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VistaTrades User Manual
3.2.7

✚ **About VistaTrades**

Overview

All of the historical data that VistaTrades uses is downloaded for free from various sources on the internet and has NOT been verified for accuracy. So, don't EVER make an investment decision based on VistaTrades without verifying the data and/or consulting with an investment professional first!

VistaTrades is a trading tool designed to help you stop guessing, and take the emotion out of trading in the stock market. It's an overbought/oversold screener that uses the trademarked TriVista Indicator (TVI) and the TriVista Signals. The TriVista Indicator is a proprietary blend of three overbought/oversold indicators, RSI, Stochastic and PercentR. The TriVista Buy Signals and the TriVista Sell Signals are generated based on the behavior of the TriVista Indicator.

Extensive back-testing has shown that buying and selling based on the VistaTrades signaling system consistently returns 10% to 15% per year. It is considered conservative and can slowly build wealth over time.

VistaTrades has a higher risk method of selling cash covered put options that expire on a weekly basis. This method should only be used by experienced options traders. The weekly income from using this type of trading can be quite substantial if your cash available is more than $100,000.00.

The TriVista Indicator has a value between 0 and 100, and the value from day to day is what is used to construct the purple TriVista Indicator graph. When the TriVista Indicator is greater than 70, the security is in the "Sell Zone" (overbought). When the TriVista Indicator is below 30, the security is in the "Buy Zone" (oversold).

VistaTrades uses a screening method to come up with a list of potential stocks or ETFs to buy on any given day in the past, or today. This is called the "Screener" and is usually run after the market has closed for the day, but can be run while the market is open using intraday real time prices, if they are available from AlphaVantage.co. AlphaVantage provides real time prices for some securities, not all. The Screener can also be set to look for potential sells, but only for today's data, not past data. Setting the Screener to look for potential buys in the past is for testing and validating VistaTrades: You pretend a past date is today, pick a few from the screener results for that day, and then see what would have happened had you actually bought them.

The heart of the VistaTrades software is called TriVista Signaling. The Buy Signals will always appear below the price bars on the charts that are generated by the software. Sell

Signals will always appear above the price bars. A Signal is sometimes referred to as a "Hit".

TriVista Buy Signal (TV Buy Signal). A TV Buy Signal occurs when **yesterday's TVI was in the Buy Zone**, the day before yesterday's TVI was higher than yesterday's, and today's TVI is higher than yesterday's. The TriVista Buy Signal looks like a white "v" below the price bar.

The TriVista Sell Signal (TV Sell Signal) occurs when yesterday's TVI was in the Sell Zone, the TVI for the day before yesterday was less than yesterday's, and today's TVI is lower than yesterday's. The TriVista Sell Signal looks like a white "^" above the price bar.

Understand that whenever a TriVista Buy Signal appears, the software will buy the security at the open price on the very next trading day. Once the software has purchased a security, it will continuously look for the TriVista Sell Signal. When the Sell Signal occurs, it will sell the security at the closing price that day **if at a profit**. If not at a profit, it will set a GTC (Good Til Canceled) sell at the limit of the BEP (Break Even Price).

The VistaTrades tracking system for historical buys and sells will never sell at a loss. All sells are at a profit or break even.

The Break Even Price includes the commissions that were paid at the buy, and will be paid at the sell. So, make sure your commission amounts are entered properly.

When a GTC Sell Order is open and another Buy Signal happens, AND the closing price is 10% or more lower than the BEP, the system will "Bootstrap Buy" more shares. The GTC Sell Order is then canceled, a new BEP is calculated and the system waits for the next Sell Signal down the road.

After the software has sold the security at a profit or break even, it will look for another Buy Signal for that same security so that it can buy in again with the total amount of cash from the previous sale. The software will buy and sell the same stock over and over again as many times as it can. The software does this in order to establish a historical performance record for each stock. This will give you indications that specific stocks are 'patterning' or 'setting up' for potential buys that can make you some money.

Some important points to consider:

1. Historical performance (back testing) is NOT an indication of future performance. However, extensive back testing and forward testing of the VistaTrades software has shown that a TriVista Buy Signal on a security that meets the Frequency Rule can be an excellent opportunity for a buy low, sell high scenario.

