

Short Term Multi-Day VWAP with Trade Ideas



Trade Ideas
October 2019

Brian Shannon, CMT
Alphatrends.net

trade 2018

ideas

THE CHALLENGE FROM DAN



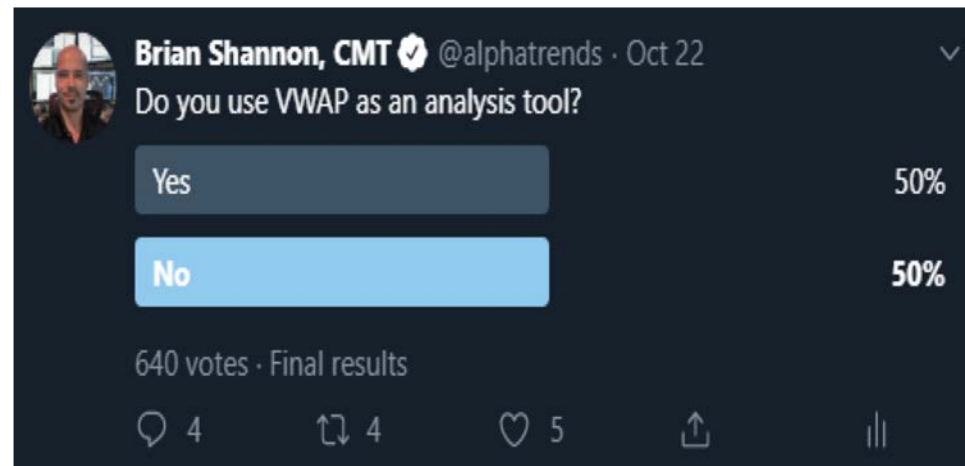
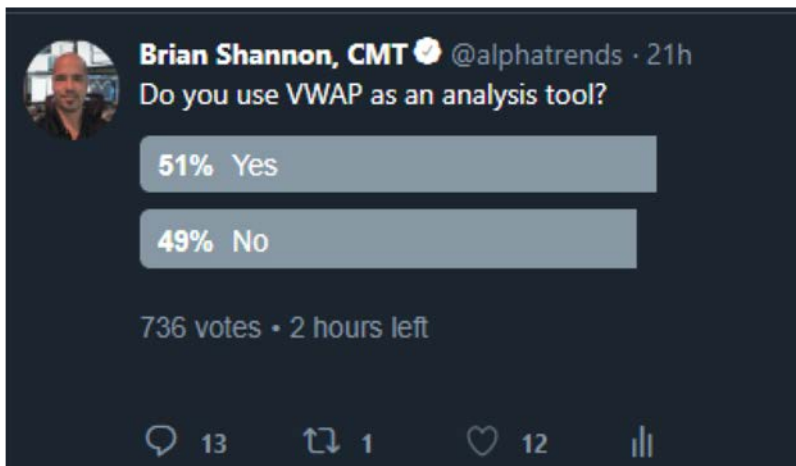
DO YOU VWAP?

