



VTM - Trading System

Bharat Jhunjunwala
CMT, MFTA, CFTe, MSTA

ProRSI

VTM ?

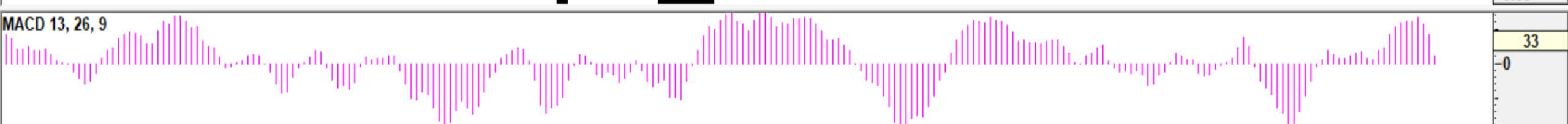
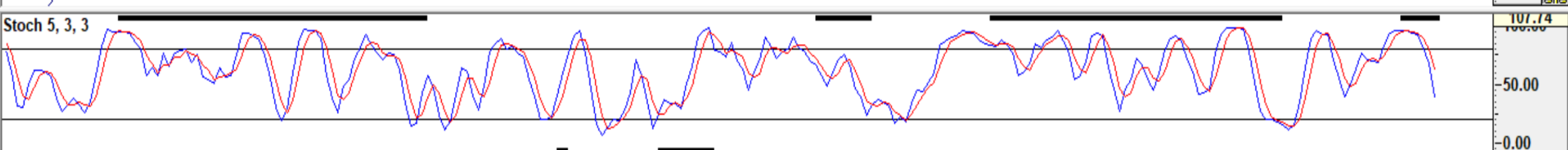
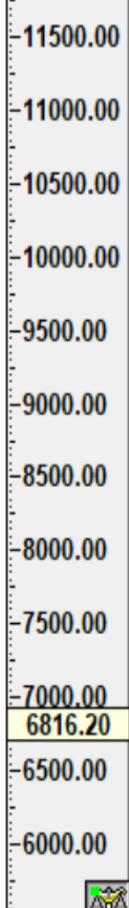
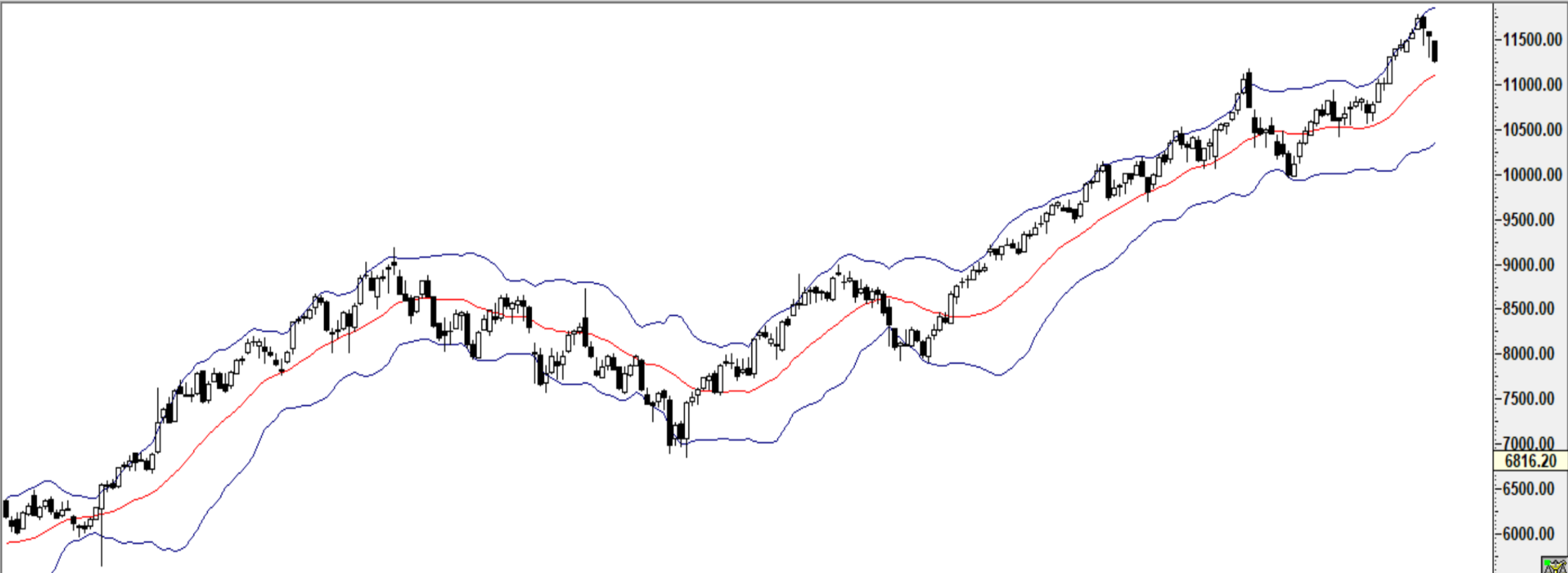
- VTM stands for Volatility, Trend & Momentum
- Involves 3 dimensions of the markets.
- Bollinger Band – Volatility
- Trend – MACD
- Momentum - Stochastics