2. It is not recommended that you try to mimic the software by selling a stock, holding the money aside, and waiting for another buy signal on that same stock.

The software trades like that in "Historical Zones" to establish performance values and trading history for you to evaluate.

3. VistaTrades is a stock screener that gives you a list of stocks that are meeting certain criteria. You as a trader must research additional information that the software is not aware of such as recent news headlines, prospectuses and analyst advice.

Three Historical Zones

The software Screener will report performance results in three historical zones: A three month zone, a six month zone and a nine month zone. The screener performance numbers are based on buying on the TriVista Buy Signal and selling on the first TriVista Sell Signal that will at least break even. This works as follows:

The software will start looking for a TriVista Buy Signal exactly three months in the past from today (or whatever you tell it today is). This software can be used for back testing purposes by pretending a date in the past is 'today'. So, starting three months ago from 'today', it will look at each day in succession until it finds a TriVista Buy Signal. If a TriVista Buy Signal is found, the software will buy the security. The trading day AFTER the TriVista Buy Signal, it will buy as many shares as it can of that security based on what you set as your Initial Investment Value (a minimum of $1000). It will also factor in what you told the software your buy commission will be. So, if you told it your investment is $1000 and your buy commission is $10, it will take $990 divided by the closing price of the buy signal day, and buy that many shares at the open price the trading day after the signal day. If the price opens higher than the close of the buy signal day, the software will spend more than $1000. If the price opens lower than the close of the buy signal day, it will spend less than $1000.

The software is programmed to buy the security at the market or opening price just to have a starting point for the historical performance. The software is not trading in the real world, so buying at the market price is purely hypothetical. If you were to put in an actual order to buy at the market price, you may or may not get the opening price depending on how fast the market is moving and how many orders are waiting to be filled. So, it is not recommended to place market orders in the real world. Decide the price you would be happy with and enter that as a limit price.

OK, the software bought a security at the market price. Once the security has been bought, it will continue looking at the end of day data for that security, each and every day, until it runs into a TriVista Sell Signal. What happens at this point depends on whether the performance is at a profit or at least break even. Each time the stock was bought, the software calculated a Break Even Price (BEP) based on what you told it the buy commission was and what the sell commission will be. On the sell signal day, the software will sell all the shares at the end of the day, at a profit or break even. If it

missed the sell, it will set a GTC (Good Til Canceled) order at the BEP and try again all days after that until it can at least break even. In the real trading environment, you will sell any time prior to market close. The software historical tracking sells **at the close**, which is purely hypothetical.

When a GTC Sell Order is open and a subsequent Buy Signal happens, VistaTrades will cancel the GTC Sell Order, and "Bootstrap Buy" more shares IF the closing price is 10% or more below the BEP. The new investment amount will be the same as the original investment amount. A new BEP is calculated and the software will wait for the next appropriate buy or sell signal, based on whether the security is RGB or nonRGB.

 After the sell, the software will buy the same security again at the next TriVista Buy Signal.   It will keep buying and selling until it runs out of days. Days run out when it hits today, or a date in the past if you were doing some back testing by pre-selecting "TV Buy Signal in the Past".

At this point, the software will list the total number of buys and sells that occurred in that three month time zone. Along with listing the trades, it will tell you what your total percent gain was for all of the sells in that zone. The percentage shown has all of the commissions factored in, so it is a true representation of actual investment performance. **If the most recent action in a particular zone was a buy, the performance for that zone does not include the buy and any ups or downs after that buy, only where it was after the last sell.**

After the performance for the three month zone is reported, the software will repeat the process starting six months from today and again starting nine months from today. Once the table is full of this data, it can be sorted in various ways. The table also displays certain values in color, and certain stock symbols in bold font.   The colors and bold fonts mean specific conditions were met, covered in another section.

Rules for the Screener Table that are ALWAYS in place:
1. Securities with less than 274 days of history prior to the closing date will not appear in the table.
2. During the screener run, in any zone, the screener will "Bootstrap Buy" if necessary.

Frequency Rule

The Frequency Rule uses the 9 month buy/sell count to determine which stocks will appear in the Screener Table. If the Frequency Rule was pre-selected "On" before running the Screener, the following very simple rule will apply:

There must have been at least three profitable trades in the past nine months.