2018

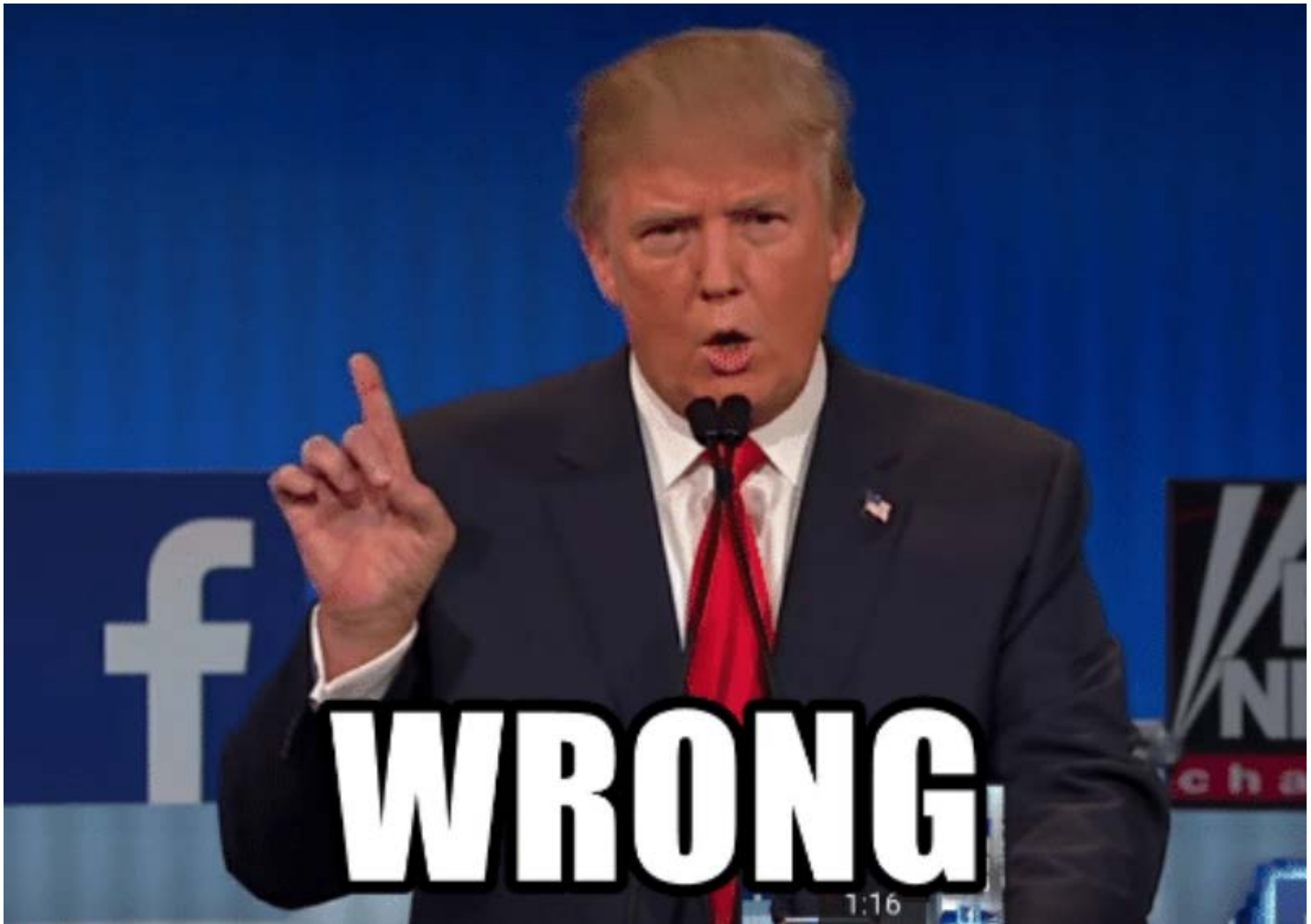
Filter	Code	Description	% of Strategies
1	Price	Price	78.3%
2	TV	Volume Today	43.7%
3	RV	Relative Volume	37.5%
4	FCP	Change from the Close	24.0%
5	Vol1	Volume 1 Minute	18.4%
6	Vol	Average Daily Volume (10D)	17.4%
7	Vol5D	Average Daily Volume (5D)	16.2%
8	Vol5	Volume 5 Minute	15.0%
9	Float	Float	14.2%
10	Vol3M	Average Daily Volume (3M)	12.1%
16	VWAP	Distance from VWAP	6.4%

2019

Filter	Code	Description	% of Strategies
1	Price	Price (\$)	75.1%
2	TV	Volume Today (Shares)	44.2%
3	RV	Relative Volume (Ratio)	36.8%
4	FCP	Change from the Close (%)	25.3%
5	Float	Float (Shares)	22.3%
6	Time	Time of Day (Minutes after the open)	22.1%
7	Vol3M	Average Daily Volume (3M) (Shares / Day)	17.8%
8	Vol1	Volume 1 Minute (%)	14.5%
9	Vol	Average Daily Volume (10D) (Shares / Day)	14.1%
10	Spread	Spread (Pennies)	13.9%
15	VWVP	Volatility (%)	9.1%
26	VWAP	Distance from VWAP 1 (%)	5.0%



Not much has changed, right?



Multi Day VWAP Filters on Trade Ideas!!

			This filter compares the last price to the stock's VWAP for the day (VWAP1). This filter uses percentage.
VWAP1	VWAP1	Distance from VWAP 1	Examples: <ul style="list-style-type: none"> Set the min value to 0.001 to see stocks currently trading above their VWAP. Show me. Set the max value to -0.001 to see stocks currently trading below their VWAP. Show me.
VWAP2	VWAP2	Distance from VWAP 2	These filters compare the last print price to the stock's multi-day anchored VWAP. VWAP2 is the 2 day VWAP anchored at the beginning of the previous trading day. VWAP3 is anchored starting the day before yesterday. VWAP 4 is the 4 day anchored VWAP and VWAP 5 is the 5 day anchored VWAP.
VWAP3	VWAP3	Distance from VWAP 3	
VWAP4	VWAP4	Distance from VWAP 4	
VWAP5	VWAP5	Distance from VWAP 5	
VWAP1	VWAP1	VWAP 1	These filters provide the 5 anchored VWAP values in dollars. The VWAP 1 starts at today's market open. The VWAP 2 starts at (is anchored to) the market open from the previous trading day. The VWAP 3 consider 3 days of data, the VWAP 4 looks at 4 days of data and the VWAP 5 examines a trading week, starting 4 trading days ago.
VWAP2	VWAP2	VWAP 2	
VWAP3	VWAP3	VWAP 3	
VWAP4	VWAP4	VWAP 4	
VWAP5	VWAP5	VWAP 5	

Anchored VWAP is the perfect combination of Price, Volume & Time

Price is how we keep score, it is at the end of the day, that only thing that really matters in trading & investing.

