

BBMA Basics – Oma Ally
(summarized by– Leeta FX)

BBMA consists of the use of 2 indicators:

1. Moving Averages
2. Bollinger Bands

Moving Average Settings:

There are 5 MAs used in the system:

2 High Moving Averages, 2 Low Moving Averages and 1 Exponential Moving Average.

- MA 5 HIGH (RED)
- MA 10 HIGH (YELLOW)
- MA5 LOW (MAGENTA)
- MA10 LOW (WHITE)
- EXPONENTIAL MA 50 (AQUA)

Bollinger Band Settings:

Period = 20

Shift = 0

Deviations = 2

Apply to = Close

Understanding the Moving Averages:

Downtrend:

- MA 5/10 HIGH is above the candles
- MA 5/10 LOW goes through the candles
- MA 10 HIGH is above MA 5 HIGH
- MA 10 LOW is above MA 5 LOW

Uptrend:

- MA 5/10 LOW is below the candles
- MA 5/10 HIGH goes through the candles
- MA 5 HIGH is above MA 10 HIGH
- MA 5 LOW is above MA 10 LOW

The above MA are only used to help determine trends use the MA50 on a daily chart to help and get confirmation of the trend. When the market is above the MA50 price is said to be in an uptrend. When the market is below the MA50 price is said to be in a down trend. MAs can also act as support and resistance

Understanding Bollinger Bands:

Downtrend: Candles are below the MID BB

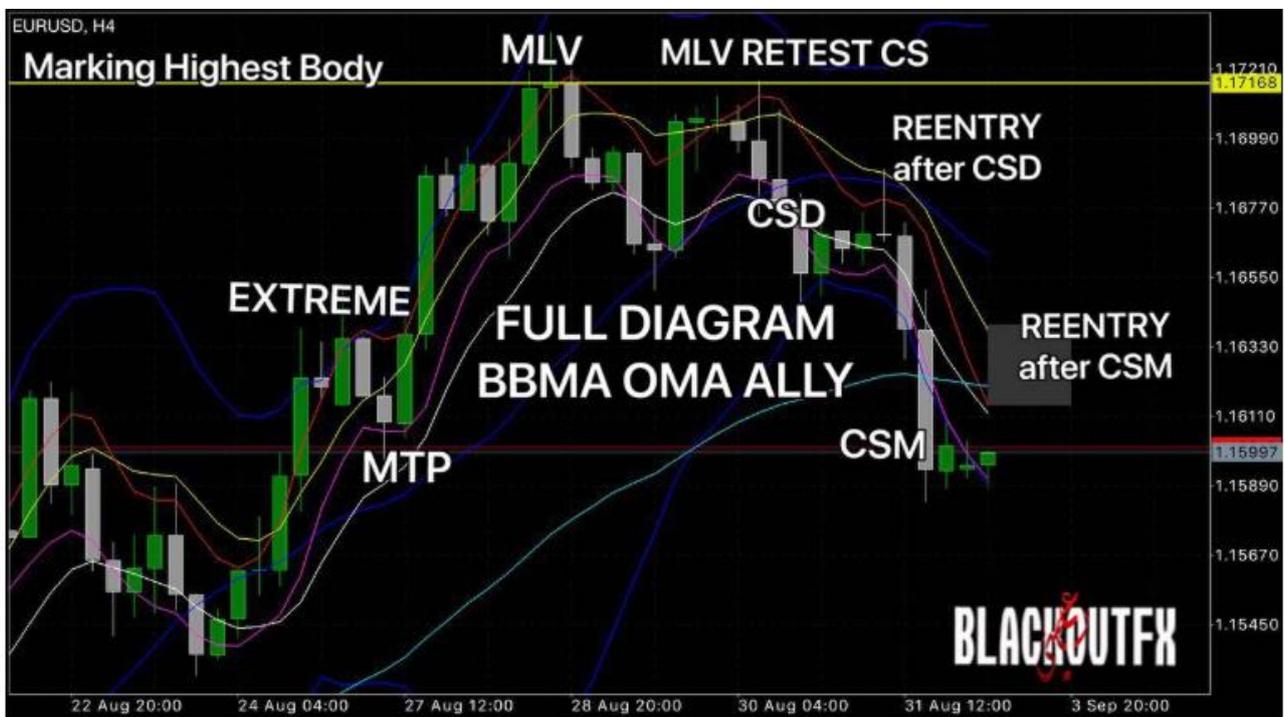
Uptrend: Candles are above the MID BB

MID BB: MID BB acts as support and resistance as well.