The Set - up

- Bollinger Bands – Period 20, deviations 2, shift 0, apply to close.
- MACD – Fast exponential moving average (EMA) 12, slow EMA 26, apply to close.
- Stochastic Oscillator: %K period 5, %D period 3, slowing 3 –(5-3-3)



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How the System Works

- The Bollinger Bands – Prices are contained within the bands 90% of the time, and expected to revert to the mean. So when the prices reach the band extremes it gives us a READY signal
- MADC – key link in the system. It provides the signal and tells us to Go for the trade. It gives us a STEADY signal. We will focus on simple divergence.
- Stochastics – will provide us with precise and exit points to take thw trade.



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What does each indicator imply?



— Bollinger Bands (Ready)

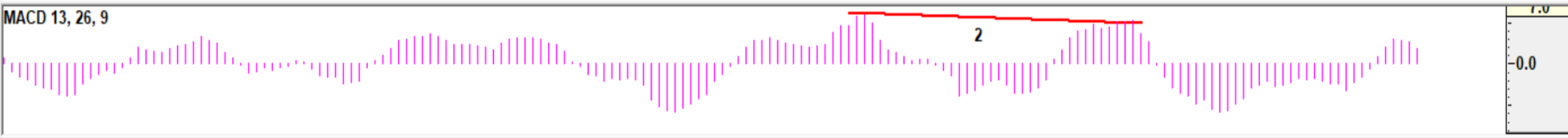
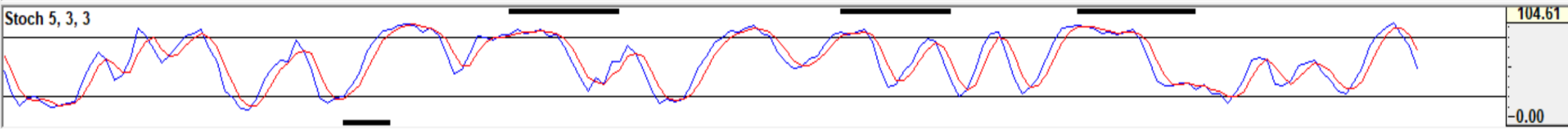
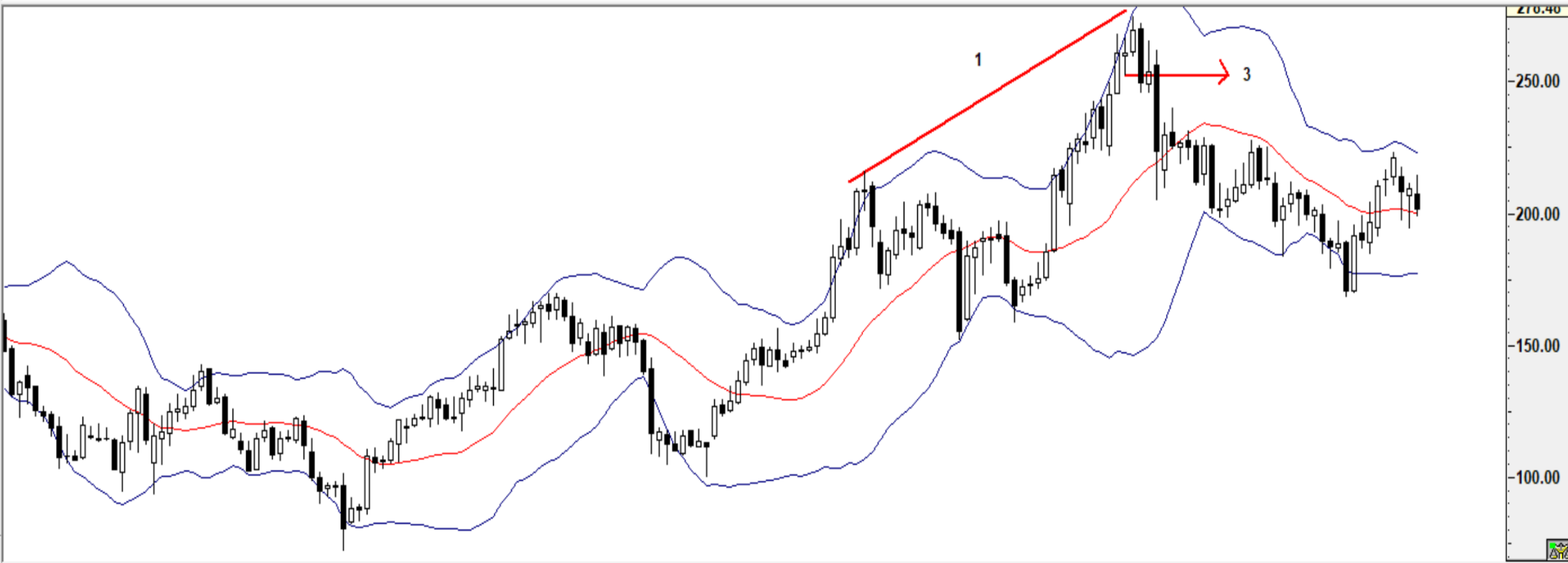
— MACD (Steady)

— Stochastics (Go)

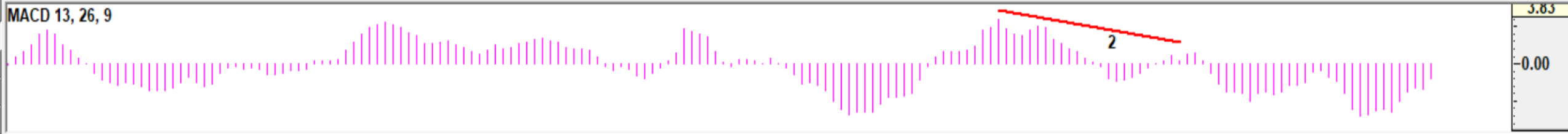
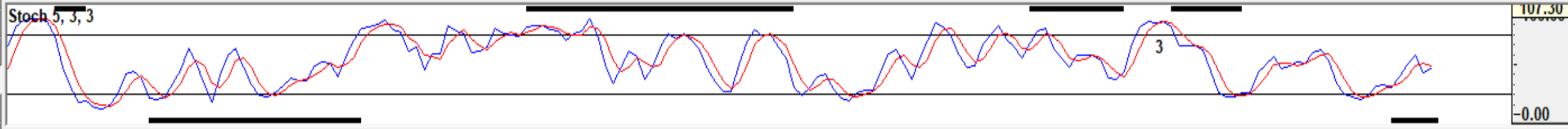
Entering the Trade

