



# BOLLINGER BANDS



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# WELCOME TO THE TRADER SOCIETY BOLLINGER BAND COURSE



IN THIS VIDEO YOU ARE GOING TO LEARN  
EVERYTHING YOU NEED TO KNOW ABOUT  
BOLLINGER BANDS AND THE STRATEGY



# WHAT ARE BOLLINGER BANDS IN THE FOREX MARKET?



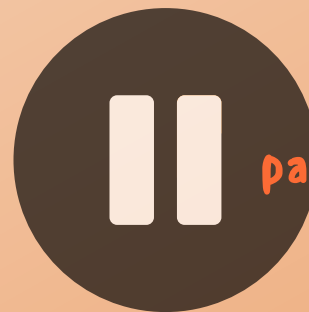
pause to take notes

- Bollinger, a long-time technician of the markets, developed the technique of using a moving average with two trading bands above and below it! Unlike a percentage calculation from a normal moving average, Bollinger Bands simply add and subtract a standard deviation calculation.
- Standard deviation is a mathematical formula that measures volatility, showing how the stock price can vary from its true value. By measuring price volatility, Bollinger Bands® adjust themselves to market conditions. This is what makes them so handy for traders; they can find almost all of the price data needed between the two bands.
- Bollinger Bands consist of a centerline and two price channels (bands) above and below it. The centerline is an exponential moving average; the price channels are the standard deviations of the stock being studied. The bands will expand and contract as the price action of an issue becomes volatile (expansion) or becomes bound into a tight trading pattern (contraction).





# I USE BOLLINGER BANDS TO TRY AND UNDERSTAND POTENTIAL AREAS OF REVERSAL

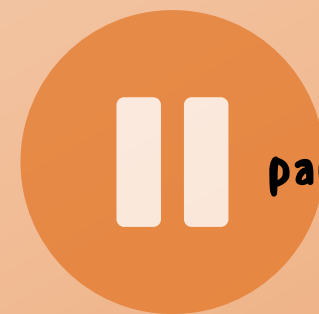
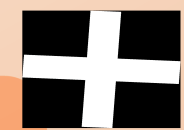


pause to take notes




- Through the time I started traded, until now I have always seemed to just understand Bollinger bands.
- I started to notice different movements with bollinger bands that tend to really help me understanding these potential areas that the market may reverse.
- I put together 3 series of bands, all 34 period, But different deviations. 2.0, 2.5, 3.0.
- I noticed that when the bands squeeze together there is a better chance of a breakout.
- I noticed that when the market trends between the 8MA, and the 2.5 bollinger bands, that the market will just continue in that manner until the pattern changes.
- I noticed that when the market breaks far outside of the bollinger bands that there is a good chance for a retracement.
- I noticed that when the bollinger bands are spread far apart that the market is more likely to reject off that area.
- The Bollinger bands tell stories themselves, and I just try to figure out the story they are telling me.