Bbs can expand when price is climbing in a upward momentum or go flat when it is ranging.

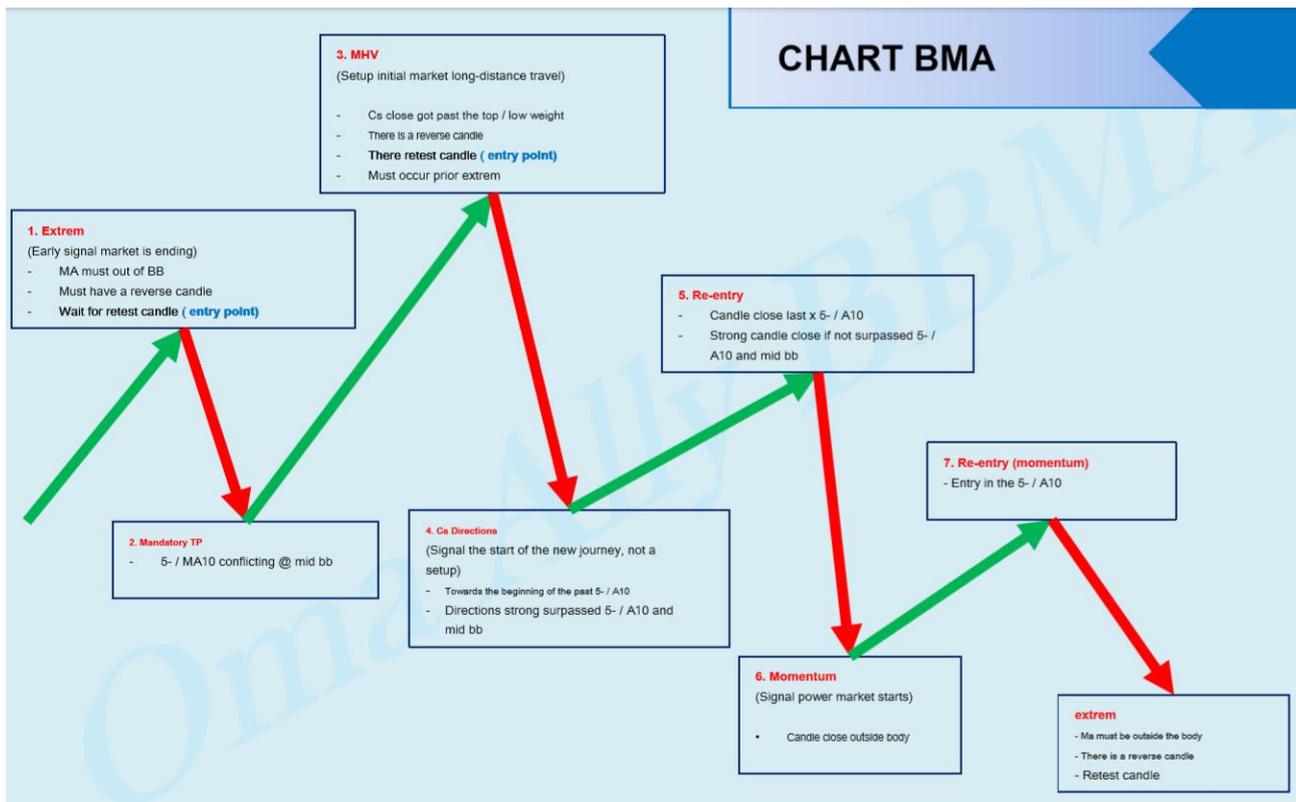
BBMA cycle or process starts with

- > Candle sticks forming an Extreme,
- > followed by price moving to MA5/MA10 or at Mid BB for mandatory profit taking if an entry is made at the Extreme
- > price will then move to create the MLV structure (this is where we need to mark the lowest or highest candle body) as price will go back for a retest.
- > after the MLV structure is created, price will then show its intent by moving in the direction of its intended path by crossing MA5/10 and Mid BB (CSD).
- > price will then reverse to Ma5, and this is where an re-entry can be made.
- > after the short retracement price will then travel on its intended path and will create momentum candles (CSM) as it travels along until momentum diminishes. For every CSD a re-entry can be made at Ma5/10/Mid BB confluence.
- > an opposite Extreme is created once the trend or momentum ends ...this is when the cycle or process restarts or reverses.

