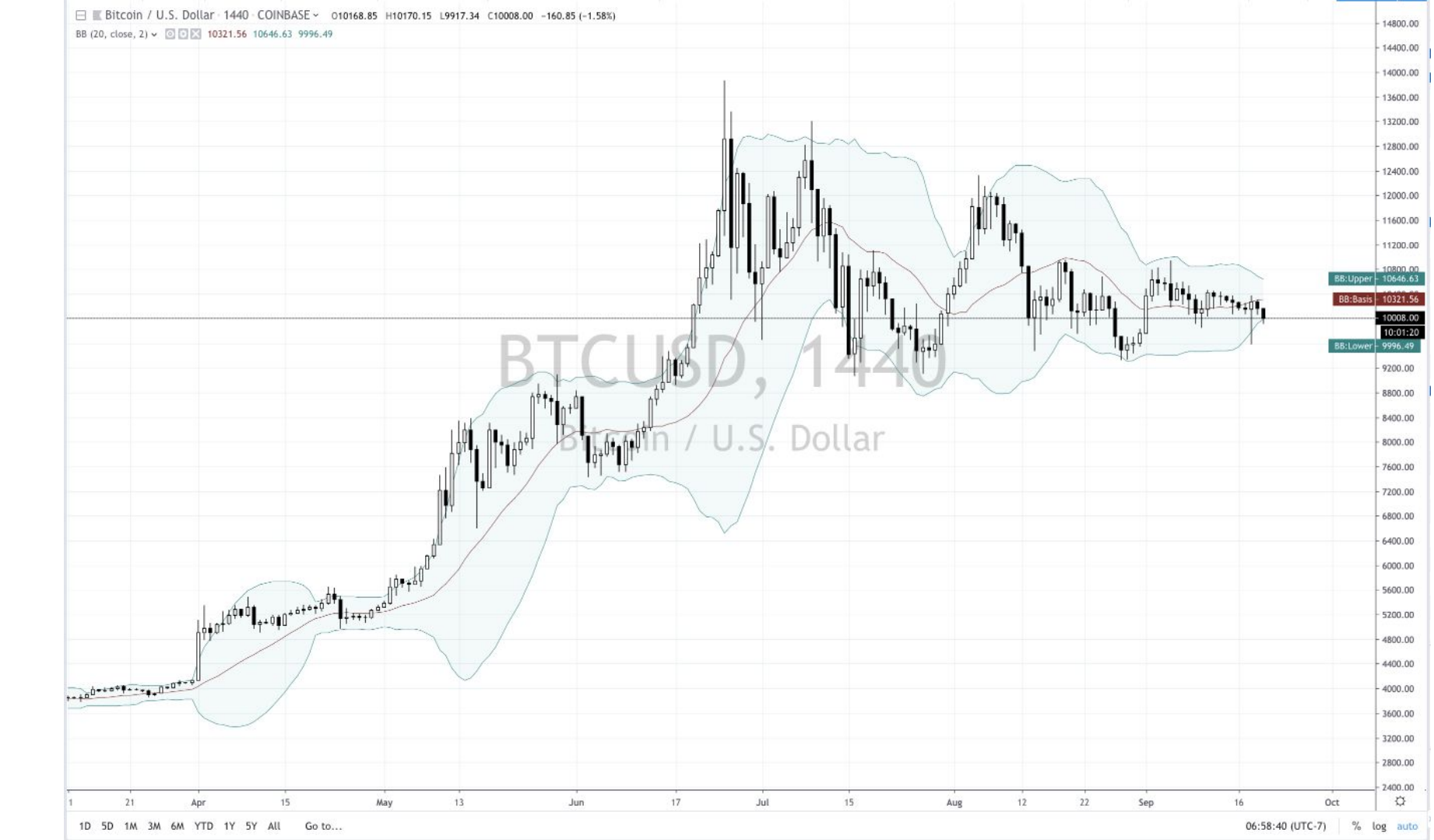
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10008.00
10:01:20
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14800.00
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13200.00
12800.00
12400.00
12000.00
11600.00
11200.00
10800.00
9200.00
8800.00
8400.00
8000.00
7600.00
7200.00
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1D 5D 1M 3M 6M YTD 1Y 5Y All Go to...
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Keltner Channels

Upper Channel

Lower Chanel

Midline

Euro / U.S. Dollar · 720 · FXCM O1.10475 H1.10543 L1.09964 C1.10171 −0.00304 (−0.28%)
KC (20, 1.5, close, true range) 1.11091 1.10406 1.09721
Market Closed
EURUSD, 720
Euro / U.S. Dollar
Upper Band
Midline
Lower Band
KC:Upper 1.11091
1.10529
KC:Basis 1.10406
1.10171
KC:Lower 1.09721
1.12800
1.12600
1.12400
1.12200
1.12000
1.11800
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Keltner Channels