Volume allows us to gauge the emotional level of commitment to price movement.

Time is a relative study, which is highly subjective.

**Anchor point determination is more of the 'art' than the science of trading.*



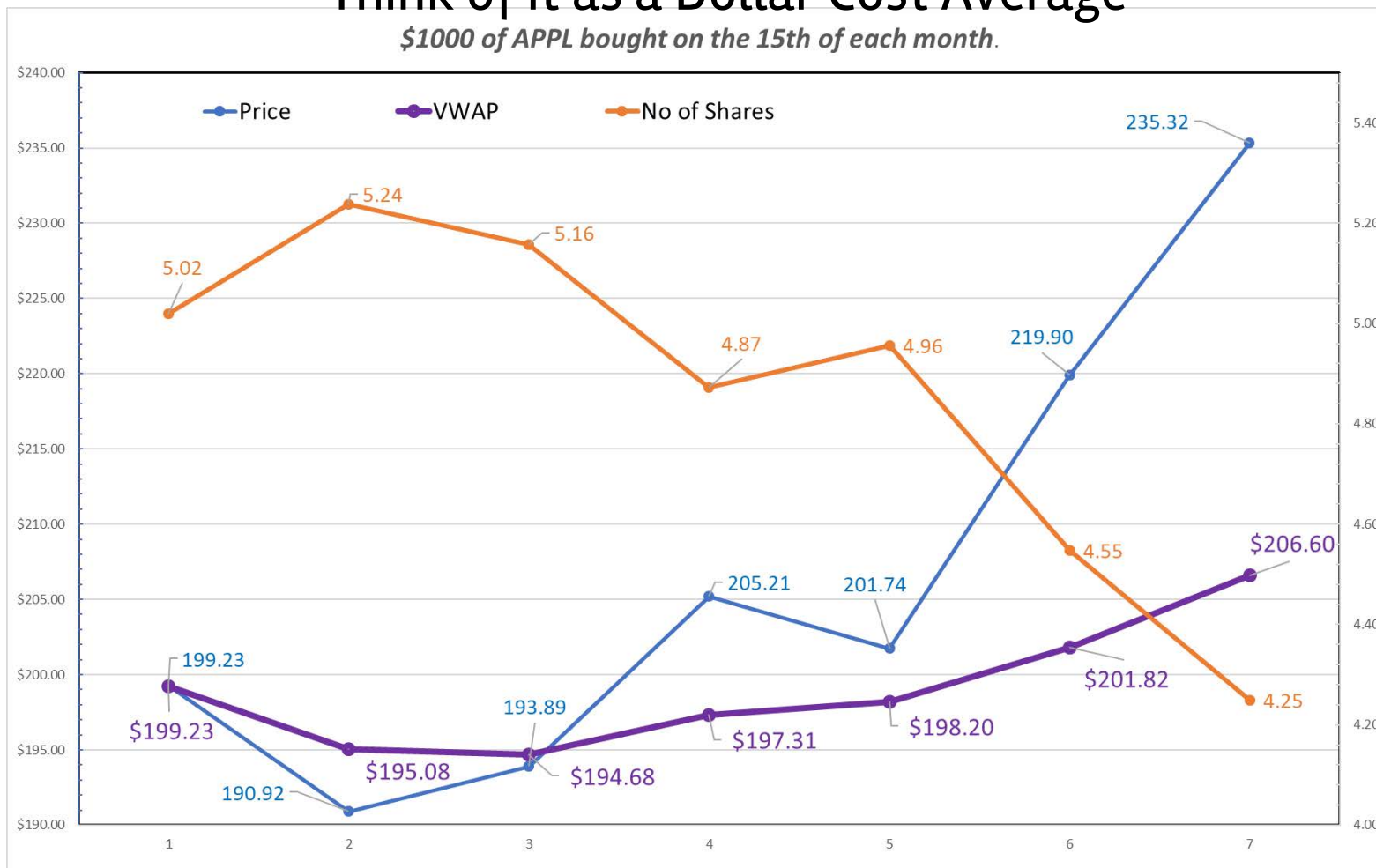
Alphatrends Anchored VWAP

Volume Weighted Average Price (VWAP) Calculation

Average price per share paid during the time studied

Think of it as a Dollar Cost Average

\$1000 of APPL bought on the 15th of each month.



