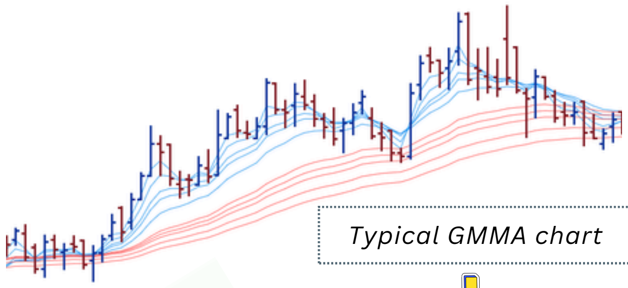
Guppy Multiple Moving Average (GMMA) Basics

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.

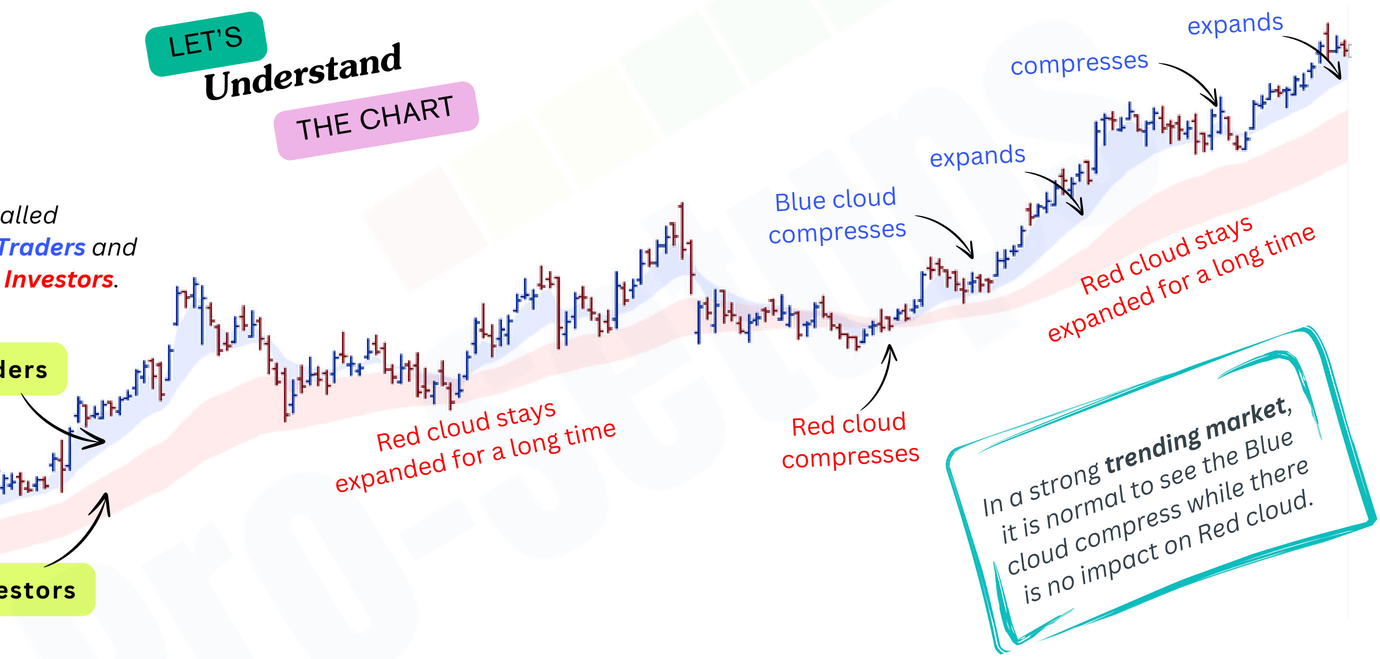


Typical GMMA chart

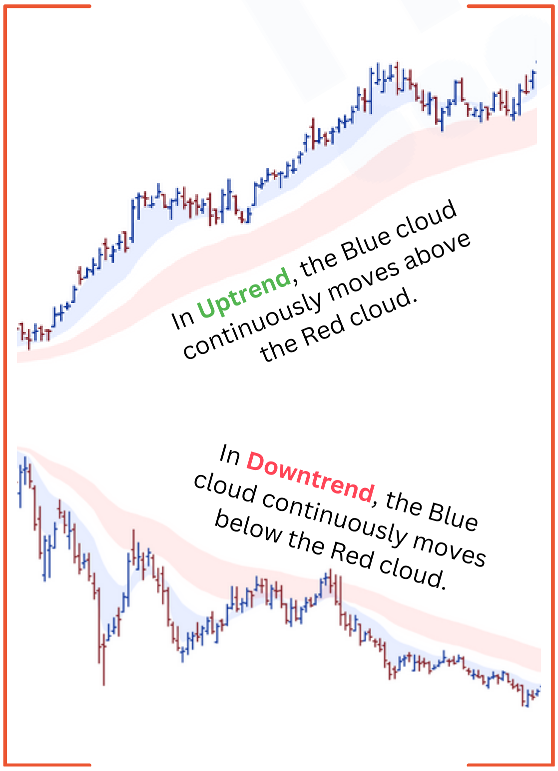
Pro-Setups Indicator

LET'S **Understand** THE CHART

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



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.

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