Midline = 20 Period Exponential Moving Average (EMA)

Upper Band = 20 EMA + (1.5* Average True Range)

Lower Band = 20 EMA - (1.5* Average True Range)

Apple Inc · 1440 · NASDAQ
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Market Closed
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Apple Inc
KC:Upper 221.91
217.69
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240.00
236.00
232.00
228.00
224.00
220.00
212.00
204.00
200.00
196.00
192.00
188.00
184.00
180.00
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KC:Upper 221.91
217.69
KC:Basis 215.51
BB:Basis 213.83
KC:Lower 209.11
BB:Lower 200.26
BB
Inputs
Style
Basis
Upper
Lower
Background
Precision
Default
Price Line
Line
Line With Breaks
Step Line
Histogram
Cross
Area
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Columns
Circles
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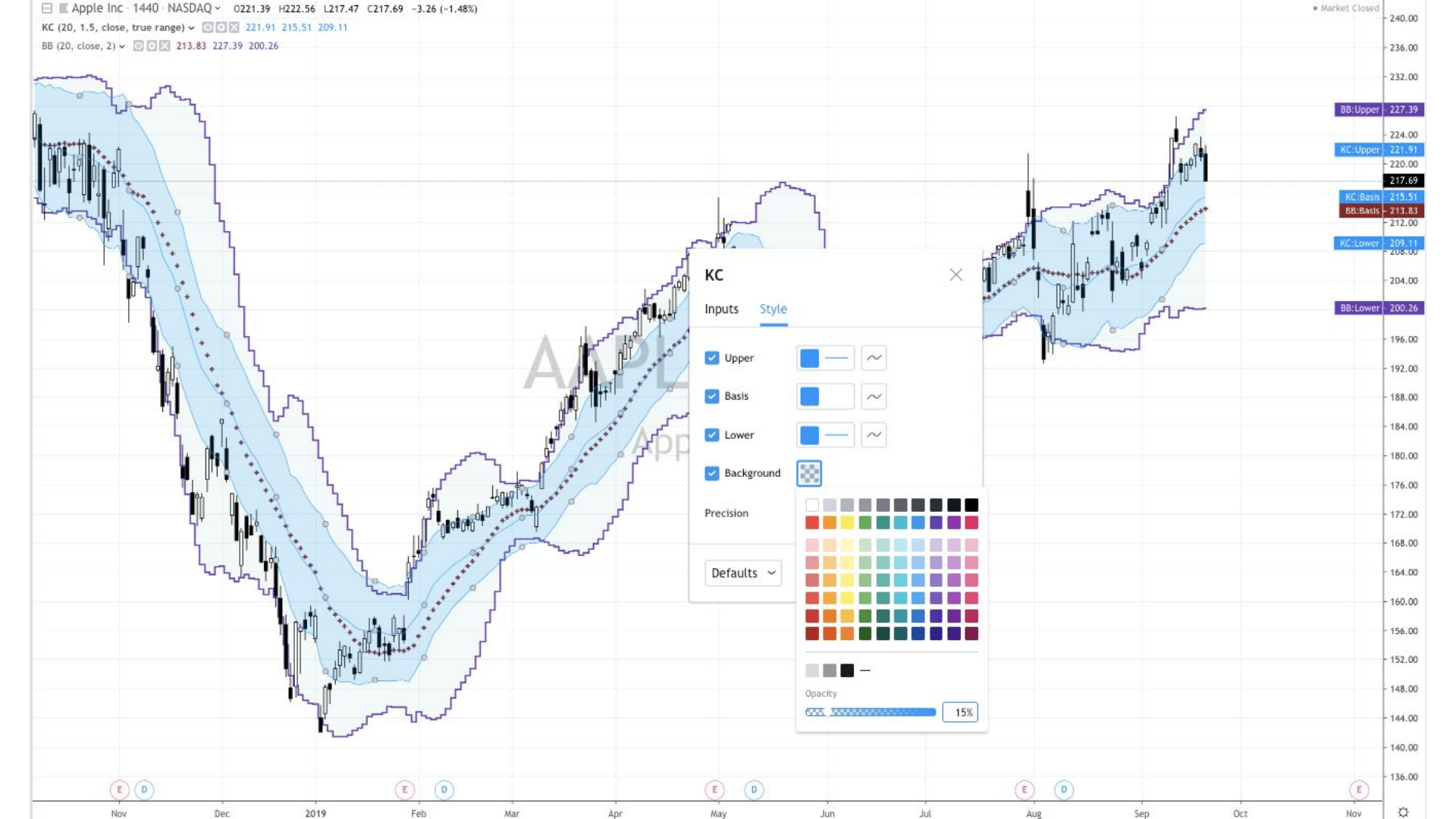
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KC
Inputs
Style
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Basis
Lower
Background
Precision
Defaults
Opacity
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