Volume Weighted Average Price (VWAP)

Trades should generally be in the direction of the daily VWAP

- Up trending VWAP will often act as support
- Down trending VWAP will often act as resistance

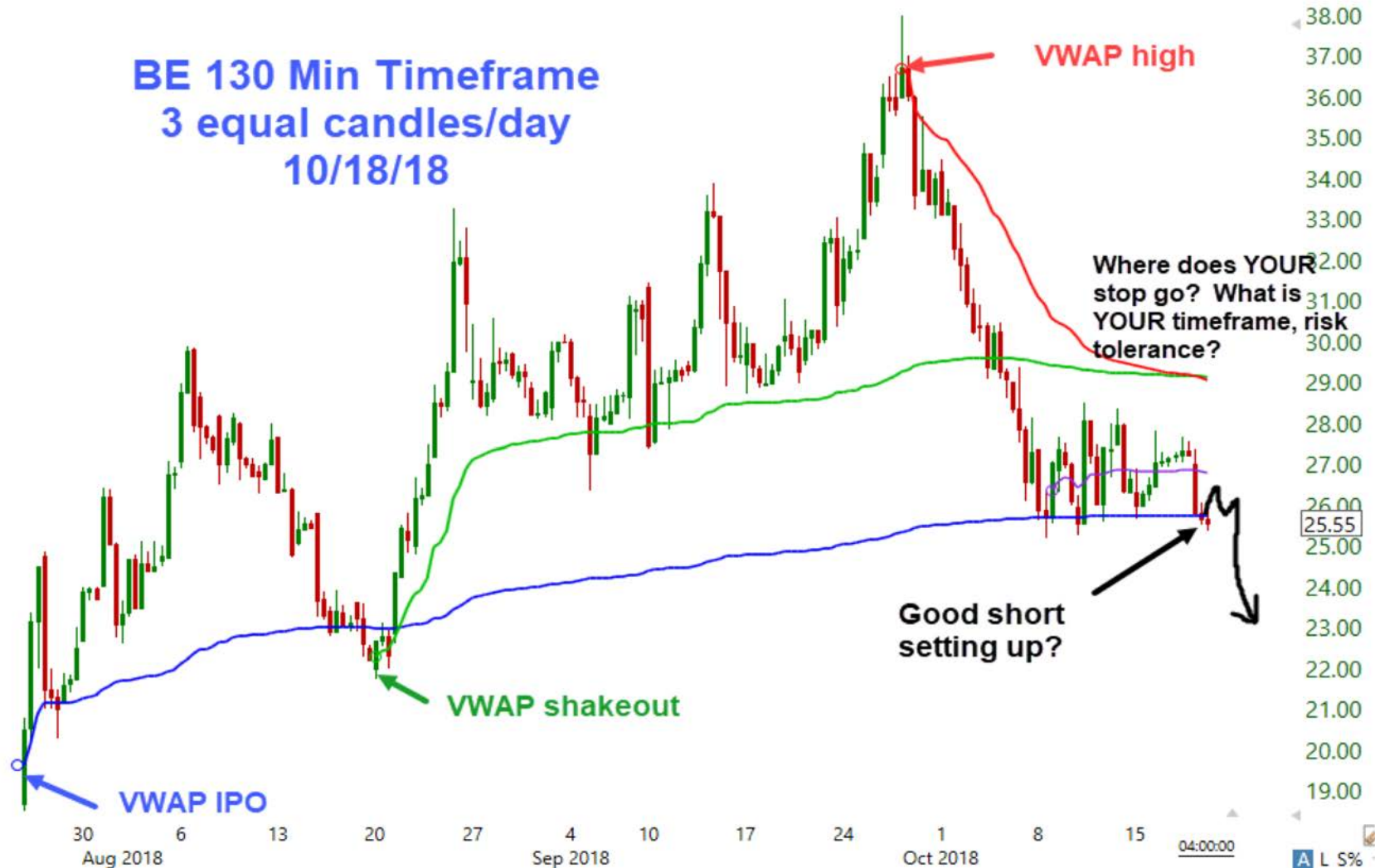
Be aware of the DIRECTION of the VWAP

- A move above a DECLINING VWAP will often fail
- A move below an ADVANCING VWAP will often fail



VWAP From The IPO – \$BE

FROM LAST YEAR Trade Ideas*



VWAP From The IPO – \$BE



VWAP From The IPO – \$BYND

“Zero Point” is the same for everyone in an IPO



VWAP From The IPO – \$BYND



VWAP From The IPO – \$BYND



VWAP From The IPO – \$BYND



VWAP From The IPO – \$SDC



Anchored VWAP "From an Event"

BITCOIN

Bitcoin vs USD, Gemini, Daily

O 8021.62 H 8052.46 L 7275.24 C 7499.09 Real Time

 **TrendSpider**

[Expand indicator list](#)



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VWAP Guidelines For ANY Timeframe

DIRECTION of VWAP

Rising VWAP = Positive money flow

Declining VWAP = Negative money flow

Flat VWAP = Neutral for that timeframe

Intraday (One Day) BULLISH VWAP

Anchored to beginning of the day.
Notice how responsive the AVWAP is earlier in the day.



Intraday (One Day) BEARISH VWAP

Anchored to beginning of the day
Notice how responsive the AVWAP is earlier in the day.