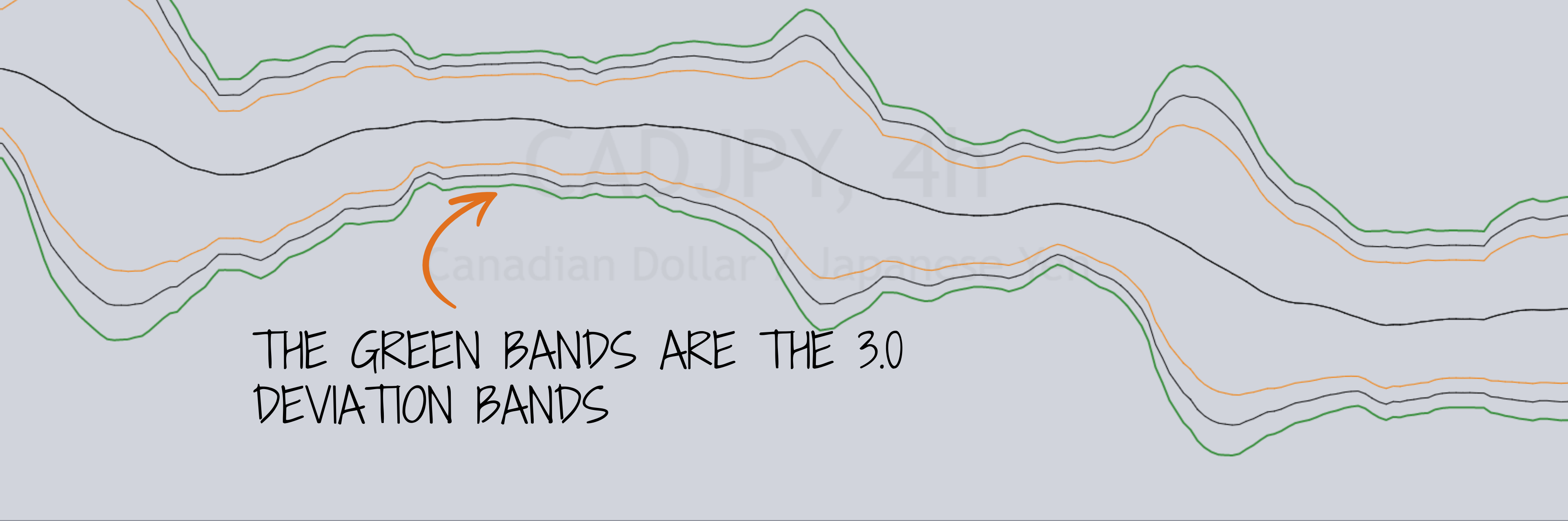
# BOLLINGER BANDS PERIOD AND DEVIATIONS



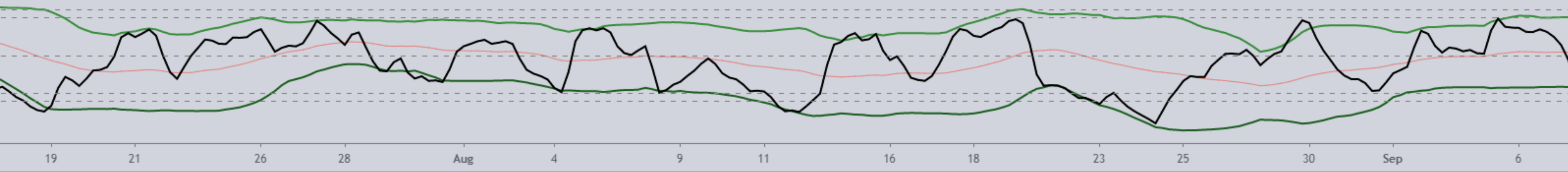
pause to take notes

- I use 34 period bollinger bands on all three of the bollinger bands on my chart.
- The first bollinger band is 2.0 deviation.
- The second bollinger band is 2.5 deviation.
- The third bollinger band is 3.0 deviation 

# BOLLINGER BANDS



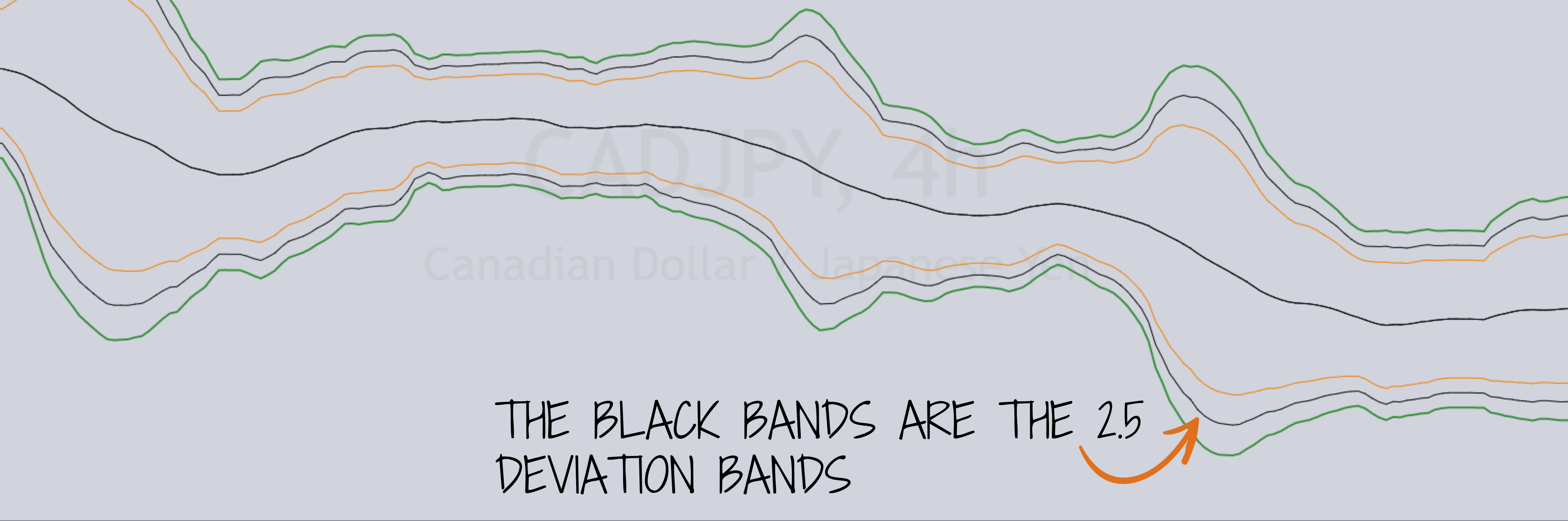
THE GREEN BANDS ARE THE 3.0  
DEVIATION BANDS



