

# BB on Steroids

## Introduction (Skip if you get bored easy 😊)

I once had a method on Forex Factory called "Method BB", that seemed to be fairly good, and then upon creating an even better extension of this method, I hoarded my secrets to myself, asking moderators to close the thread with the intentions of starting a business. This is against my character in many ways, but there is a time and a place for *those* thoughts, and it is not here.

A user by the name of Yen44x in Forex Factory has been a follower of mine for a few months now, and I have shared with him most everything I have thought of. He called this method "BB on steroids", and I think most would agree that it looks very promising. For those of you that have not seen my original "Method BB", it was based upon six Bollinger Bands. BB on Steroids has only two, and is very simple really. If you have any questions regarding my method, please feel free to ask me, or Yen44x, as we both have been trading it for nearly a month now with mixed results. Please note that I am speaking for Yen here, but judging by his character, I am sure he would respond to your questions. To Yen, I say thank you.

This method thrives on trends (what method doesn't?). I want to forewarn you that there will be losing periods. I have posted this here because I know that there are minds far greater than mine, and I wish to see perfection. I also believe in Karma, and know that by helping others, only good can become of it.

Best of luck,

Kevin Harvell (kharvell)

# What You Need

- Daily Candle Chart
- Bollinger Bands (20, 1) Blue
- Bollinger Bands (20, 1.5) White
- Discipline

# How to Trade

The best way to show you this is by using examples. I will try to provide an ample amount of these. There are two types of entry signals. Let us call them White and Blue for simplicity. I am now about to share a very important rule:

WHITE SIGNALS WILL ALWAYS TAKE PRECEDENCE OVER BLUE SIGNALS

# White Signals

White signals are essentially what my original method is based off. White signals occur when the price hits our white Bollinger Band and then closes inside the Bollinger Band channel. Allow me to show you what these look like.



### The Two Green Arrows

These two green arrows represent when we would BUY. As you can see, in both these instances the white line is hit by the price, and then we BUY at the close inside the channel. For these trades, we will take profit at the SMA (the middle line, which will move everyday).

### The Three Red Arrows

These three red arrows represent when we would SELL. In all three instances, the price hits the upper white line, and closes within the channel. The first and second Red Arrows are especially important because they both hit the white line and close in the main channel on the same day. Remember what this looks like. Again, our T/P will be at the center line.

# Blue Signals

Blue Signals are the “steroid” part of my method. Blue signals occur when the price is inside the channel and moves to the outside of the blue line. Let me show you what this looks like on the same graph.



## The Green Arrow

The price has come from inside the channel past the blue line. Notice how it DOES NOT hit the white line and close inside the channel (WHITE SIGNAL). If this WERE to happen we would take the White signal. This is a signal to go long. There will never be a Take Profit for Blue signals; they are exited at the next White signal.

## The Two Red Arrows

The prices have come from inside the channel, crossing outside the blue line. I know what you're thinking: these are losing trades, and you are quite right. Think of these as the costs of doing business☺. It's the signals like the green one above that we bank on.

## What About Stop Loss?

Stop Losses are a subjective item for my method. I'm afraid I cannot simplify this for you, but rather only tell you what I do. Typically, I'll use the distance of the current price to that of the SMA (center line). So if our price is at 1.9635 and the SMA is at 1.9435, my S/L will be 200 pips. You may say to yourself, "200 PIPS, IDIOT ALERT!" And to that I say, wait till you see me use 300☺.

Why I do this:

So I can risk more safely. 3% risk divided by 100 pips is a lot more per pip than 3% divided by 200. Yes, I decrease profits, BUT when we get an exit signal that is a new entry signal (from blue to white), we lose less on the losers. This is an area that could use improvement, as I am not perfect.

# An Example of BB on Steroids in Action

I am only going to post the BUY/SELL arrows, as the reasoning should be found above.



The only thing worthy of mentioning here is between the last 2 green arrows. We apparently have a Blue Sell signal, BUT since we are already in a WHITE SIGNAL trade, we do nothing. This goes back to what I say earlier about White Signals being more important than Blue.