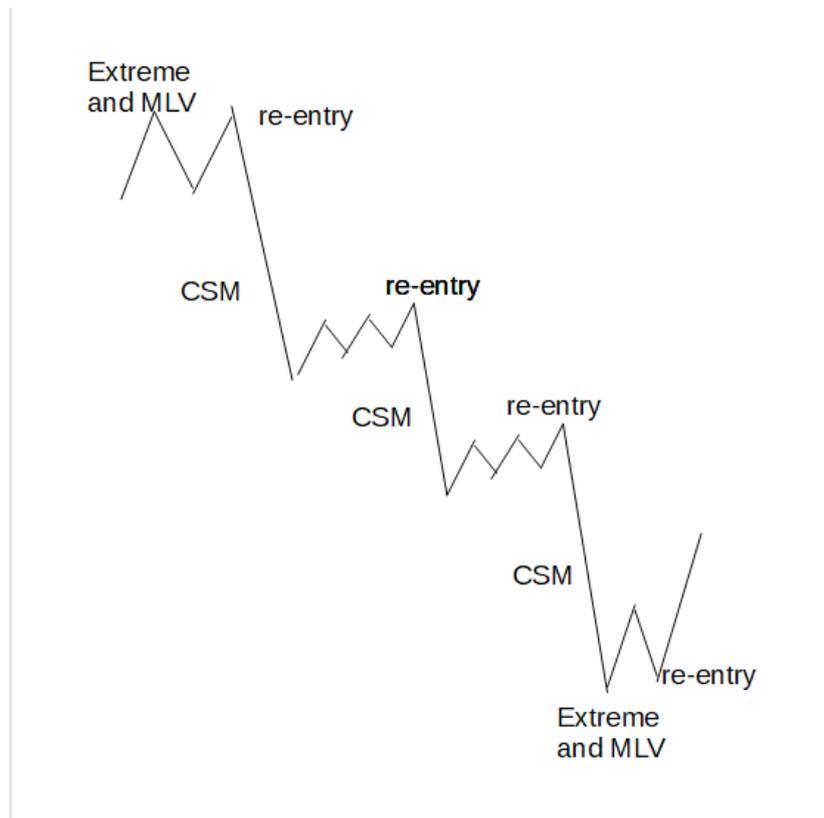


MA50 on the chart determines the trend within the particular timeframe. If price is above and Ma50 is ascending, trend is bull.