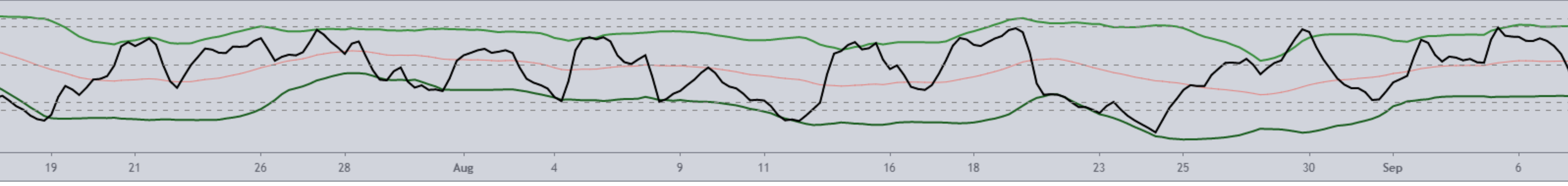


Japanese Yen, 4h, FXCM

# BOLLINGER BANDS

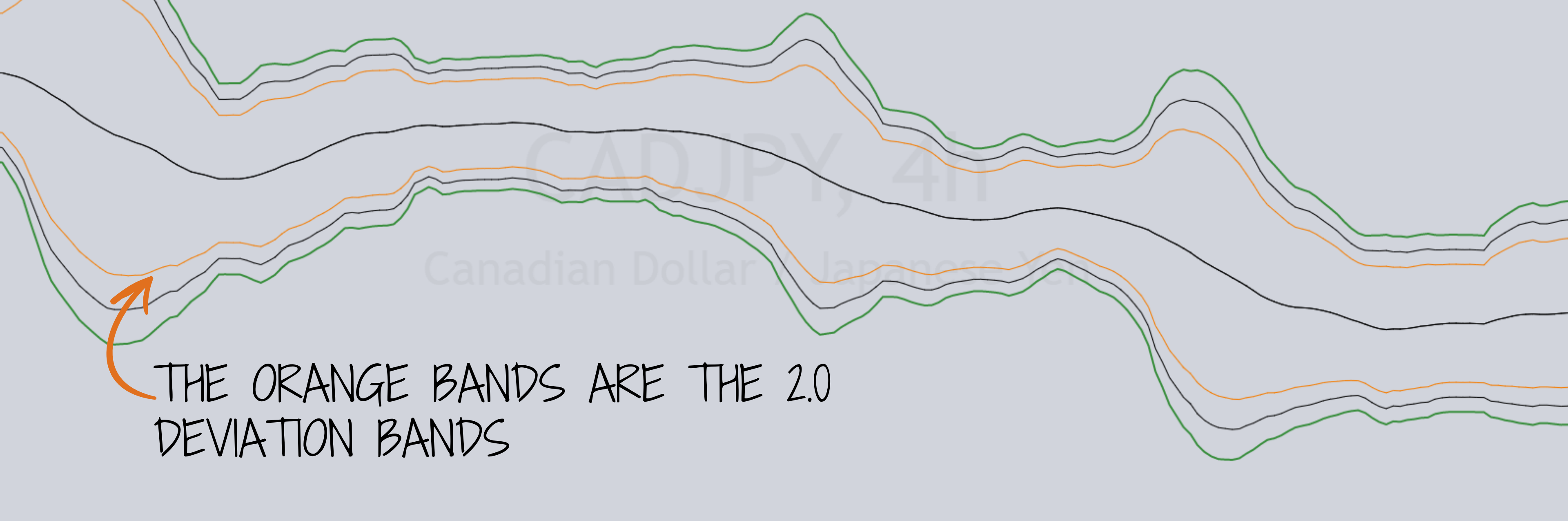


THE BLACK BANDS ARE THE 2.5  
DEVIATION BANDS

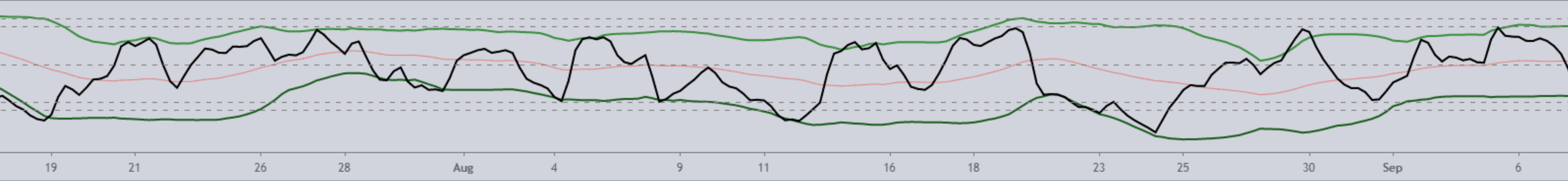


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# BOLLINGER BANDS

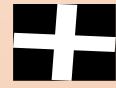


THE ORANGE BANDS ARE THE 2.0  
DEVIATION BANDS





# THE SQUEEZE



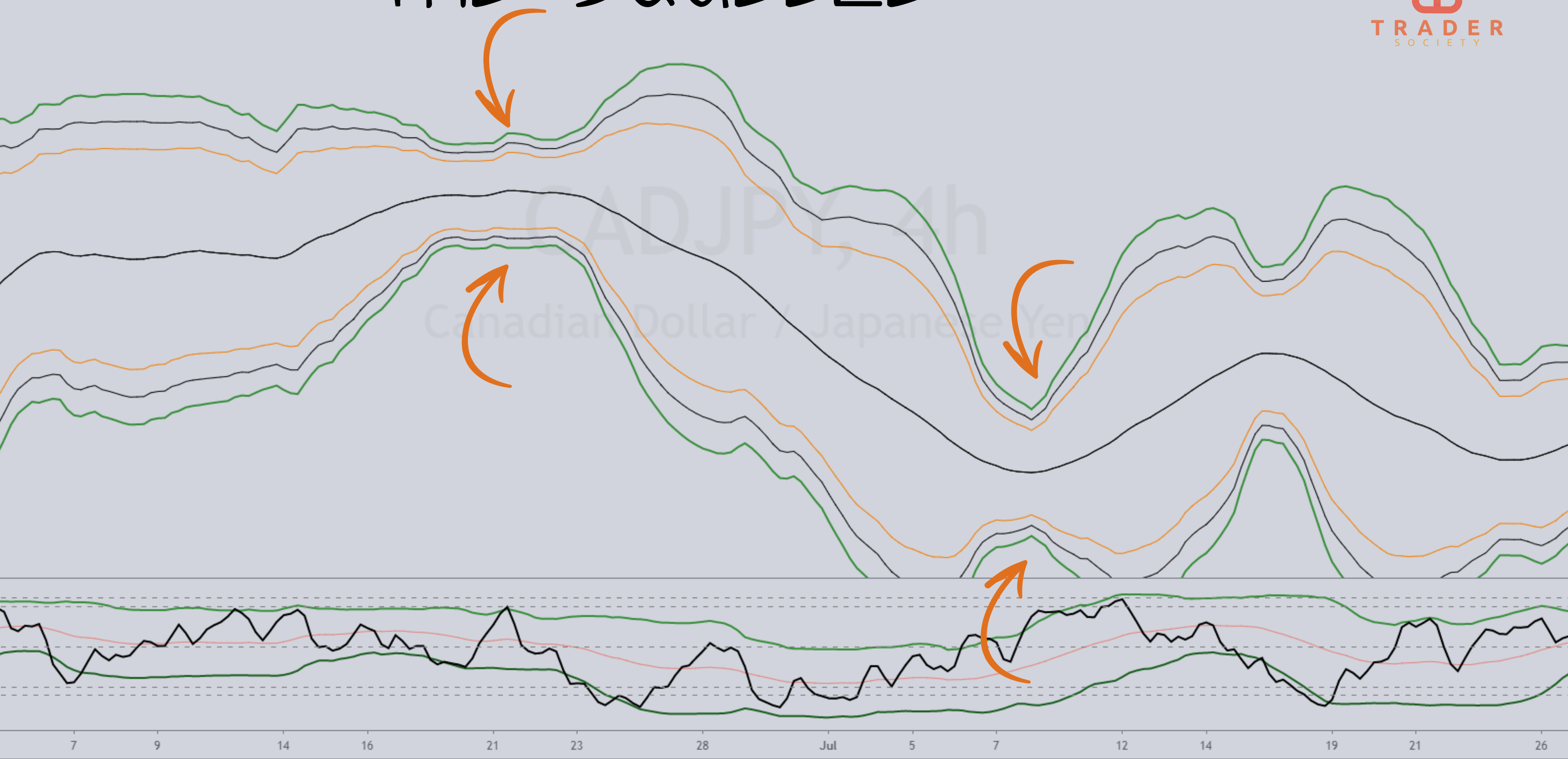
- The squeeze is a sign of a potential breakout.
- Typically the tighter the squeeze the larger the breakout.



pause to take notes



# THE SQUEEZE

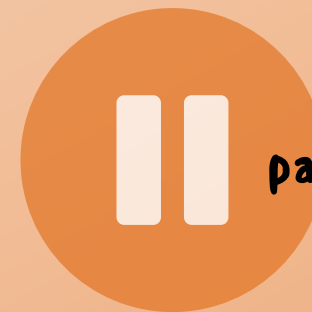
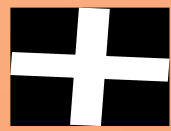


# THE SQUEEZE





# WIDE BOLLINGER BANDS



pause to take notes

- When I see wide Bollinger bands I often see a potential for the market to reject that area.
- The wider the bands the more like the market to reject off the bands.

