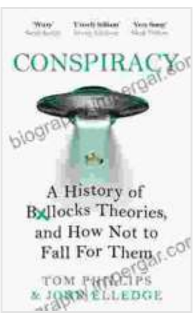
History of Boll Cks: Theories and How Not to Fall for Them

Bollinger Bands are a technical analysis tool that is used to measure the volatility of a security's price. They are plotted as two lines, one above and one below the security's price, and the width of the bands is determined by the volatility of the price. Bollinger Bands were developed by John Bollinger in the 1980s, and they have since become one of the most popular technical analysis tools in use today.



Conspiracy: A History of Boll*cks Theories, and How Not to Fall for Them by Jonn Elledge

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There are many different theories about how to use Bollinger Bands to trade. Some traders use them to identify overbought and oversold conditions, while others use them to identify potential trading opportunities. However, it is important to remember that Bollinger Bands are just a tool, and they should not be used as the sole basis for making trading decisions.

In this article, we will take a look at the history of Bollinger Bands, and we will discuss some of the different theories about how to use them. We will also provide some tips on how to avoid falling for the boll cks.

History of Bollinger Bands

John Bollinger developed Bollinger Bands in the 1980s. He was a technical analyst and trader, and he was looking for a way to measure the volatility of a security's price. Bollinger Bands are based on the concept of standard deviation, which is a statistical measure of the dispersion of data. The standard deviation of a security's price is a measure of how much the price fluctuates. Bollinger Bands are plotted two standard deviations above and below the security's price.

Bollinger Bands gained popularity in the 1990s, when they were featured in a number of trading books and articles. Today, Bollinger Bands are one of the most popular technical analysis tools in use.

Theories about Bollinger Bands

There are many different theories about how to use Bollinger Bands to trade. Some of the most common theories include:

- **Overbought and oversold conditions:** Bollinger Bands can be used to identify overbought and oversold conditions. When the price of a security is above the upper Bollinger Band, it is considered to be overbought. When the price of a security is below the lower Bollinger Band, it is considered to be oversold. Traders can use these conditions to identify potential trading opportunities.
- **Breakouts:** Bollinger Bands can be used to identify breakouts. When the price of a security breaks out above the upper Bollinger Band, it is considered to be a bullish breakout. When the price of a

security breaks out below the lower Bollinger Band, it is considered to be a bearish breakout. Traders can use these breakouts to identify potential trading opportunities.

- **Squeezes:** Bollinger Bands can be used to identify squeezes. A squeeze occurs when the Bollinger Bands narrow. This indicates that the volatility of the security's price is decreasing. Squeezes can be a sign that a breakout is about to occur.

How to avoid falling for the boll cks

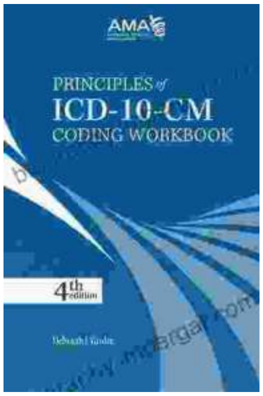
Bollinger Bands are a powerful technical analysis tool, but they can also be misleading. It is important to remember that Bollinger Bands are just a tool, and they should not be used as the sole basis for making trading decisions.

Here are some tips on how to avoid falling for the boll cks:

- **Use Bollinger Bands in conjunction with other technical analysis tools.** Bollinger Bands are a powerful tool, but they should not be used in isolation. Use them in conjunction with other technical analysis tools, such as moving averages, support and resistance levels, and candlestick patterns.
- **Be aware of the limitations of Bollinger Bands.** Bollinger Bands are not a perfect tool. They can be misleading in certain market conditions. For example, Bollinger Bands can be less effective in markets that are trending or consolidating.
- **Use Bollinger Bands to confirm your trading decisions.** Bollinger Bands should not be used to make trading decisions. Instead, use them to confirm your trading decisions. For example, if you are

considering buying a security, you can use Bollinger Bands to confirm that the security is not overbought.

Bollinger Bands are a powerful technical analysis tool that can be used to identify overbought and oversold conditions, breakouts, and squeezes. However, it is important to remember that Bollinger Bands are just a tool, and they should not be used as the sole basis for making trading decisions. Use Bollinger Bands in conjunction with other technical analysis tools, and be aware of their limitations.



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