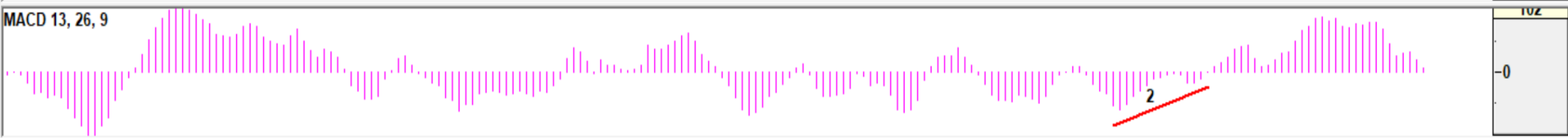
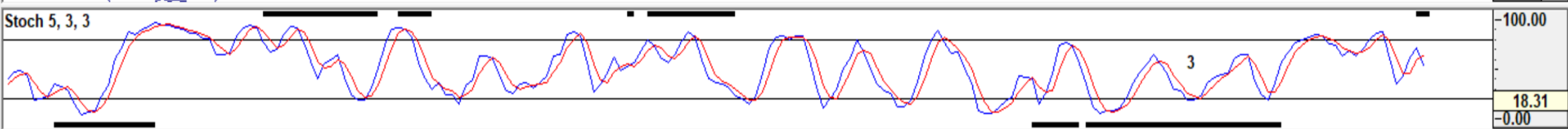
- Prices reaches the ends of the Bollinger Bands.
- There is a divergence in MACD.
- The Stochastics intersect.
- After intersecting wait for some time – let the signal get confirmed before entering.

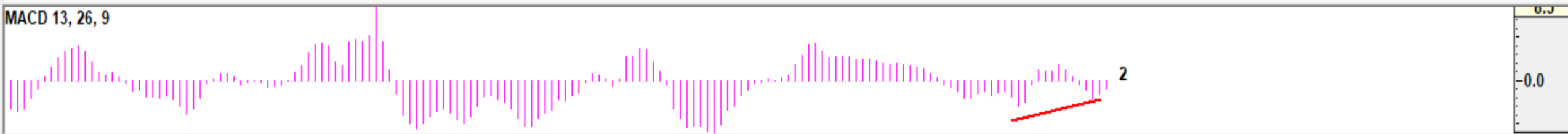
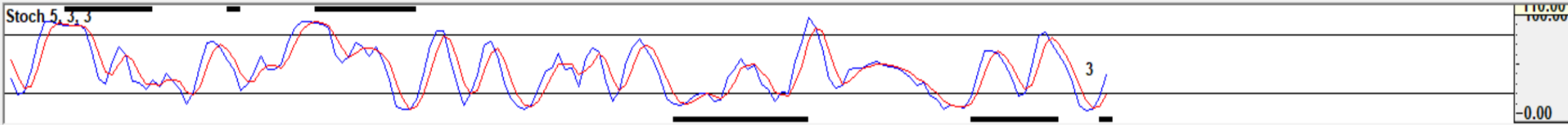
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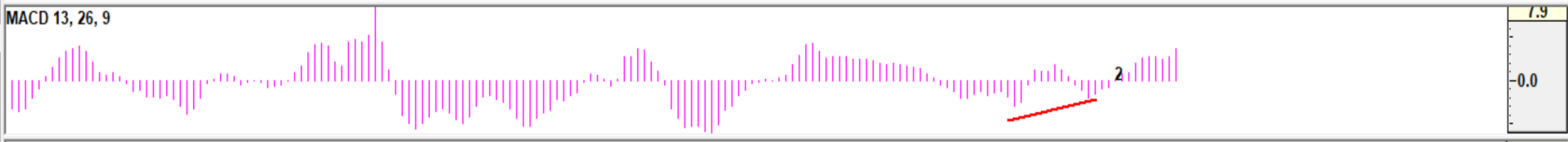
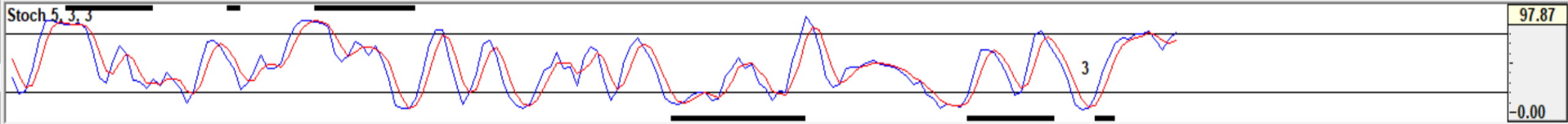