Securities that appear in the Screener Table with the Frequency Rule selected are "patterning" for the VistaTrades software, and are good buy candidates, providing further research on the stocks are done by you to confirm their viability.

Quick Start

Find a Stock to Buy

Click on the green "Start Screener" button in the upper right corner.   Answer Yes to the question about clearing the Screener Folder. The Screener Control Panel will appear with default fields. Click the green "Go" button in the middle of the control panel. The software will ask you for the minimum price per share that you want the screener to filter out. Enter a minimum volume at the next pop-up.

The screener is now running to find stocks that **might** be ready to buy. Each stock that is being analyzed will have its symbol displayed in the upper left corner. It will take a few minutes for the screener to complete its alphabetical run, and when it is finished, you will see "END OF RUN" in the upper left corner.

The table will bold font some stocks, and some cells will be colored to help you decide which stocks are patterning the best for a buy low / sell high scenario using the rules of this software. Click the Sort 3 button in the lower left corner. The stocks that are patterning the best are now listed in order from top to bottom. There is a lot more to it than this Quick Start, but if you can't wait to launch the rocket and find a security that is ready to buy, that's how you do it.

✚ The Screener

Screener Control Panel

This is where you decide what folder of stock symbols you want to look at, what filters you want to put in place, whether or not you want to use the Frequency Rule, and whether you are looking for buy signals, sell signals, or no signals. Also, you pre-set your initial investment amount as well as your buy and sell commission amounts. Additionally, you decide if you want to run the screener based on 'today' or some other date in the past. 'Today' is the most recent stock data you have downloaded. The data can be end of day data, or it can be intra-day data. There is a lot going on with this Screener Control Panel, and how you set it can show you different reports. For example:

What securities are patterning best for this software, whether or not they are ready to buy or sell at the present time?
1. Select the AllStocks Folder.
2. Select a filter of "None".
3. Select Frequency On.
4. Select "Disregard Signals" for Buy/Sell Hit Option.
5. After completion, click the sort 3 button.

What securities are ready to buy, based on the most recent downloaded data?
1. Select the AllStocks Folder.
2. Select a filter of "None".
3. Select Frequency On.
4. Select TV Buy Signal for Buy/Sell Hit Option.
5. Sort the list during or after the run.

What securities are ready to sell, based on the most recent downloaded data?
1. Select the AllStocks Folder.
2. Select a filter of "None".
3. Select Frequency On.

4. Select TV Sell Signal for Buy/Sell Hit Option.

When you are running the Screener with "TV Sell Signal" selected, the historical performance is based on buying low and selling high. The screener will never track "short selling" (selling high and buying back low).

In order for a stock to appear in the table with "Frequency On" selected, as always:

There must have been at least three profitable trades in the past nine months.

Folders Frame

Select the folder you wish to run the screener on. Most of the time you will select the AllStocks folder as you will be using the screener to search for new buying opportunities. Sometimes you will run the screener for MyStocks or ChalkStocks looking for signals on stocks you own or are practicing on.

The AllStocks Folder is originally made up of securities that are traded on the Chicago Board of Options Exchange (CBOE). There are other folders with symbols from these stock exchanges: NASDAQ, NYSE, NYSEARCA, NYSEMKT and BATS. There is a folder for Equity Traded Funds (ETFs) and a folder for symbols that pay Monthly Dividends. There is also a folder for securities with options that expire weekly, which is typically used for the "Put Selling Strategy for Weekly Income" built into VistaTrades. You can move those folders in and out of the AllStocks Folder at any time. You can also add new symbols to the AllStocks Folder. Keep in mind that if you make your AllStocks folder much larger than about 1000 symbols, the Update time takes way too long. The typical response time to get one historical quote is 2 to 5 seconds. Therefore, updating 1000 symbols should take about an hour.

Filters Frame

Select the filters you wish to impose on the screener.

NOTE: If a check box is checked, click the box to uncheck it before checking a different box.

"**Sell Puts**": This will set the screener to find securities that MIGHT be good for selling Put Options on. Ideally you should select the "Weekly Options" Folder, "Sell Puts", "Frequency Off" and "Disregard Signals" all at the same time for this to run properly. The Weekly Options Folder contains securities that expire every Friday (usually). So, every Monday, Tuesday, Wednesday or Thursday you can sell put options to create income every Friday, provided the closing price is above your strike price on Friday.