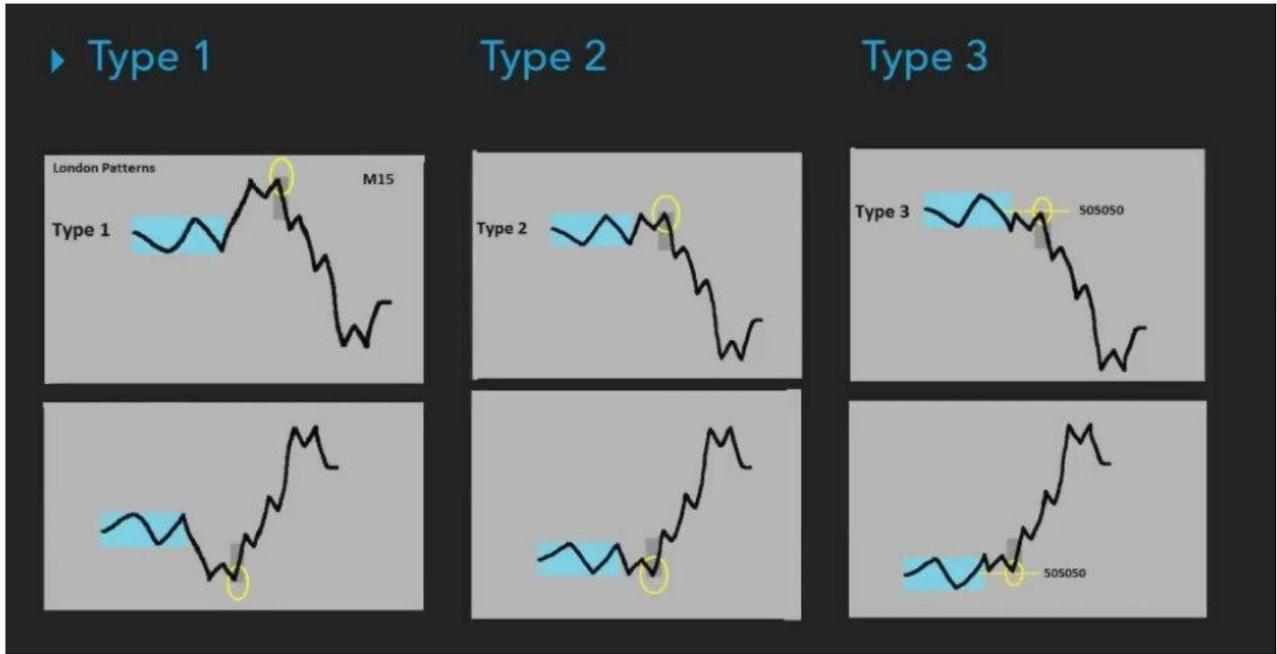
If price is below MA50 and MA50 is descending then trend is bear.



Extremes AND MLVs can be found in M or W price structure. This is the base level price will start from. After which, CSMs are created followed by periods of sideways consolidations. When price is consolidating after CSMs, we should be looking forward to re-entries

