

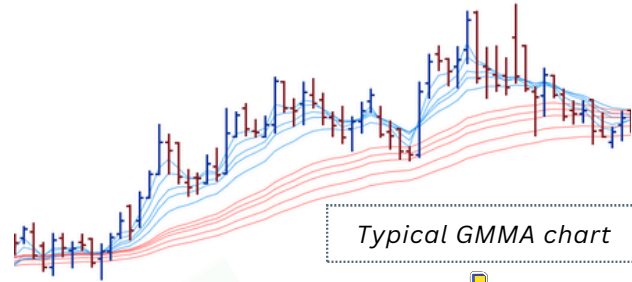
Guppy Multiple Moving Average (GMMA) Basics



Daryl Guppy

The **Blue and Red clouds** that you see in Pro-Setups indicator are based on **Daryl Guppy's Multiple Moving Averages (GMMA)**

Guppy took use of multiple EMAs and divided them into two sets of shorter & longer duration EMAs. To declutter the chart, we showed these two sets as clouds with Pro-Setups indicator.



Pro-Setups Indicator



LET'S

Understand

THE CHART

Guppy called **Blue cloud** as **Traders** and **Red cloud** as **Investors**.

Traders

Investors

Red cloud stays expanded for a long time

Blue cloud compresses

Red cloud compresses

expands
compresses

Red cloud stays expanded for a long time

In a strong **trending market**, it is normal to see the Blue cloud compress while there is no impact on Red cloud.

POINTS FOR ATTENTION

- ▶ Blue cloud is faster to react to change in prices. Red cloud is slower.
- ▶ Blue cloud is the first to compress and expand as well.
- ▶ Red cloud stays expanded for longer duration than Blue cloud.
- ▶ Width of Red cloud determines the color of trend bars.
- ▶ Blue cloud's compression signals traders to act.
- ▶ On compression of Blue cloud, we get blue dots on chart.

In **Uptrend**, the Blue cloud continuously moves above the Red cloud.

In **Downtrend**, the Blue cloud continuously moves below the Red cloud.

Find stocks with compressed Blue cloud with **Pro-Setups Dashboard**

Pro-Setups Trend & Dots

Weekly Trend

Daily Trend

Dots on Weekly charts

Dots on Daily charts