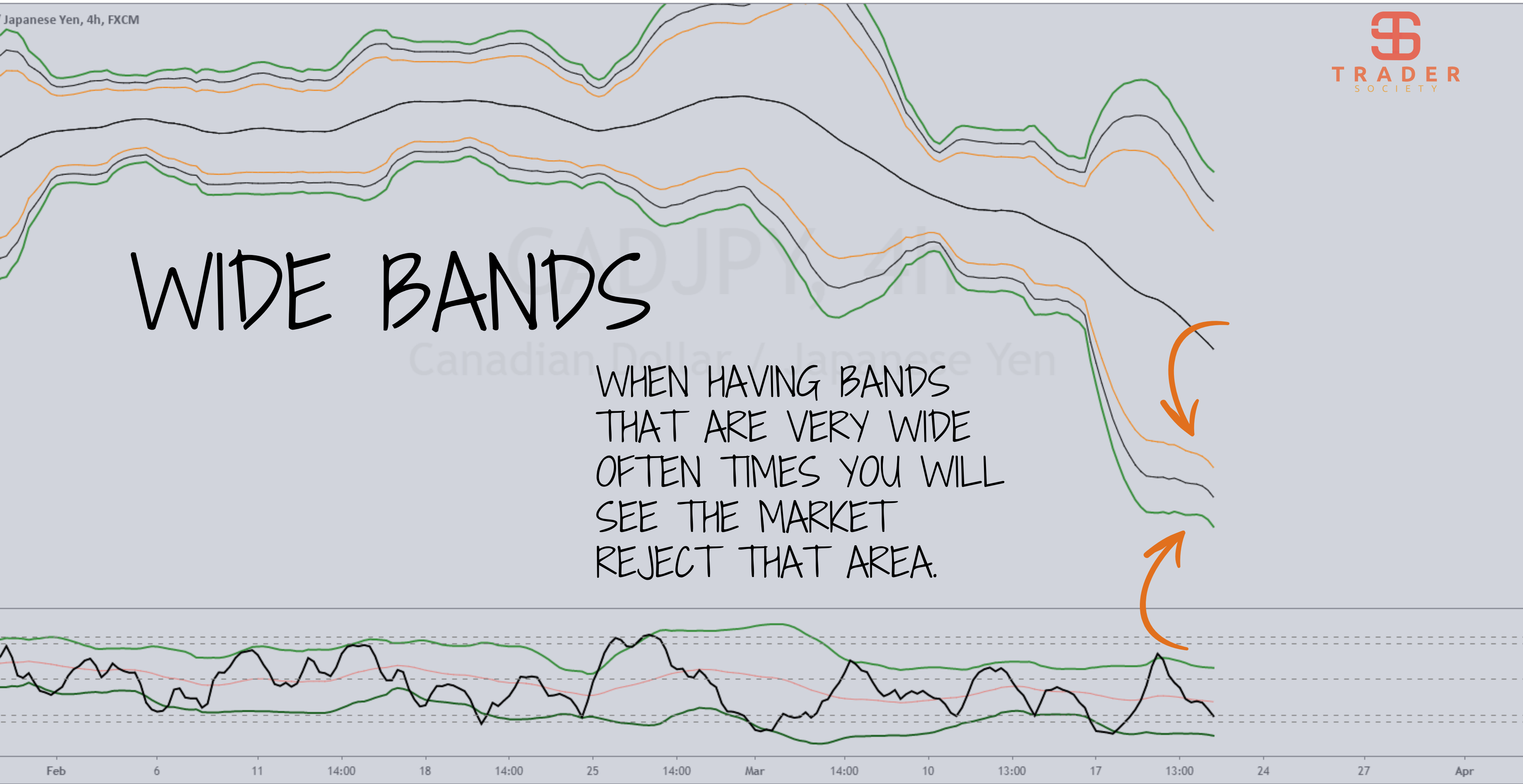


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# WIDE BANDS

WHEN HAVING BANDS  
THAT ARE VERY WIDE  
OFTEN TIMES YOU WILL  
SEE THE MARKET  
REJECT THAT AREA.



Japanese Yen, 4h, FXCM



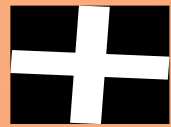
# WIDE BANDS

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# NEVER ENDING TRENDING BANDS



pause to take notes

- When the bands are at a slight tilt up or down and the market is moving from the 8ma to the 2.5 deviation band, and just slowly ranging up or down. You can say bye bye because that trade will continue to drag on.

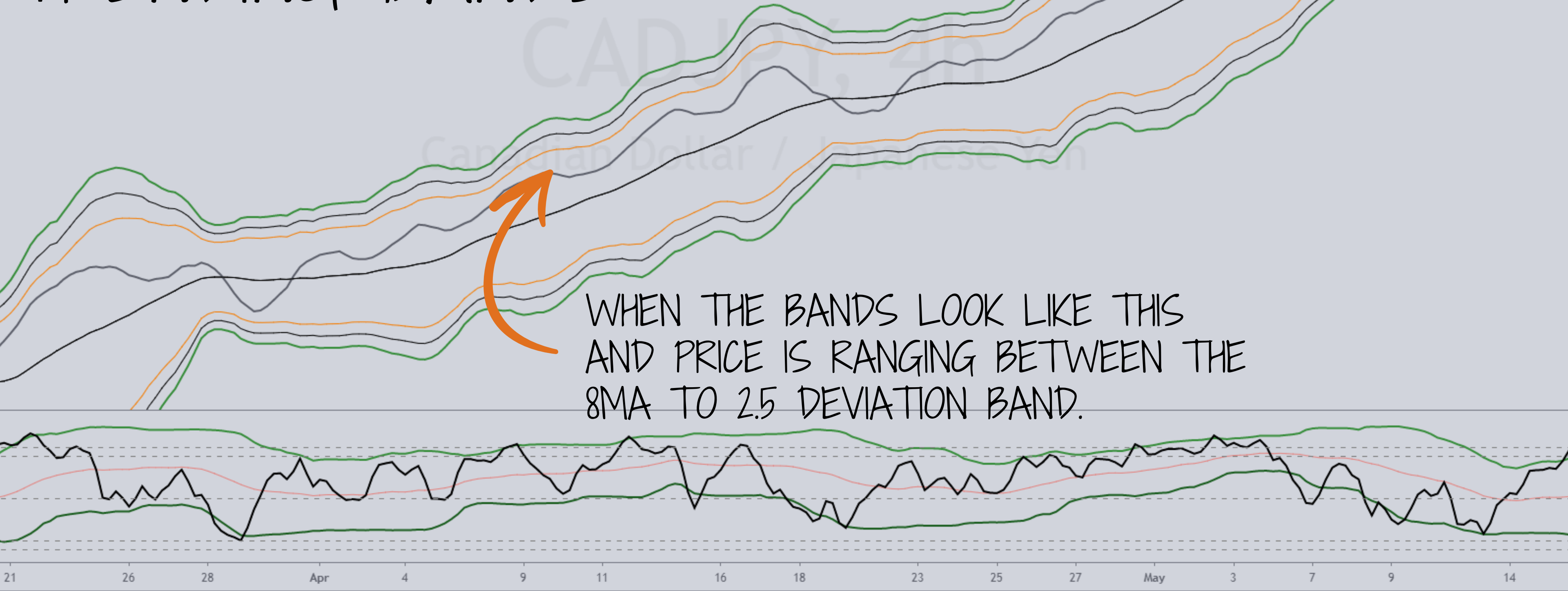


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# NEVER ENDING TRENDING BANDS