Select "Frequency Off" and "Disregard Signals" because we are looking for securities that are showing TVI strength in their buy zones without regard to signals. Sell Put

Options on the ones you like at strike prices 5% to 10% lower than the closing prices that day. On expiration day, provided the closing prices are higher than your strike prices, you get to keep the premium you collected when you sold the puts.

If the closing price is equal to or lower than your strike price on expiration day, you will immediately be forced to buy the security at the strike price. When this happens, you then sell Call Options to keep the weekly income going.

VistaTrades.com has a tutorial that is more in depth on this technique for generating weekly income.

WARNINGS: Options trading is complicated, tricky and risky. The purchaser of your put options can exercise them BEFORE the expiration date! Also, many stocks continue to trade after 4PM, so the purchaser of your put options can exercise them up until noon on Saturday! Please study options trading before you use VistaTrades to find "Sell Puts".

"**None**": This is the default filter.

Frequency Frame

Frequency On: **There must be at least three profitable trades in the past nine months.** A profitable trade is defined as a TriVista Buy followed by a TriVista Sell if the sale did not lose money, including all commissions. A break even trade is considered a profitable trade.

Frequency Rule Off will show all trades that would have occurred, regardless of whether or not the Frequency Rule was met. It will also show stocks that had absolutely no historical trading whatsoever. "Disregard Signals" will honor the filters that were set.

Buy/Sell Hit Option Frame

NOTE: If a check box is checked, click the box to uncheck it before checking a different box.

 "TV Buy Signal" check box:
Shows securities that were in their buy zones yesterday, and TVIs for the day before yesterday, and today, are both higher. Shows as a white "V" below the price bar on the day of the TVI reversal in the buy zone.

"TV Sell Signal" check box:
Shows securities that were in their sell zones yesterday, and the TVIs for the day before yesterday, and today, are both lower. Shows as a white "^" above the price bar on the day of the TVI reversal in the sell zone.

"Disregard Signals" box checked:
Shows historical performance of filtered stocks regardless of the presence of buy or sell signals today. Remember, all historical performance values are based on buying the day after a TV Buy Signal at the open price and selling on the following TV Sell Signal, tracked over the past 9 months. So, use this option to look for the best past performers, and research the ones you like, because some of them will be ready to buy at some point in the future.

"TV Buy Signal in the Past" box checked:
Enter a historical date in the box when prompted. The screener will run for that day in the past, or the next trading day that was available. Based on your filter and Frequency selections, the table will display all stocks that had ONLY TriVista Buy signals on that particular day. Sort the table to determine which stocks you think would have performed the best after that particular day.

Now, for the big back test. **RIGHT HERE, YOU WILL SEE THE EXCITING POTENTIAL OF VISTATRADES!** Click on the magenta "Test the Screener Table Forward" button. The software will throw your investment amount at every security in the table to see what would have happened if you invested on that day. The vast majority of the securities will show a gain within a relatively short "days held" time. While this table is still on the screen, click on any column header to sort the table. Which sort made the most money historically? Using that sort criteria to decide which securities to buy in the future might not produce the same results, but you should be able to clearly realize that almost any sort will result in a profit.

If you want to visualize a security in chart form, click on any symbol in the screener table. The chart will appear, showing your historical date on the right side of the screen and all the historical trades for the three different zones. Right click on the last price bar (the one on the extreme right that should match your historical date).   This will move that price bar to the left of the screen so you can see what happened after the TriVista Buy Signal that you thought was a good one. All of the software trades that would have occurred after that buy are displayed in a data box in the upper right. How did it perform? This is how the software was back tested. Going through this exercise once in a while will improve your skills in picking stocks you will actually buy.

Bootstrapping

When a Sell signal happens and the security cannot be sold at a profit (or break even), a GTC Sell order is set at the BEP. (A Good Til Canceled Sell order is set at the Break Even Price). If a TriVista Buy Signal happens while the GTC order is active, the historical tracking system will try to "Bootstrap" its way out of the dilemma by purchasing more shares IF the price is at least 20% lower than the BEP.