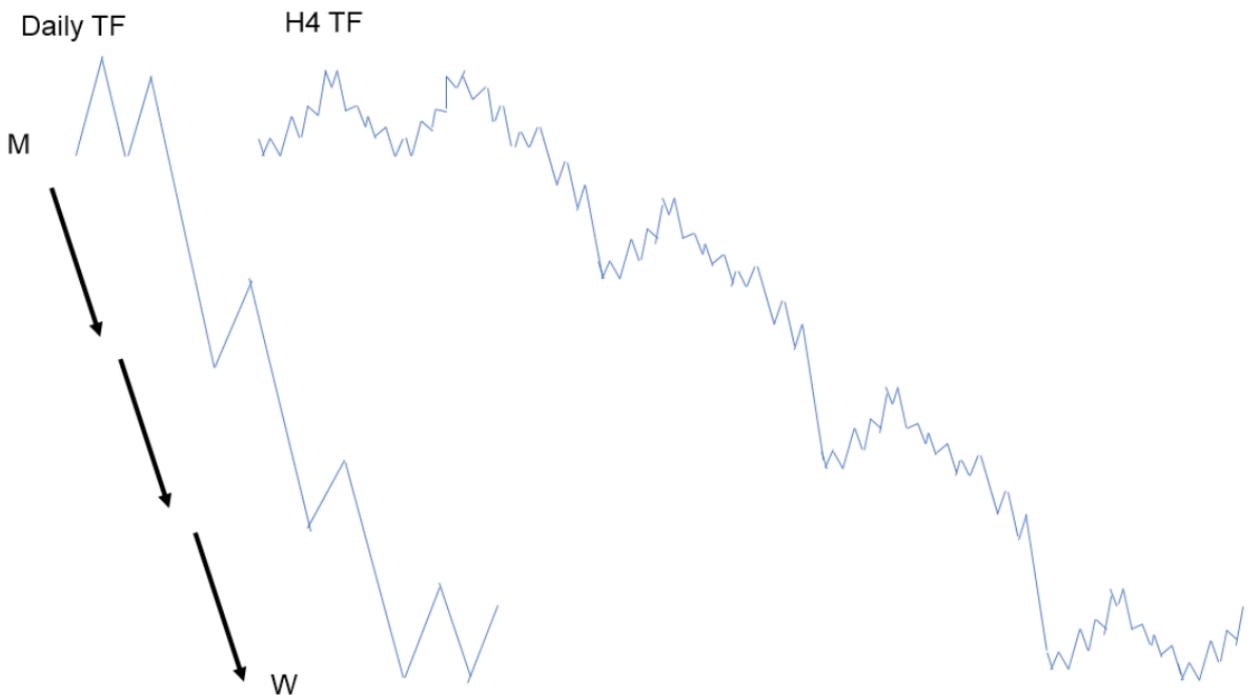


The Market Maker daily cycle. Resembles the weekly cycle. Wont be seen on every pair everyday, but plays out on alot of different pairs every week



Market maker charts varies...M, W and CSM structure can be seen in different Tfs albeit in different structure or patterns.

Different timeframe view of price structure



BBMAs method allows traders to capture entries at the highest TF to the lowest TF depending on trading styles and individual preferences.

Signal and Setup

There are 4 types of Signal and 2 types of setups.

Signals

- 1) CSM – Candle stick momentum
- 2) ECSD – Early Candle stick direction
- 3) CSD – Candle stick direction
- 4) Extreme

Setup

- 1) MLV
- 2) Re-entry

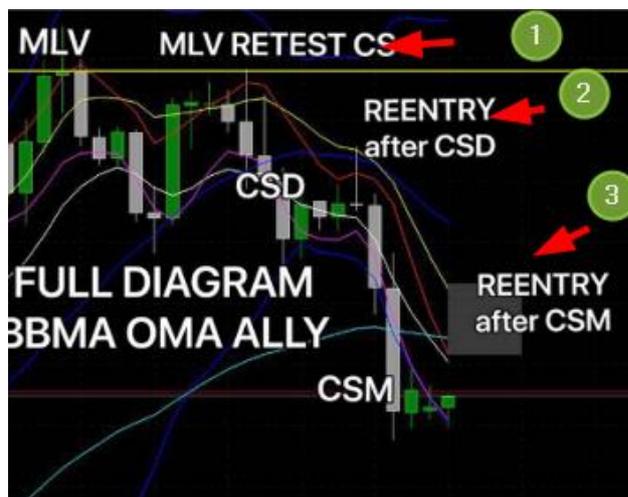
EXTREME

Extreme is a signal while MLV is a setup. There is no reason to take an entry at a MLV's Extreme as Risk reward ratio is low.

Best place to take an entry after a MLV setup is when price reverses to MLV for a retest. (1).

Next location for a re-entry is after a CSD retracement (2)

Followed by a CSM re-entry after momentum candles are formed and price retraces to Ma5/10. (3)



Make no mistake, an Extreme can be found on its own or with MLV.

An extreme on its own is not an indication of a trend reversal. A trend reversal is when an Extreme is accompanied by MLV. This is where the Ms and Ws are formed.

Extreme Definition

An extreme is a distinct signal that indicates potential price reversal, however this requires a reverse candle stick for confirmation.

Extremes are no longer valid in the presence of CSM regardless the position of MA5 outside BB.

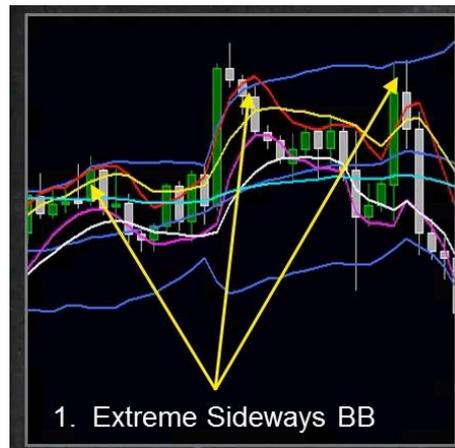
Extreme is an early indication for a trend reversal. If Candle sticks closes outside the TOP/LOW BB then the Extreme is VOID! Confirm direction when MLV and Candle stick Momentum takes place. Always back test and confirm on multiple TFs. SL can be placed a few pips above the Highest Shadow/Wick

Characteristics.