Major turning points are confirmed with VWAP

NFLX



1 & 2 Day VWAPs

Morning weakness will often find buyers at a multi-day VWAP



1 & 2 Day VWAPs

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1 & 2 Day VWAPs

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1 & 2 Day VWAPs

Morning weakness will often find buyers at a multi-day VWAP



SEE HOW THESE SCANS CAN BE USEFUL?

VWAP1	VWAP1	Distance from VWAP 1	<p>This filter compares the last price to the stock's VWAP for the day (VWAP1). This filter uses percentage.</p> <p>Examples:</p> <ul style="list-style-type: none"> Set the min value to 0.001 to see stocks currently trading above their VWAP. Show me. Set the max value to -0.001 to see stocks currently trading below their VWAP. Show me.
VWAP2	VWAP2	Distance from VWAP 2	<p>These filters compare the last print price to the stock's multi-day anchored VWAP. VWAP2 is the 2 day VWAP anchored at the beginning of the previous trading day. VWAP3 is anchored starting the day before yesterday. VWAP 4 is the 4 day anchored VWAP and VWAP 5 is the 5 day anchored VWAP.</p> <p>These filters use percentage.</p>
VWAP3	VWAP3	Distance from VWAP 3	
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VWAP5	VWAP5	Distance from VWAP 5	
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VWAP4	VWAP4	VWAP 4	
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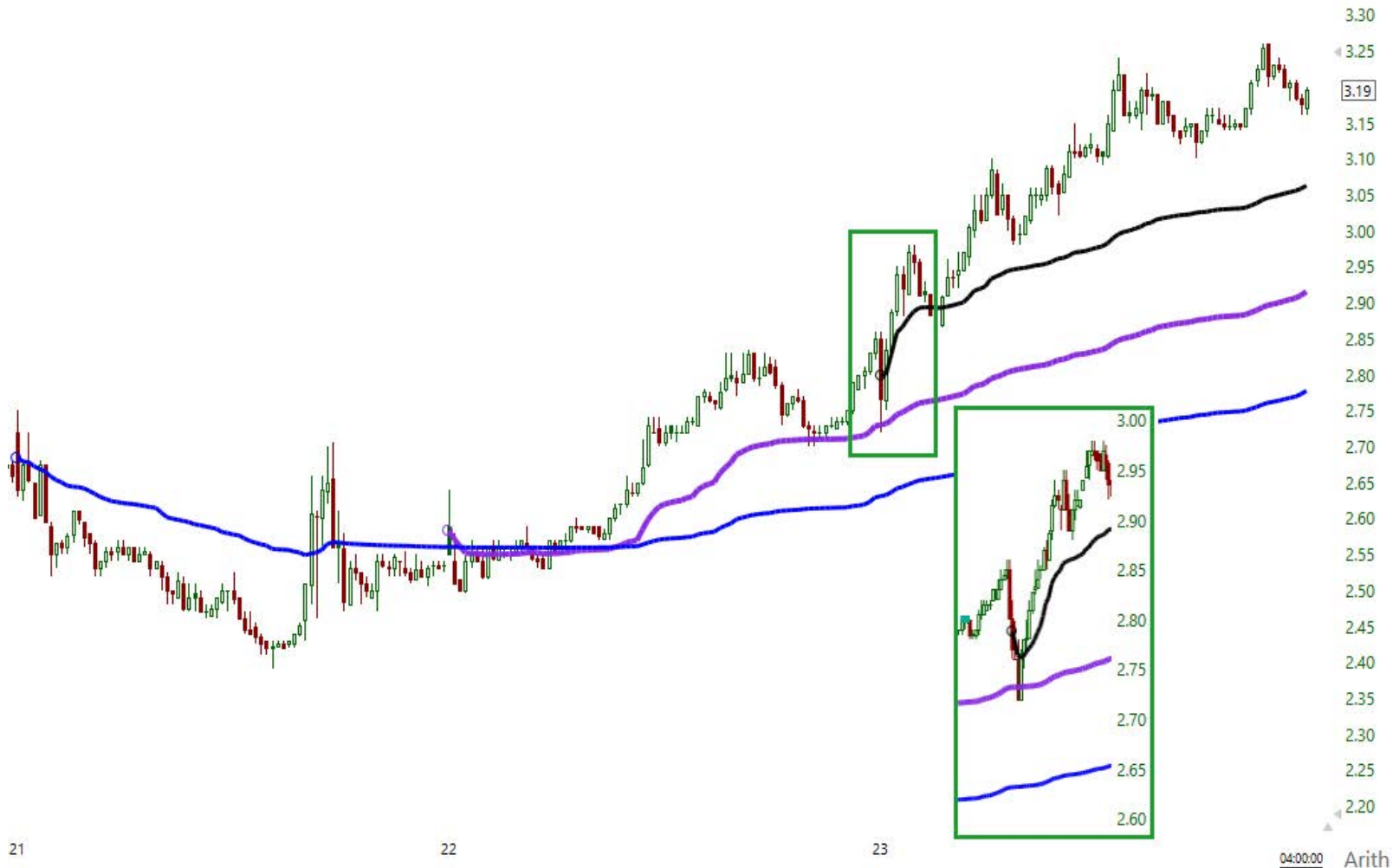
1, 2 & 3 Day VWAPs