The amount of the bootstrap purchase is the same as the original investment value. The funds for the bootstrap purchase are available from recent sales of other securities. When

a GTC order is active, a portion of the funds from previous sales should be kept aside for possible bootstrap purchases.

When a bootstrap purchase is made, the GTC Sell order is immediately canceled. A new BEP is calculated. The next action will be at the next Sell Signal where the security should be able to sell at a profit. If it doesn't sell, a new GTC Sell order is set. If the GTC Sell order is not met by the time the next Buy Signal hits, another bootstrap buy will occur if the price is 20% lower than the BEP.

⊞ Screener Table Columns

Symbol

The symbols can be entered in any combination of upper and lower case letters, but will always be displayed in upper case. The symbol must be recognized by Alphavantage.co, which uses the finance.yahoo.com syntax. Unfortunately, some symbols are downloadable. Indexes are not downloadable. Review the protocol on Yahoo for special characters in symbols. Clicking on the column header will sort the symbols alphabetically.

B/S

This column shows the number of buys and sells that occurred in each zone. A trade is a buy followed by a sell of ALL of the shares that were bought. If the stock symbol is showing in bold font, the last action was to sell all shares, the stock is not currently owned by the tracking system, and the performance numbers for all zones are accurate. If the stock symbol is not bold font, the last action was a Buy, the tracking system currently owns the stock, and the performance numbers are accurate up to and including the most recent sell in all zones. All performance values are based on completed trades (Buy followed by Sell). If the stock symbol is not in bold font, the performance value does NOT include any drawdowns or ups since the buy, only the performance up to the last Sell.

The colors of the B/S numbers are significant. If the color is light cyan, bootstrapping occurred in that zone.

Example 1: The stock symbol is bold and B/S is 7/5 colored light cyan. This indicates 7 total buys, 2 of which were bootstrap buys. The last sell action got rid of all shares, the tracking system does not own the security and the performance numbers are accurate.

Example 2: The stock symbol is not bold and B/S is 7/5 colored light cyan. This indicates 7 total buys, 2 of which were bootstrap buys. The tracking system still owns the security and the performance numbers are accurate up to the most recent sell action.

Clicking on a B/S header will bring the stocks with the most trades in that zone to the top of the table. **Picking stocks based on the most trades alone is not necessarily a good strategy.**

Perf (3 mo, 6 mo, 9mo)

"Performance". Takes your initial investment amount, whatever you decide that amount will be, and buys the most shares it can with that amount immediately after a TriVista Buy Signal. It will sell at the first TriVista Sell indication, profit or break even. Most of the time, it will sell at a gain. If, after the sell, another TriVista Buy Signal occurs within that historical zone, it will take the total cash remaining after the sell and buy back in. The value in the performance column is the total percent gain of all the trades that

occurred within that zone. It is important to note that the performance value is NOT based on what the closing price was on the last day of the historical zone. The performance value is based on the most recent sell in that zone, not the most recent buy.

If you are running the screener looking for potential short sells, it will give you the possible candidates. However, it will NOT track historical performance of short selling. All historical performance values are buy low / sell high scenarios.

MaxD Column

This is the maximum Draw-down in a zone displayed as a percent.   The Draw-down is the lowest closing price between the initial buy at the green arrow and the sell at the red arrow, factored into the initial buy price as a percentage. If there was more than one trade within a zone, the largest percentage drop will be shown. If there were no trades, the MaxD will not display. Sometimes large MaxDs end up with large profits. You as an investor should know what your drawdown tolerance is, and may wish to sell at a loss whenever your pain level is reached. The VistaTrades software doesn't have a pain level, thus it never sells at a loss. The MaxD column can be a factor in your buy decision. Are you willing to ride out a price dip as large as the one that occurred historically? It might not dip that low again, but then again, it could. Clicking on a MaxD column header will bring the stocks with the lowest DrawDowns to the top of the table. **Picking stocks based on the lowest historical DrawDowns alone is not necessarily a good strategy.**

ADH

This is the 'Average Days Held'. These are trading days, not calendar days. It takes every trade from the 9 month zone and figures out the average number of trading days the software owned the stock. The Buy Day and the Sell Day are included as days owned. Clicking on 'ADH' will sort the numbers from low to high. This helps you target stocks that historically performed the best in the least amount of time. **Picking stocks based on the lowest historical ADH alone is not necessarily a good strategy.**