1. MA5 or Ma5/10 outside top or bottom BB
2. Reversal candles (not necessarily one or two candle sticks).
3. Retest CS (point of entry)
- 4, Marking of the highest body after reversal candle..usually candles are now within the BB.

There are four types of Extremes.

1) Extreme Sideways BB



2) Extreme momentum BB



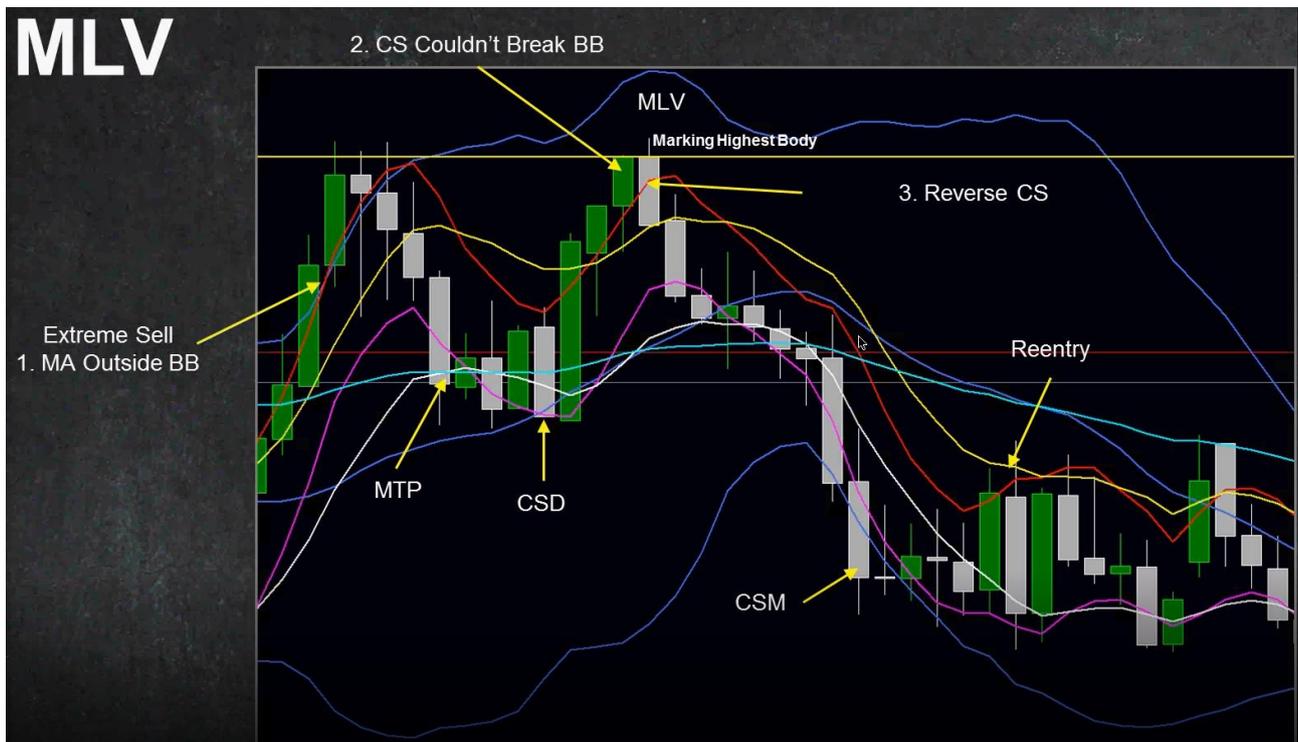
3) Extreme with momentum



4) Extreme without momentum



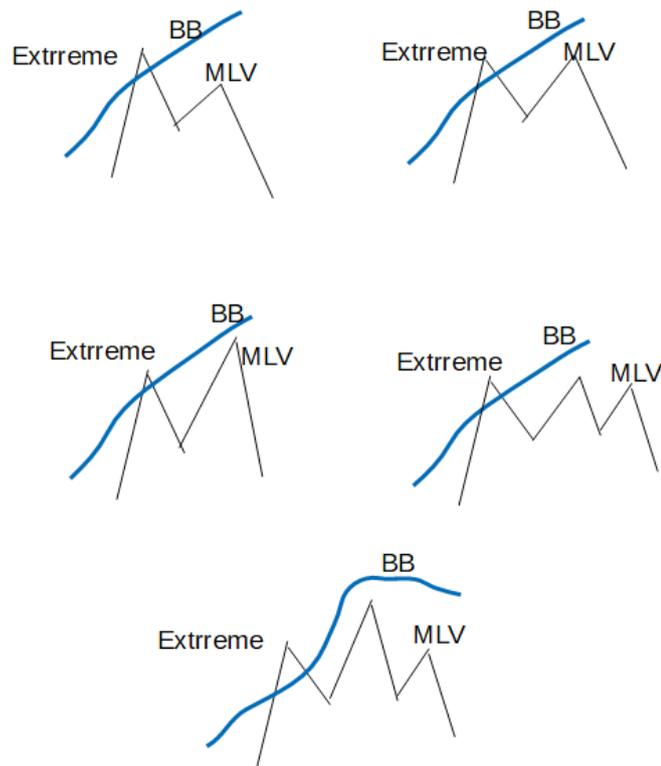
MLV



MLVs are formed after an Extreme, normally Extreme 2, 3 and 4. MLVs are invalid if price breaks through and close outside the BB.

When MLVs are forming, it is good habit to mark the highest body as price tends to retrace back to test.

Types of MLVs



MLV applies to the end of a trend (Market Reversal) after a rise or fall of the market. Occurs when the market weakens and loses momentum to continue either up (uptrend) or down (downtrend).