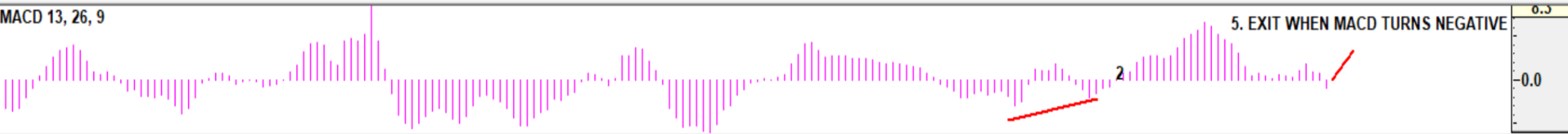
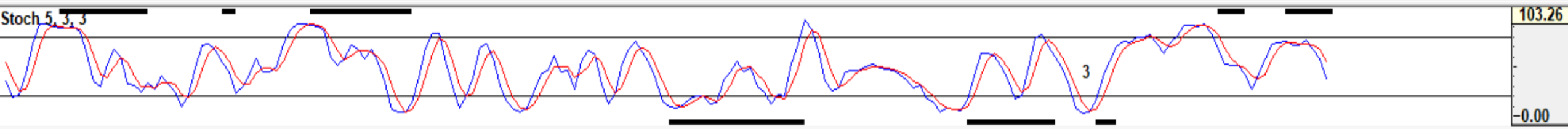
Planning Exits and Stop losses

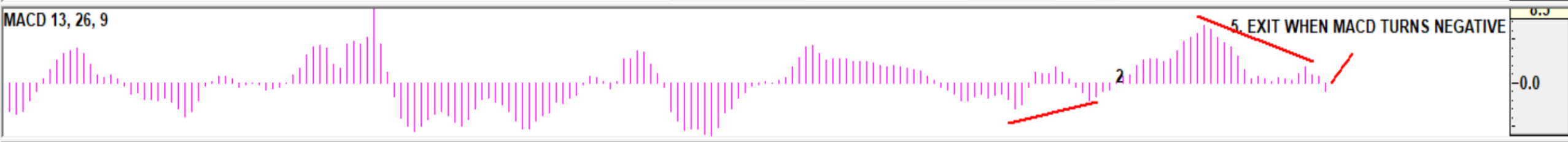
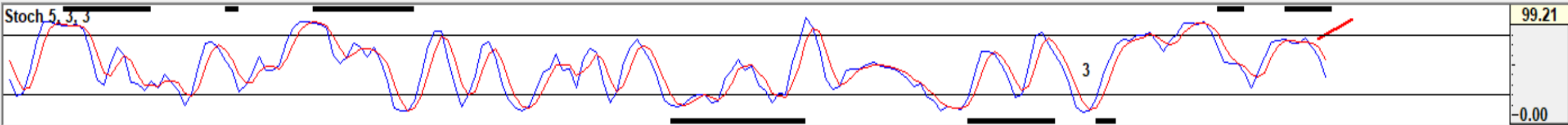
- Exits can be planned at the opposite band.
- Initial Stops to be placed where MACD goes in the other direction!

