

Raghee Horner's 34 EMA Wave and GRaB Candles

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Indicator: Horner's 34 EMA Wave

The 34 EMA Wave plots three exponential moving averages:

- 34-bar Exponential Moving Average (EMA) of the high, plotted green by default
- 34-bar EMA of the low, plotted red by default
- 34-bar EMA of the close, plotted blue by default

This setting is used across all time frames. The 34 EMA Wave serves two purposes: in the technical sense, the moving averages act as dynamic support/resistance in a trending market; a trend is identified by a "twelve to two o'clock" angle or "four to six o'clock" angle of the 34 EMA Wave.

PaintBar studies:

Horner's GRaB Candles Long

Horner's GRaB Candles Range

Horner's GRaB Candles Short

The GRaB candles are painted candles based on the relationship between the close of a candle and these averages.

- A candle paints green when it closes above the 34-bar EMA of the high.
- A candle paints red when it closes below the 34-bar EMA of the low.
- A candle paints blue when it closes between the 34-bar EMA of the high and 34-bar EMA of the low.

GRaB candles are a visual aid in identifying not only the trend but also the sentiment and momentum in the market on any time frame. The colors of the GRaB candles still reflect traditional Japanese candlesticks with lighter and darker shades of green, red, and blue. The lighter shades are akin to hollow or "up close" Japanese candles while the darker shades are akin to shaded or "down close" candles.

- Green candles indicate bullish sentiment and momentum.
- Red candles indicate bearish sentiment and momentum.
- Blue candles indicate neutral sentiment and momentum.

Since a trend is organized sentiment and momentum, it is also important that green candles dominate a market that is moving upwards with higher highs and higher lows. Red candles should then dominate a downtrend (lower lows and lower highs). Blue GRaB candles dominate a market in consolidation and quick shifts between green, red, and blue are a sign of volatility and congestion.

A few interesting uses of the 34 EMA Wave and GRaB candles are:

- Making note of when candles go from a consistent red to blue (bearish to neutral), green to blue (bullish to neutral), blue to red (neutral to bearish), and blue to green (neutral to bullish).
- When a trending market crosses through the opposite side of the 34 EMA Wave (e.g. when prices trades through the 34-bar EMA of the low at a "twelve to two o'clock" angle of the 34 EMA Wave).
- Monitoring changes in the angle of the 34 EMA Wave as it steepens or flattens.

Clarity of the 34 EMA Wave is also very important and is gauged by three criteria:

1. Smoothness - Once a "twelve to two o'clock" or "four to six o'clock" angle of the 34 EMA Wave has been identified, the moving averages should be smooth, reflecting normal volatility versus gaps and/or long wicks.
2. Established - The moving averages should be established rather than in transition from one angle to another. The more "established" the more obvious the trend is to the overall market.
3. Respected - The 34 EMA Wave is "respected" when the trend corrects to the 34 EMA Wave without breaking through the opposite side, e.g. within the context of a downtrend, price trades into the 34 EMA Wave without breaking higher through the 34-bar EMA of the high.

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