Close

Green means the price was higher than the day prior, Red means it was lower and White means there was no change. The price displayed <u>might not</u> be the actual closing price. It all depends upon when the 'Update Quotes' button was pressed. If 'Update Quotes' was pressed during trading hours on a trading day, the close price will be the last trade price on record (real time by Alphavantage.co). If 'Update Quotes' was pressed after market close but before approximately 4:15PM Eastern Time, the closing price may not be accurate as 'End of Day' data is not usually posted until after 4:15PM.

This can present problems if you are not careful. For example, let's say today is Wednesday, and you ran 'Update Quotes' at about noon because you were curious and you wanted to see if maybe there was some action you could take on a stock intraday.

That was the last time you did an update. Now it's Thursday after the market is open. You do not have End of Day data for Wednesday, and all of your signals and charting will be skewed.

The best way to prevent this from happening is to always run the 'Update Quotes' for the AllStocks Folder after 4:15PM Eastern Time, or on the next trading day before the market is open. Not doing an "Update Quotes" for a day or series of days is not a problem, as the software will backfill missing days the next time an "Update Quotes" is run.

This is another reason why the 'double check' after screener runs is recommended. It is good practice to use the Manage Files button to redownload the screener folder after a screener run. Next, rerun the screener for the Screener Folder. There may have been a day you accidentally locked in intraday data instead of end of day data, and simply forgot about it. Or, there may have been a stock split that was not recorded. If at any time you are unsure about your data, simply go to "Manage Files" and "Download and extract AllStocks.rar from VistaTrades.com".

Close Date

This is either the last date on record that is on your disk drive, or it is a date in the past if you are running your screener with 'TV Buy Signal in the Past' selected.

Day

Mon, Tue, Wed, Thu or Fri corresponding to the Close Date next to it.

Yrs

If you have "Sell Puts" checked in the Filter Box, when the security price has risen every year that particular week, the number of years this happened will appear in this column.

Score

The Score is the 9 month performance divided by the 9 month max drawdown x 10 and displayed as a whole number. The higher the score, the better.

TVI

TriVista Indicator Value for each security on the closing date and the date prior to the closing date. The background is Green if the security is showing TVI strength, and Red if it is showing weakness. Securities are in their own Buy Zones when the TVI < 30 and in their own Sell Zones when the TVI > 70.

Volume

As reported by Alphavantage.co and may not be accurate. Be aware that stocks with daily volumes that are very low (less than 20,000) may be difficult to buy or sell at a limit price. Also, trades at the market price on these low volume stocks may result in multiple trades at various prices as it moves up or down as other trades are being filled. This is not generally desirable. You might be able to place an "all or none" restriction on your trade to avoid this, but there is no guarantee your order will fill.

Vol Change

This is the difference in volume from the previous trading day. If the number is positive, that many more shares were traded. If the number is negative, that many fewer shares were traded. If the number is blue, the volume doubled or more from the previous day. Clicking on the Vol Change header will bring the stocks with the highest positive change in volume to the top of the table. **Picking stocks based on the highest Vol Change alone is not necessarily a good strategy.**

Screener Table Colors and Fonts
Green Shaded Stock Symbols

The Frequency Rule was more than met. In other words, there were more than three profitable trades in the past nine months. The green shaded symbols were more active than the others, indicating the possibility of getting in and out quickly for a profit. **Investing only in green shaded stock symbols is not necessarily a valid strategy.**

Bold Font Stock Symbols

The last trade in the 3 month zone was a sell (B=S). In other words, the historical tracking system did not re-buy the stock and the performance value is completely accurate. If the stock symbol is not bold, the last trade in the 3 month zone was a buy. The performance value is accurate up to the last sell action, not the last buy action. **Picking stocks based on bold font alone is not necessarily a good strategy.**

Yellow Perf Values

The historical performance had at least one trade that more than doubled the investment in that zone. This might have been because of a stock split that was not adjusted for price. Re-download the stock if this is the case. If there was more than one trade in that zone, you will have to pull up the chart and look at each historical trade to find out which one more than doubled. This does not necessarily mean it will double again. Clicking on a Perf header will bring the stocks with the highest total percentages within that zone to the top of the table. **Picking stocks based on highest historical percent gains alone is not necessarily a good strategy.**