In some cases MLV can be identified as a double or triple top as seen in the above diagrams.

MLV is valid when: Price failed to break and close outside the TOP BB/LOW BB

MLV is void when: Price breaks and closes outside of the TOP BB/LOW BB

eCSDs and CSDS

After a MLV is formed, other signals to confirm trade are eCSDs (early Candle stick direction) and CSDs (Candle Stick Direction) . eCSDs are candlesticks that crosses MA5/10, while CSDs are candlestick that crosses MA5/10 and mid Bbs. CSDs shows real intent of price direction by crossing the mid BB.

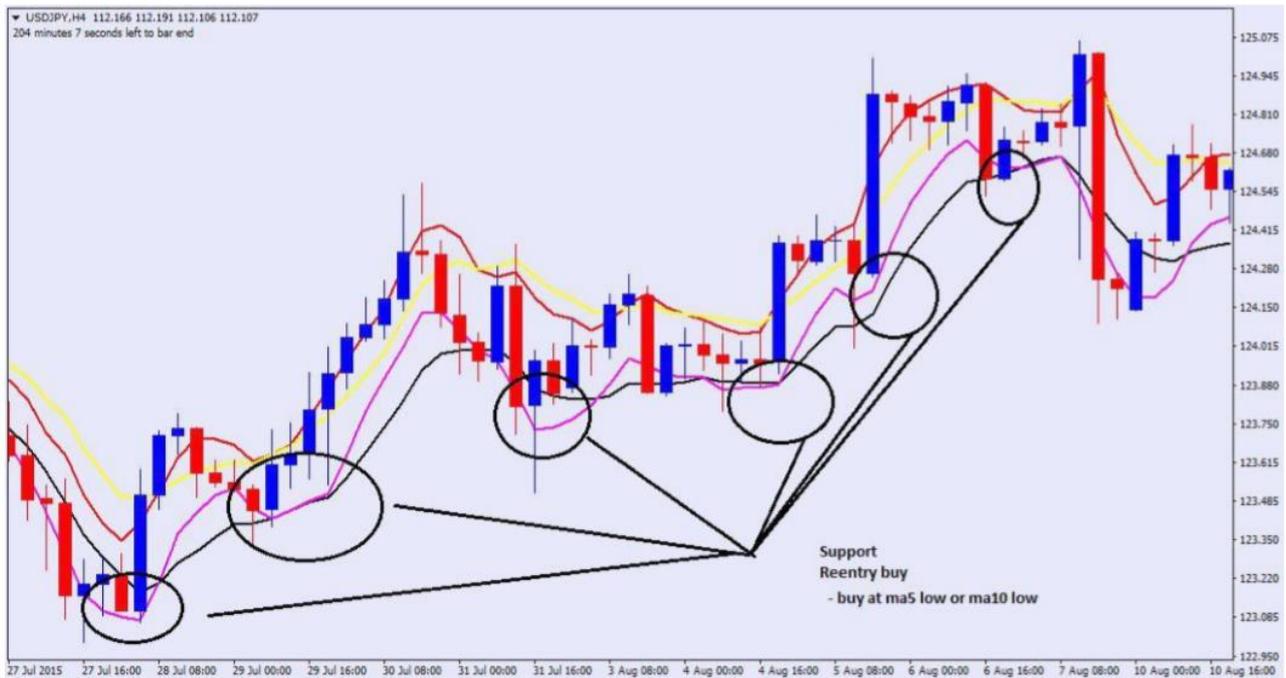
Retracements often happens to MA5/10 after a CSD or eCSDs are made. Re-entries at MA5 is best location to place a re-entry order. CSDs are often used to confirm direction of trade.