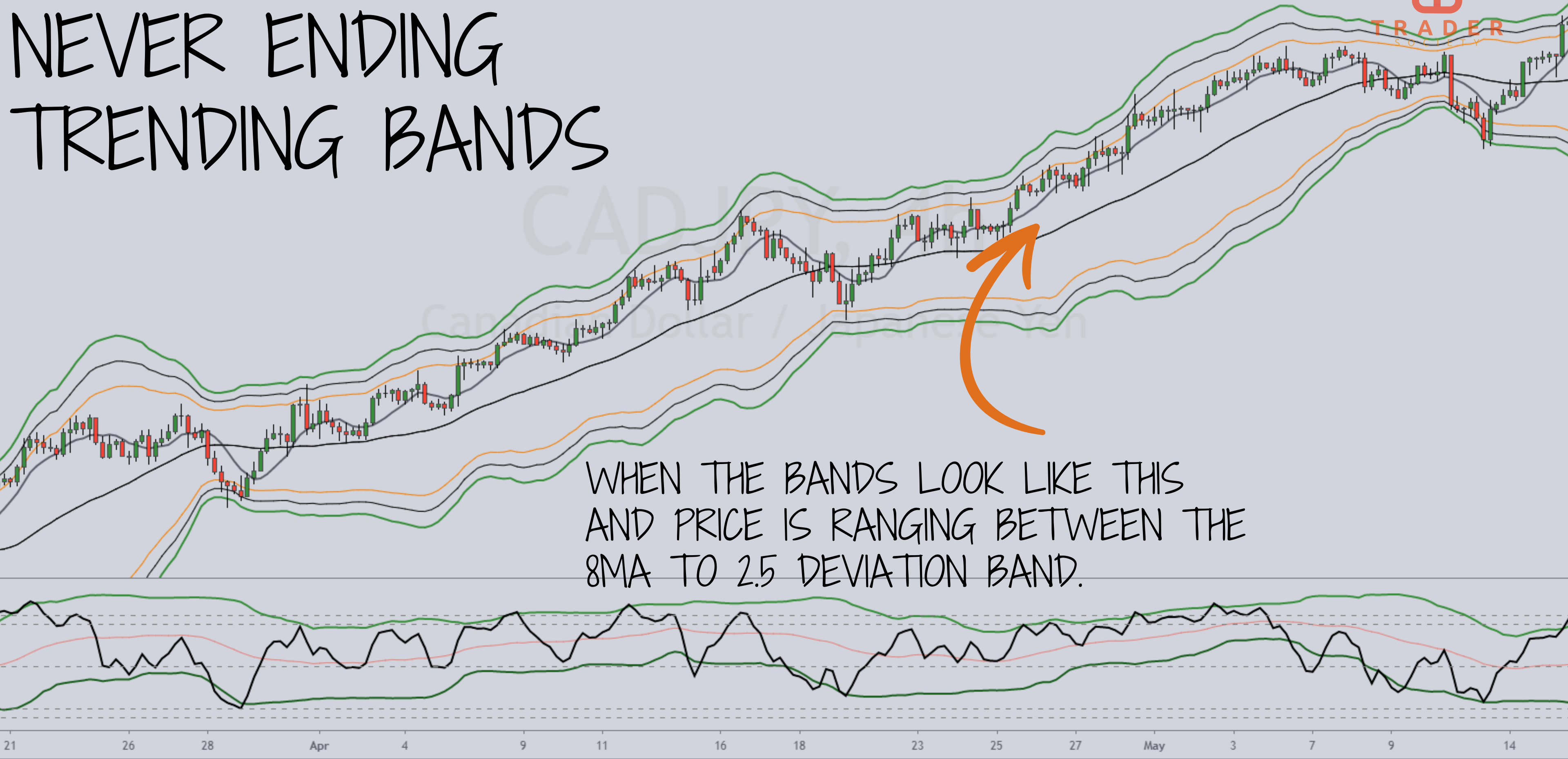


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# NEVER ENDING TRENDING BANDS



WHEN THE BANDS LOOK LIKE THIS  
AND PRICE IS RANGING BETWEEN THE  
8MA TO 2.5 DEVIATION BAND.



BREAKOUT  
BOLLINGER  
BANDS (DO  
NOT COUNTER  
THIS TRADE)