Blue Vol Change Values

The number of shares traded more than doubled from the previous day. Something caused that, either good or bad. Read the news for the stock. Clicking on a Volume header will bring the stocks that had the highest volume to the top of the table. Clicking on a Vol Change header will bring the stocks that had the highest increase in volume to the top of the table. **Picking stocks base on blue Vol Change values alone is not necessarily a good strategy.**

⊞ Analyzing the Charts
Historical Paper Trades Button

Clicking this button takes you to the charts where you will evaluate the TriVista Indicator, the historical trades and the price bars. The TriVista Indicator is a purple line graph that oscillates between, and sometimes crosses over a top red boundary line and a bottom green boundary line.

When the TVI for the security reverses in its own Buy Zone, a TriVista Buy signal is generated. It looks like a white "v" below the price bar. The security is a candidate for buying the next trading day.

When the TVI for the security reverses in its own Sell Zone, a TriVista Sell Signal is generated. It looks like white "^" above the price bar. The security is a candidate for selling the next trading day. If the security can not be sold at a profit, at Good Til Cancel Order should be placed at the Break Even Price.

The VistaTrades historical tracking of trades will track trades based on Buying and Selling on the Signals. Sells will also occur at the Break Even Price (BEP) if a Good Til Cancel Order (GTC) was set by the tracking system.

There is a yellow "Update Quote" button at the top of the screen. If you are connected to the internet, clicking this button will immediately update the data for today with real time information from Alphavantage.co, and redraw the charts. **WARNING: TriVista signals that appear intraday might not be present at the end of the day. The historical tracking system will take action on intraday signals.**

The TriVista Signals

The TriVista Buy Signal looks like "v", is white in color, and will appear below the price bar. The trading day after the Buy Signal, you will see a green up arrow, indicating that the tracking system bought the security at the open price that day. If the signal is above the price bar, it is a TriVista Sell Signal and looks like a white "^". The day of the signal, you will see one, two or three red down arrows, indicating the tracking system sold the security at the end of the trading day.

Since the Historical Paper Trades button is doing 3 lookbacks (three months, six months and nine months) from the bar on the right side of the screen, the number of down arrows indicates how many lookback zones the sell occurred in. The number of red down arrows does not indicate how strong a sell signal is…a sell signal is a sell signal.

As you move your mouse pointer over the red, green or blue price bars, the data for the price bars appears in a box in the middle of the screen. Price bar colors are based on the TVI for that day. If the TVI is in the buy zone, it's green, if it's in the sell zone, it's red, anything in between is blue. The data includes the Date, Open Price, High Price, Low

Price, Closing Price, Volume and TVI. It is important to note that if the data was not collected at the End of the Day (EOD), the data will reflect the prices of the last recorded trade. If at any time you question the validity of the data appearing on the screen, you can go to "Manage Files" and re-download the all history for the security in question. It is wise, and recommended to re-download all of the history for securities you are getting ready to buy or sell, just to make sure all of the data is correct.

The largest data box on the Historical Paper Trades screen shows all of the software trades that were made in each historical zone. This box can be hidden or shown at will by clicking on the button marked "Show Data Box" or "Hide Data Box". The data in the box ALWAYS looks back in time from the date corresponding to the price bar on the extreme right of the screen. The date is also displayed in the blue title bar next to the stock name at the top of the screen. To the left near the top, you will see a note in red if the Frequency Rule was not met for the date on the extreme right of the screen, or a note in green if the Frequency Rule was met for the date on the extreme right of the screen.

At any time, you can click on any price bar to move it to the extreme right of the screen. This will allow you to evaluate the buys and sells that occurred in history prior to that buy particular day, and will also allow you to immediately see whether or not that particular day met the Frequency Rule. There might be one, two or three red sell arrows above a price bar. This simply indicates the number of historical zones the sell occurred in. Three red sell arrows means the sell occurred in all three historical runs. The number of red sell arrows does not indicate the strength of a signal.