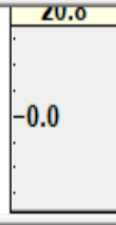
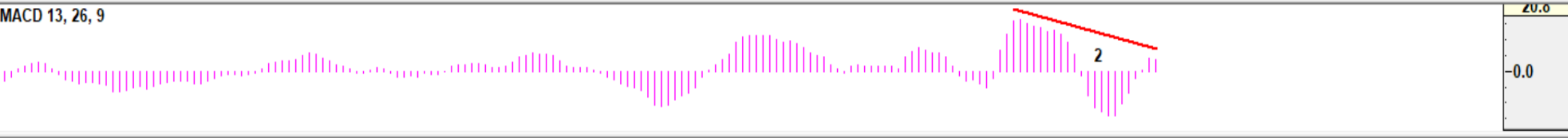
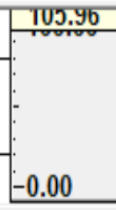
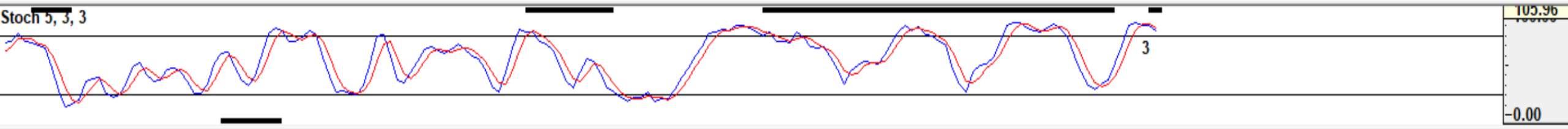
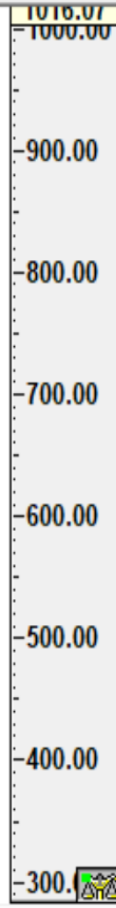


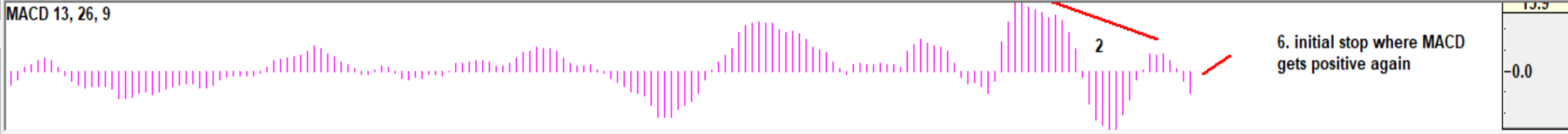
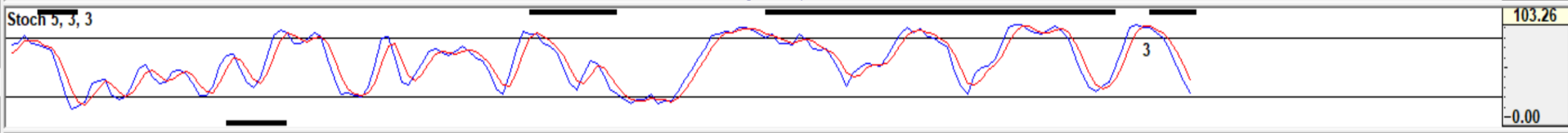
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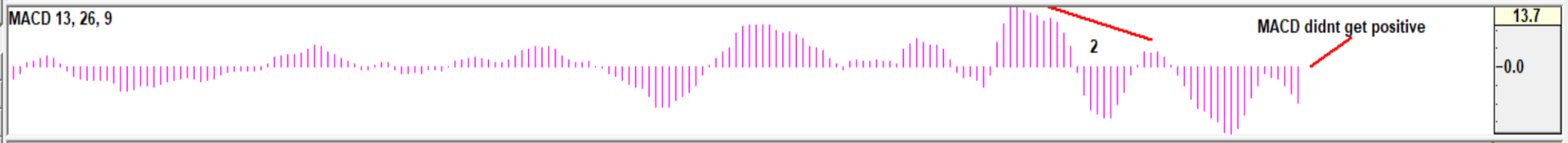
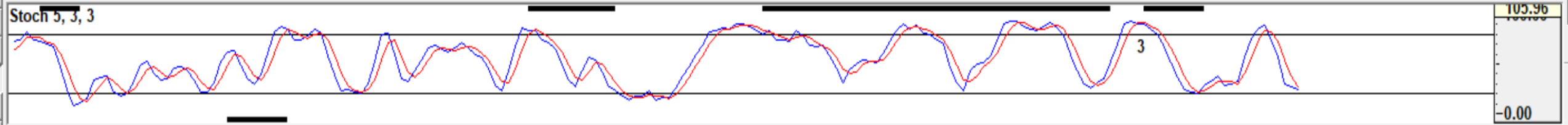


