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## Magical TMA Bands Trader Manual

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### 1. Overview

This is a legendary indicator in the forex arena, and we have successfully brought it to the NinjaTrader world.

This is one of the best indicators that we have ever seen, though it repaints. You can rely solely on this single indicator, plus price action analysis, to make trades.

But... Why do people complain so much about repainting indicators? Because of **what** those indicators repaint: signals. They remove bad signals and keep only good ones, which is immoral.

Our Magical TMA Bands indicator is different:

- It allows you to fully control how much it repaints.
- It does NOT repaint any signals (only plots are repainted).

Thanks to its repainting nature, this indicator perfectly adapts to market changes. In other words, Magical TMA Bands is a truly original **adaptive** indicator.

In this manual, you will learn how to get the most out of Magical TMA Bands.

### 2. Configurations

The most important setting of this indicator is *Period*, which determines how much the indicator repaints. The larger the number, the more the repainting – and vice versa.

Let's take an example to help you understand how this parameter affects the degree and scope of repainting. Assume that you set *Period* = 5. With this configuration:

- The plot values at 6 bars ago, 7 bars ago, 8 bars ago, 9 bars ago... are locked and no longer repainted.
- The plot values at 5 bars ago, 4 bars ago, 3 bars ago... through the current bar are subject to repainting upon new bars coming.
- The plot value at the current bar will just stop repainting after 5 additional new bars.

A larger *Period* makes the plots much smoother (you may like this), but please keep in mind that it also results in more repainting.

The *Period* parameter defines the center line. Then the upper bound and lower bound are drawn at a custom distance from the center line, measured in ATR unit (e.g. 2 ATR from the center line).

## 3. Benefits

### 3.1. Trend Reading

Magical TMA Bands makes trend reading easy! This awesome indicator was developed with the same purpose as renko or heiken ashi, which is to remove noises and help traders visualize trends with ease. Magical TMA Bands even does a more excellent job by letting you know the phase and strength of trends. How? You just need to look at the slope of the bands: whether it is steep, moderate, or flattening out!

### 3.2. Potential of Trade

Magical TMA Bands helps you know if there is remaining room (potential) for a good trade. Just pay attention to the relative position of the price and the band bounds: whether the market is near or far from the bounds.

### 3.3. Adaptation

Thanks to its repainting nature, Magical TMA Bands can re-adjust itself to “fit” any market environments. This is a unique capability that normal indicators do not have.

## 4. Signals

Magical TMA Bands triggers an alert when the price crosses the upper bound or lower bound.

When the price breaks above the upper bound, the market is likely to aim for a consolidation, a downward retracement, or even a complete reversal. This gives a sell signal, marked by a down arrow on your chart. However, a sell signal does not necessarily mean “go short” (entry); instead, it can mean “take profit” out of a long position (exit).

When the price breaks below the lower bound, the market is likely to aim for a consolidation, an upward retracement, or even a complete reversal. This gives a buy signal, marked by an up arrow on your chart. However, a buy signal does not necessarily mean “go long” (entry); instead, it can mean “take profit” out of a short position (exit).

One thing you can rest assured is that NONE of the arrows ever printed on your chart is repainted. They are left “as is” so that with visual backtesting you can know if the signals are good or not. Only plots are repainted in order for the indicator to adapt to market changes.

Please note that arrows printed on your chart are not the only signals you can get from Magical TMA Bands. They are just the basics. Be creative, there are many other ways to exploit this indicator. For example, you may want to trade the center line or the mid bands.

## 5. Higher Timeframe

A fantastic use of Magical TMA Bands that professional traders prefer is to overlay Magical TMA Bands from a higher timeframe onto the current timeframe. For example, you can add Magical TMA Bands based on 60-minute chart onto your 15-minute chart. Please watch this video for technical instruction: <https://www.youtube.com/watch?v=EloQIRR6GZA>.

Now see the example below, you have a very smooth view of the major trend you are currently in. Trend reading made easy!



Please note that the center line of the higher-timeframe Magical TMA Bands is a very hard support/resistance. When the market reaches this line, it can reverse/retrace sharply or consolidate for a very long period. Therefore, trade carefully at this region.



You can use both Magical TMA Bands based on a higher timeframe and Magical TMA Bands based on the current timeframe at the same time. This way, you will have 2 sets of bands to monitor and compare: higher-timeframe bands and current-timeframe bands. A high-probability trade is to bet on their agreements: go long when both sets of bands head up, and go short when both go down. This is a very safe way to practice trend following.



## 6. Repainting & Trading

There is nothing bad about “repainting” when you trade **LIVE** with Magical TMA Bands. This is because only historical plot values are repainted, while you take real-time signals generated at the current bar for live trading. This is critical to understand.

When you consider taking a signal, you must carefully take into account the context:

- What does the price action tell you, does it support your trade?
- Are you going against or with the major trend?
- Are you having a long position, short position, or flat?
- ... and so many more

In any cases, price action is the king, the #1 factor to consider. It is impossible to discuss this vast subject here, but if you want to be a better trader, you must make serious investments in price action learning. We recommend you read [YTC Price Action Trader](#) by Lance Beggs for high-quality knowledge on this critical topic.