



Brainy's Articles on Share Trading

Sample trading strategies Daryl Guppy

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Introduction

Daryl Guppy is a well-known technical analyst, share trader and author with business operations in Australia, Singapore, Beijing and Malaysia. The *Guppy Traders* company has been providing independent education, training, analysis and resources for retail and professional financial market traders involved in stocks, CFDs, warrants, derivatives, futures and commodities since 1996.

Daryl has authored several books including: "*Trend Trading*", "*Bear Trading*", "*Snapshot Trading*", "*Chart Trading*", "*Share Trading*", "*Better Trading*" and "*Trading Tactics*", published by Wrightbooks (the Australian business and finance publisher, now an imprint of international publishers John Wiley — <http://au.wiley.com>). More information about Daryl's books is available from the company web site.

Daryl's organisation *Guppy Traders* offers a range of products and services and has much information available from the company web site www.guppytraders.com.

Some of Daryl's trading and Technical Analysis concepts and methods are incorporated as scans, indicators or chart tools in the BullCharts charting software.

This article in Brainy's series on Share Trading (number ST-6430) provides a brief overview of some of Daryl's teachings, and should be read in conjunction with the Technical Analysis article number TA-6200, "*Daryl Guppy — the GMMA indicator*", and the BullCharts article number BC-26-300, "*Author Strategy — Daryl Guppy*".

Strategy overview

Daryl Guppy promotes a large number of key trading and Technical Analysis elements. Some of these are included in Brainy's Articles, including the following:

- GMMA — Guppy Multiple Moving Average indicator, including two variations — an oscillator and a chart ribbon.
- Count Back Line — to assist with trade entry and exit on both long positions and short.
- TVL — Trend Volatility Line indicator, to assist with determining stop levels based on trend volatility as opposed to price volatility.

An overview of some of these is provided in the notes below, with more details in the relevant Technical Analysis articles or BullCharts articles.

GMMA — Guppy Multiple Moving Average indicator

The Guppy Multiple Moving Average Indicator (GMMA) is a variation of the more generic Multiple Moving Average (MMA) indicators used and promoted by a number of traders.

The GMMA comprises two groups of Exponential Moving Average (EMA) lines on a price chart, as shown in the sample monthly chart of CBA in Figure 1.

One group of six EMA lines use carefully selected time periods to represent the trading decisions of traders (or shorter term investors). The other group of six EMA lines use a different group of carefully selected time periods to represent the investment decisions of the longer-term investors.

The GMMA indicator can be used to understand trend behaviour, and to indicate possible trading



Figure 1: GMMA - Guppy Multiple Moving Average indicator in BullCharts.