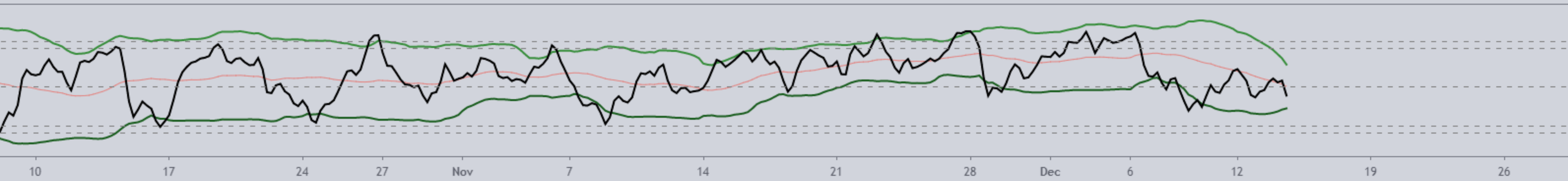
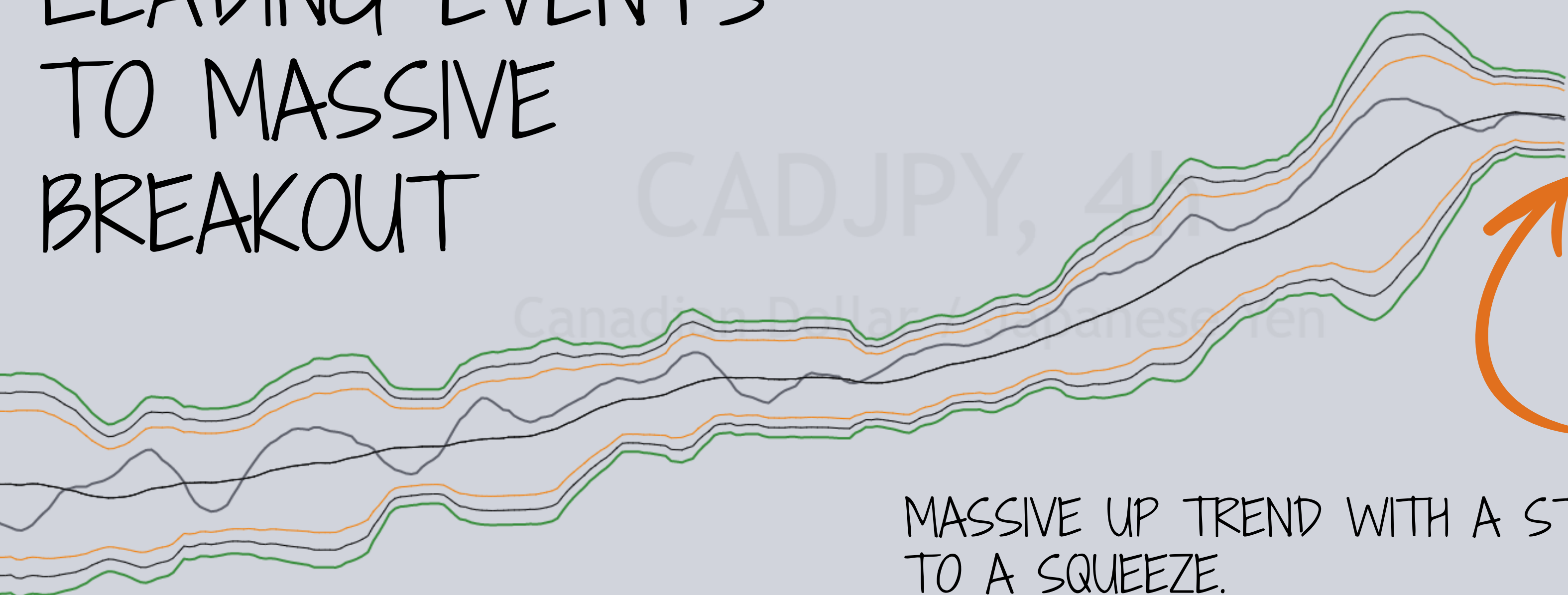


pause to take notes

- A massive breakout will happen and often times will lead to false sharkfin. The reason this happens is usually because of a higher timeframe reversal.