Wait for gaps to settle and reclaim VWAP before purchase



1, 2 & 3 Day VWAPs

Morning weakness will often find buyers at a multi-day VWAP



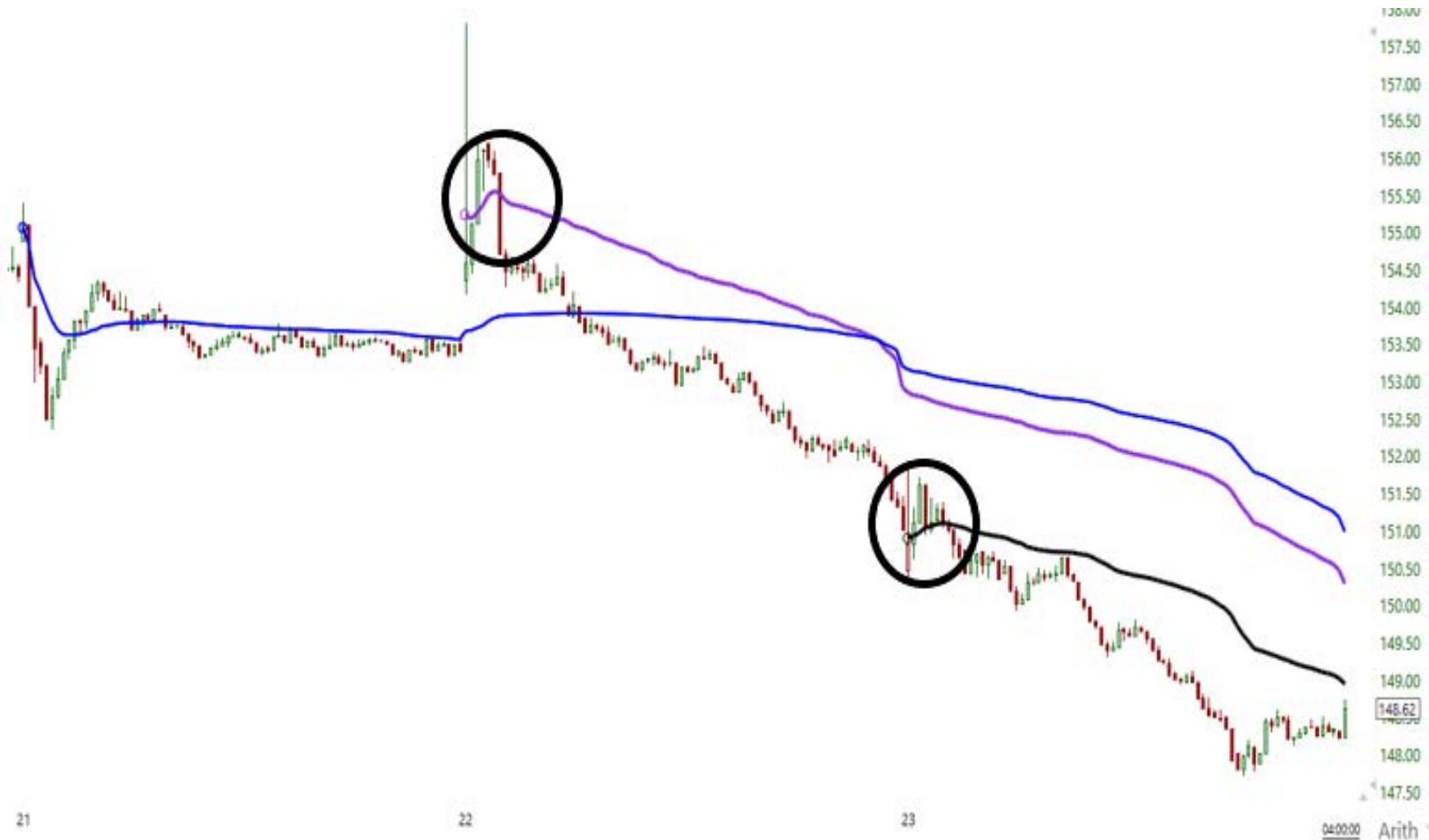
1, 2 & 3 Day VWAPs

When weak stocks gap higher, wait for VWAP failure for low risk short



1, 2 & 3 Day VWAPs

When weak stocks gap higher, wait for VWAP failure for low risk short



What Have We Learned?

VWAP can be useful for market participants of all timeframes.