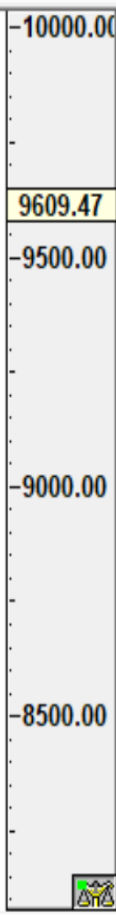




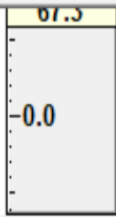
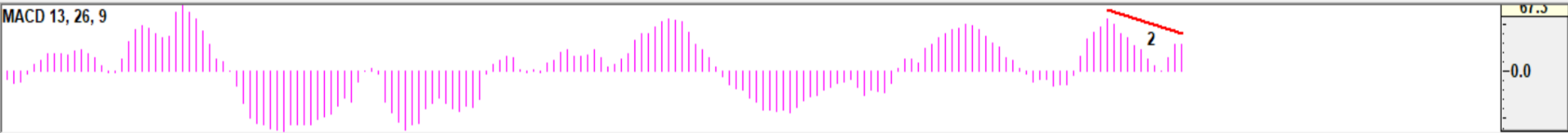
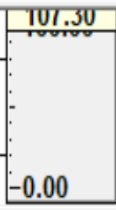
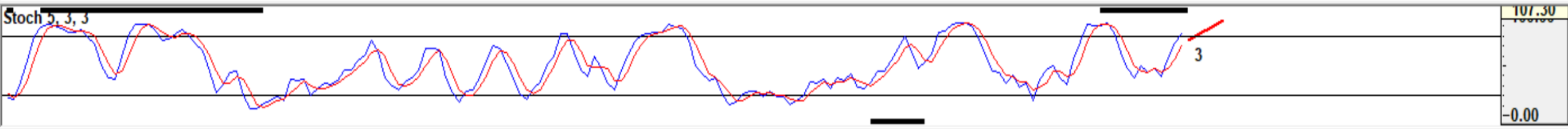


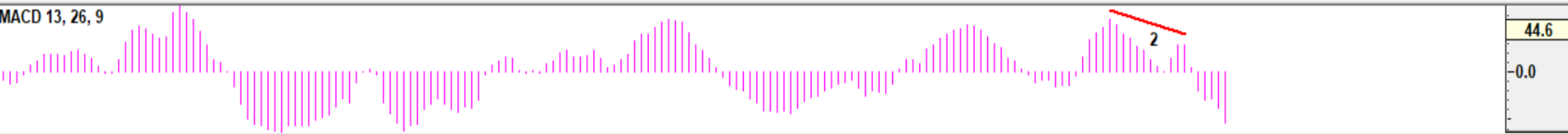
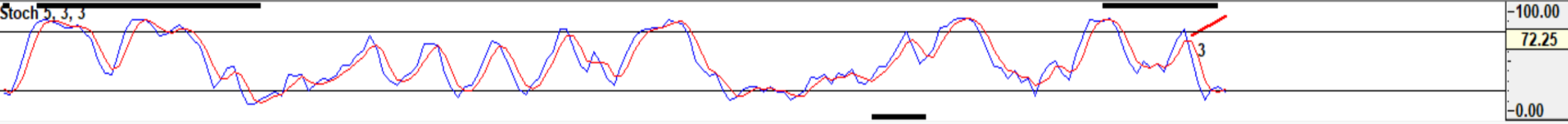






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