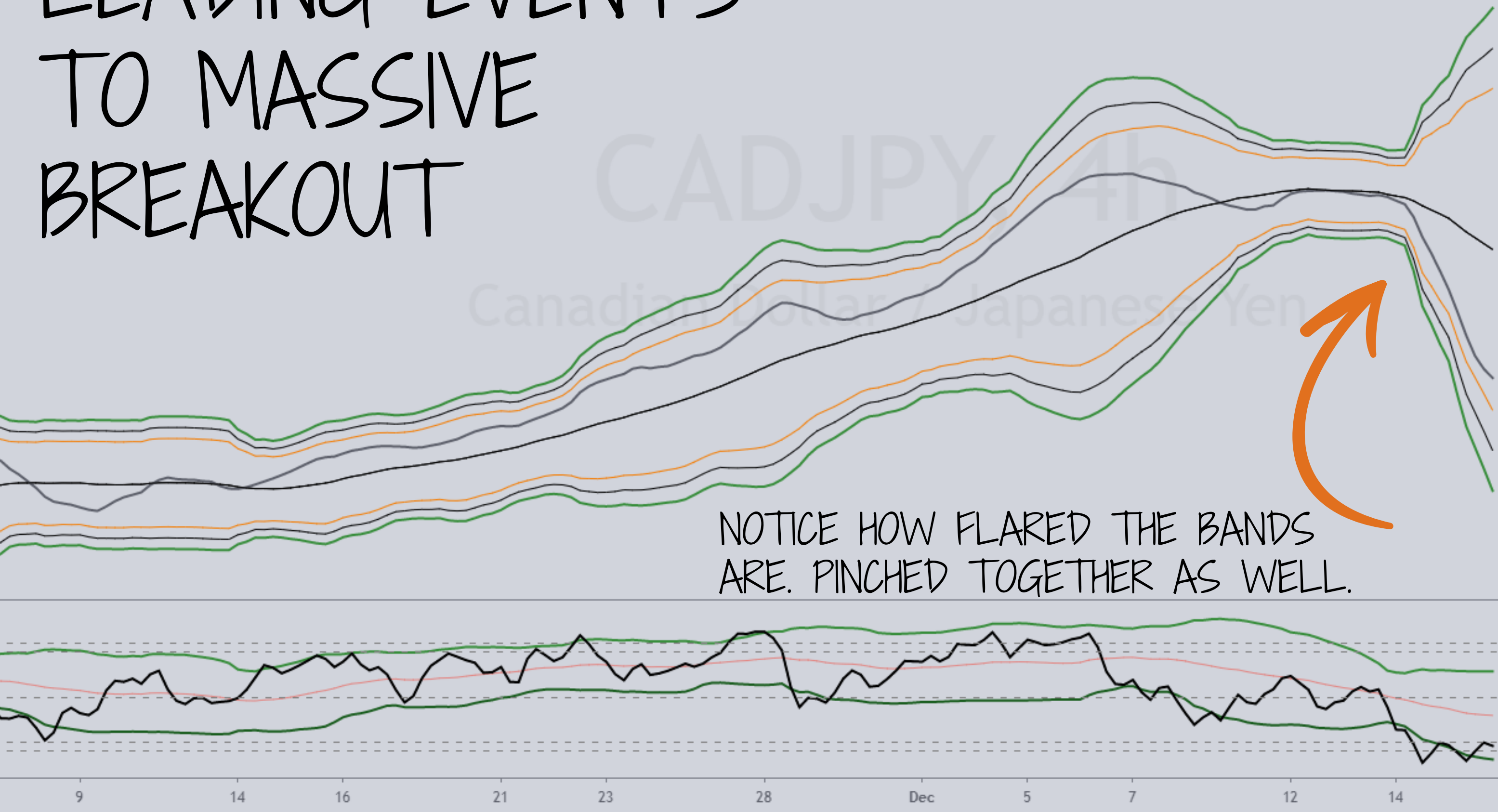


# LEADING EVENTS TO MASSIVE BREAKOUT





# LEADING EVENTS TO MASSIVE BREAKOUT

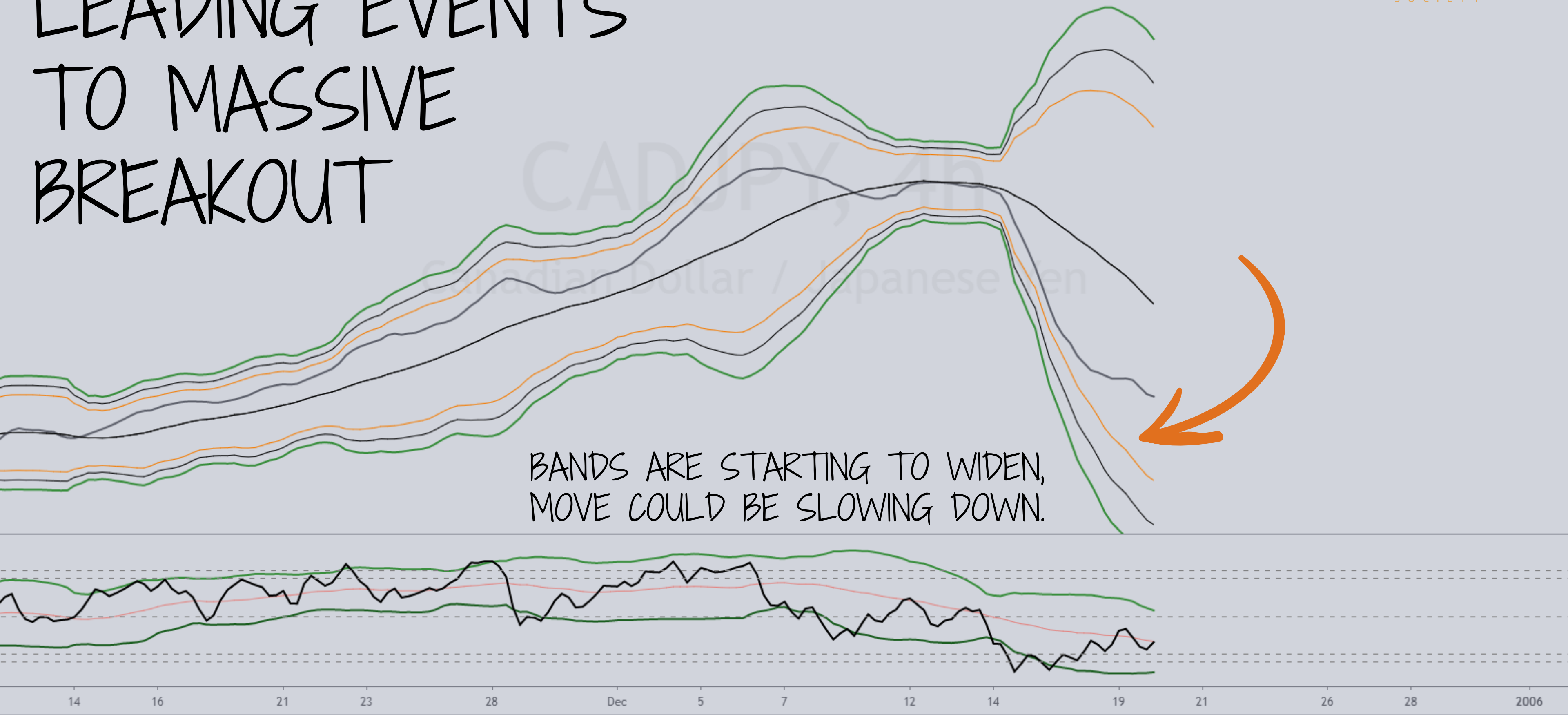


NOTICE HOW FLARED THE BANDS  
ARE. PINCHED TOGETHER AS WELL.





# LEADING EVENTS TO MASSIVE BREAKOUT



BANDS ARE STARTING TO WIDEN,  
MOVE COULD BE SLOWING DOWN.