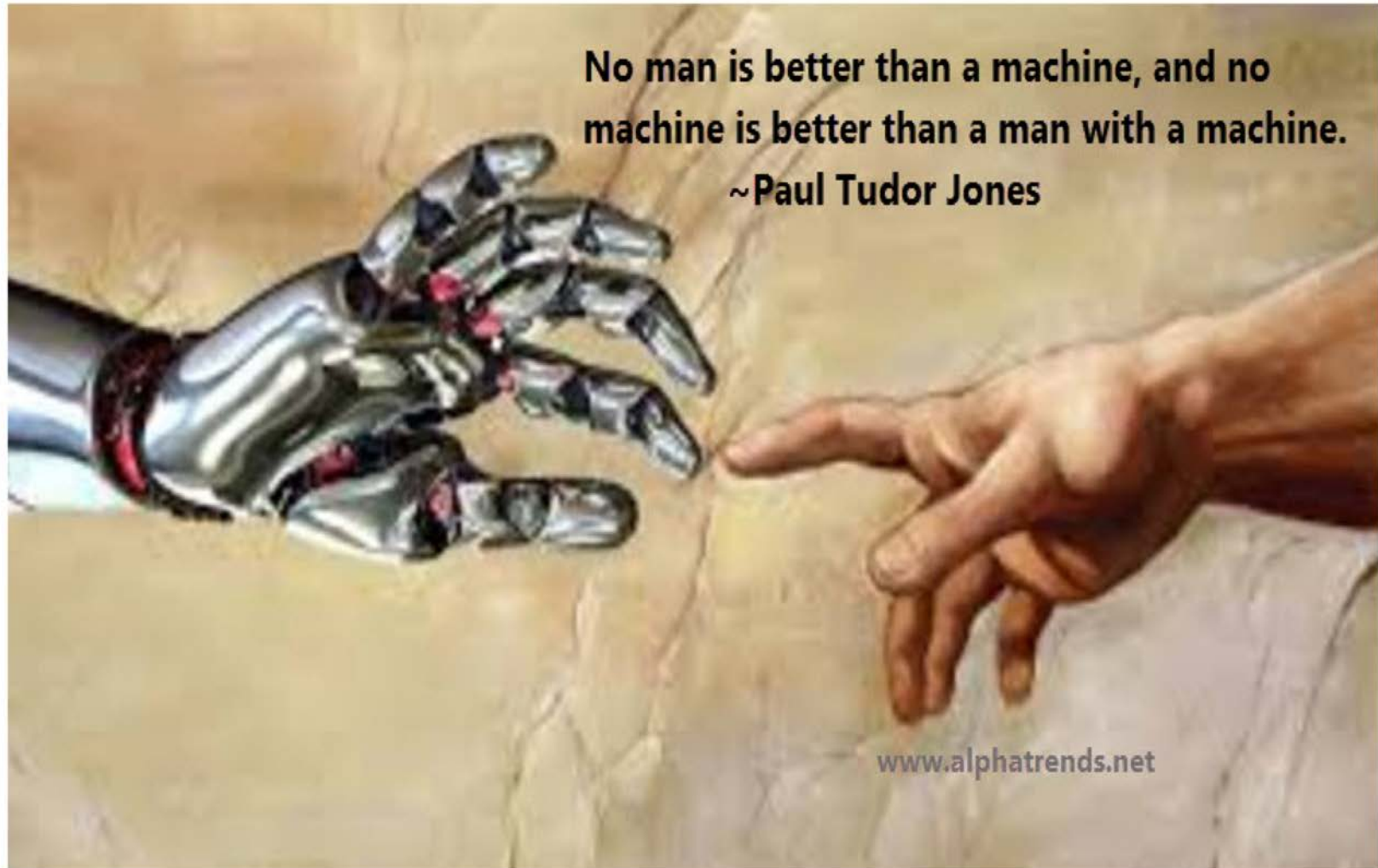
VWAP is a quick & easy way to visualize who is in control, buyers or sellers.

Trading in the direction of VWAP will keep you on the right side of the trend.

Multi-day VWAPs are key “levels of interest” for short term traders.

Trade- Ideas makes it easy to find these setups!