Re-Entry

Re-entry is formed after the Rise/Fall of a price or market and the price is now forming a sideways market for a Re-entry. There are 4 types of Re-entries.

Type 1.

During an Uptrend – MA5/10 High acts as resistance. Re-enter sell position when the market finds MA5/10 High. CS are under the MA5/10 High



During a Downtrend – MA5/10 LOW acts as support. Re-enter buy position when the market finds MA5/10 Low. CS are above the MA5/10 Low



Type 2.

Powerful Re-entry – MA5/10 and MID BB meet or collide.

Most Powerful Re-entry – MA5/10 MID BB and MA50 meet or collide.

Re-entry occurs for a minimum of 3 candles per TF. E.g. H1=3 Hours 1D = 3 Days H4= 12 Hours etc

Type 3.

CS Momentum Re-entry – When CS Momentum is formed and CS reverses to MA5 or MA50 it is indicating a setup for a Re-Entry.

Type 4.

CS Direction Re-entry – When CS direction (CSD) shows, price tends to gyrate towards MA5/10 to indicate a Re-Entry is near. In a downtrend CSD will find the MA5/10 Low indicating a Re-Entry Buy. In an Uptrend CSD will find the MA5/10 High indicating a Re-Entry Sell.

Notes: Always look at Multiple TFs. E.g. On a H1 TF the candle finds resistance at the TOP BB, but on H4 TF it indicates a Re-Entry at MA5/10 High. On H1 CS Direction (CSD) shows and finds resistance at TOP BB, but on H4 the candle is showing Re-Entry at MA5/10 High.

Always confirm the trend on MA50 on the Daily Chart. If price MA50 it indicates a trend reversal. If the market fails to break the MA50 it indicates a trend continuation.

MA50 acts as support and resistance

BBMA Re-entry codes

BBMA Code:

3 Types: -REE: Re-entry Extreme Extreme
 -REM Re-entry Extreme MLV
 -RRE Re-entry Re-entry Extreme

R	E	M
R	R	E
R	E	E
MM	W1	D1
W1	D1	H4
D1	H4	H1
H4	H1	M15
H1	M15	M5

REM, RRE and REE are setups when 3 setups forms at the same time on 3 different timeframes.

In the example of a REM setup, for a Re-entry sell on H4, there will be a Extreme formed on H1 and MLV formed at M15.

For REE setup, for a Re-entry sell on D1, there will be a Extreme formed on H4 and H1 as well.

For RRE setup, for a re-entry buy on D1, there will be a Re-entry on H4 and a Extreme formed on H1.

For Re-entries, always determine trend by using the trend of the higher TF, usually H4 or D1 and above.

For strong re-entries always trade with trend and when trend aligns.. In a downtrend, focus on sell...When D1 is downtrend, H4 is downtrend , monitor to sell on H1 and when price is reversing from short term uptrend to continue on its journey down. Vice versa for uptrend.

Always enter at a lower TF such as M15 and align on the trend.

For intraday trades, use H4, H1 and M15 as guidance for trade.

Example of REM Setup



Example of REE setup