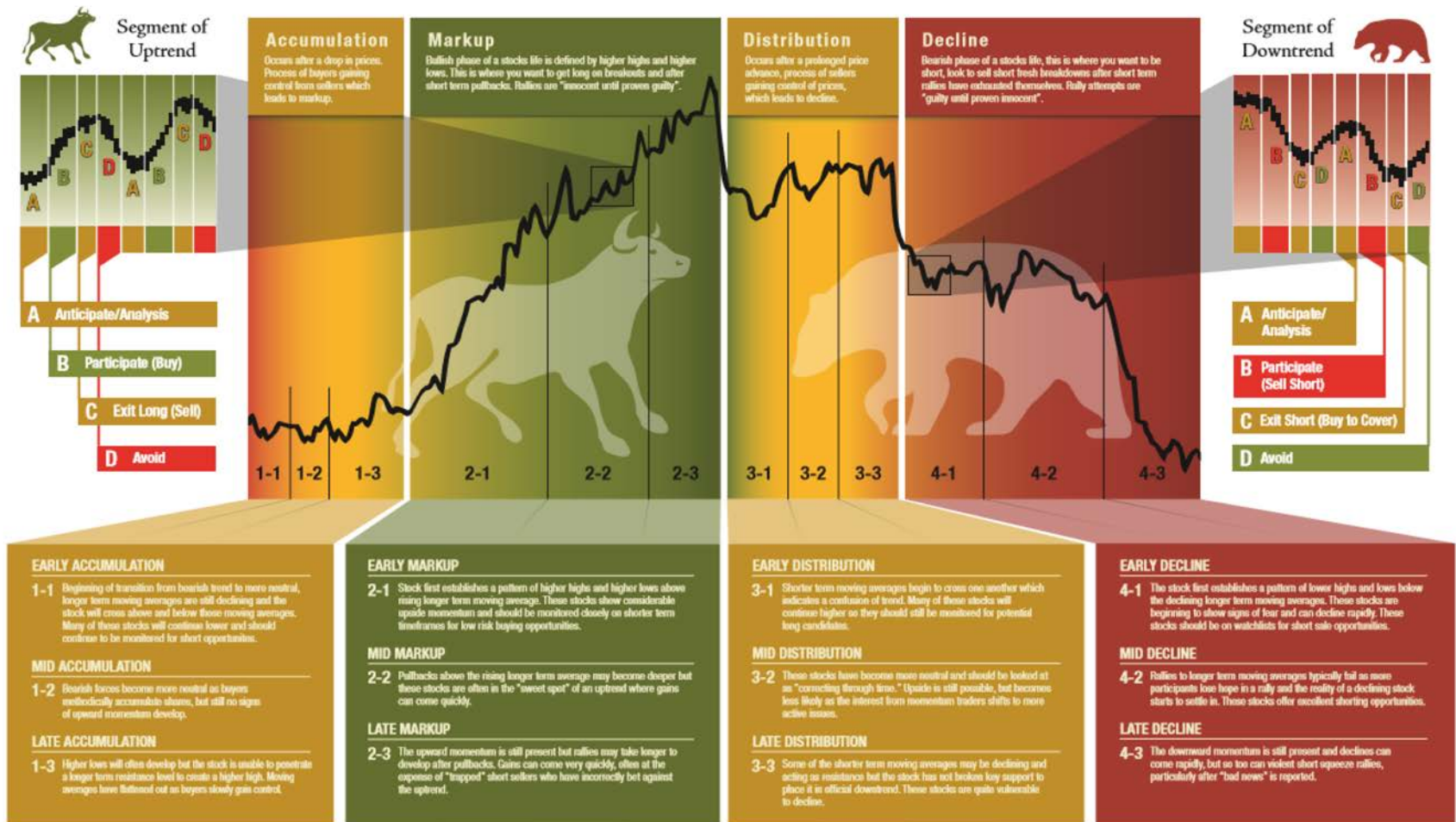
Man & Machine with Trade-Ideas



Regardless of YOUR timeframe, know how money moves cyclically

ALPHATRENDS - Understanding Market Structure

www.alphatrends.net

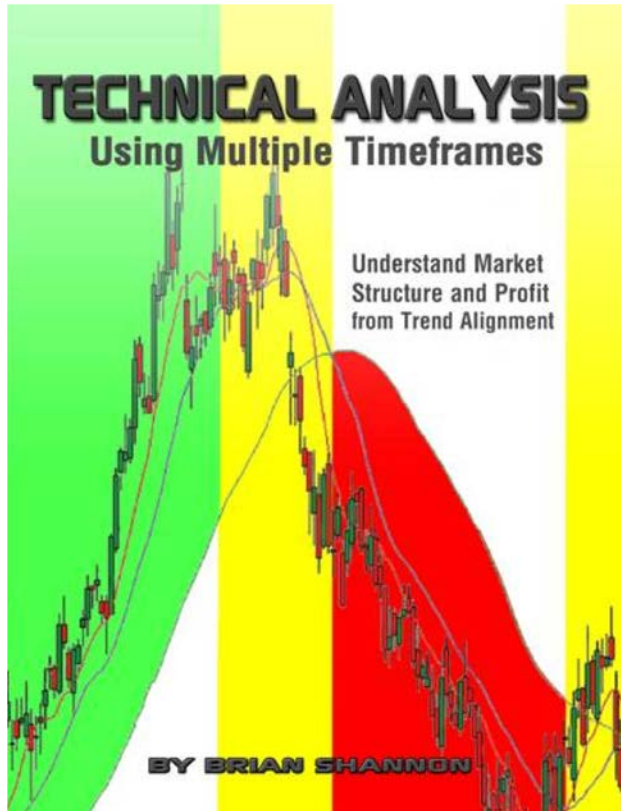


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Thank You for Attending!



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