Additionally, there are two time arrows at the bottom of the screen. These may be used to move forward or backward in time to evaluate other dates in history. Each instance a time arrow is clicked, the date will shift approximately one year, if there is enough data available to show in that direction.

At any time, you can right click on a TriVista Buy Signal (or any price bar). This will immediately shift that price bar to the extreme left side of the screen, and track what would have happened if you bought the stock on the next TriVista Buy Signal. A green up arrow shows where the software bought, and a red down arrow shows where the software sold. The data box shows the actual transactions that would have occurred based on what you pre-set as an initial investment amount and commissions. This exercise is great for getting it in your mind what price charts look like prior to TriVista Buy Signals that will make you money.

Back Testing

Start by clicking the "Test the Past Hit Forward" Button. This takes the date in the text box under "Buy Hit in the Past" and will show graphically and also in a table what the buys and sells would have been all the way to present time.   If the date box is blank, it will ask you to enter a date. The software will buy at the first "TriVista Buy" signal after that date, and will continue to buy and sell on the indicators until present time. The buys and sells will often continue beyond the confines of the chart, so you may have to re-

enter a later date if you wish to chart all of the trades. This software is not meant to entice you to buy and sell the same stock over and over again. The tables and charts are showing you how the stock is "patterning" so that you might recognize these patterns in other stocks.

The two screens can be thought of as "Evaluate Screen" vs. "Results Screen". You evaluate the history by looking at the "Historical Paper Trades" screen. You decide whether or not to buy on a particular date. Then, by right clicking on your buy signal date, you get to see the results of your decision on the "Test the Past Hit Forward" screen. You can right click a price bar at any time to jump back and forth between these two screens. When you are not working in the past, you will be using the "Historical Paper Trades" screen to make your decision on what stock to buy today; right now, present time. The idea is; you will have looked at enough software trades that occurred in the past to help you make the right decision for your buy in the present time.

To Back Test the software, start the Screener and select "TV Buy Signal in the Past". Enter a date. Allow the screener to complete its run, do not stop it. After the screener has completed its run, click the sort 3 button to bring the best buy candidates to the top of the screen. Next, click on the "Test the Screener Table Forward to the First Sell All" button. The software will now invest your starting investment amount in each and every stock on the screen. The results up to the first sell will be shown in terms of how many trading days it took, and how much profit or loss occurred. Most of the sells should have resulted in profits, validating the TriVista method of investing.

Click on one of the symbols. You will be sent to the "Historical Paper Trades" charting so you can see exactly what the chart looked like on that day. Next, right click the price bar on the extreme right of the screen. The price bar moves to the left of the screen and you can see the VistaTrades software buys and sells that would have occurred. Did the stock sell quickly and make a profit?

⊞ Managing Your Data

Update Quotes Button

This button can be used any time you are connected to the internet. When you click the button, the "Update Stock Data" window will open. Next, click the green "Begin the Update" button. Then select the folder you are going to update from the list box immediately to the left. Most of the time, you will select the "AllStocks" folder, unless you are only interested in taking a quick peek at "MyStocks" or "ChalkStocks" for intraday activity. At this point, provided you are connected to the internet, the software will provide you with two dates, the "Last End of Day Date on the Inet Server" and the "Last Active Trading Date on the Server".

Once you start the update, the internet response time will be used to estimate how long it will take to finish the update. This is shown in minutes inside the green button.

All intraday data downloaded with this button is supplied by Alphavantage.co, which is supposed to be real time. Unfortunately, only a few symbols will have intraday data, most are going to be previous day closing prices. There are a couple of other ways you can get "real time" quotes from Alphavantage.co within the VistaTrades software. One way is by clicking the "Update Quote" button while viewing the charts. This will immediately update the data for the chart you are looking at with real time quotes, if available, on the screen and on your hard drive. Another way is to use the "AutoNotify" function, which continuously updates all symbols in your MyStocks folder with real time data, if available, and stores the data on your hard drive.

"Last End of Day Date" vs. "Last Active Trading Date":
If you do an update where the "Last End of Day Date" does not match the "Last Active Trading Date", you MUST do "Update Quotes" again at a later time when the two dates match. This can be accomplished any time between approximately 4:15PM Eastern Time and the next time the market opens at 9:30AM. Updates that are done when the two dates do not match will store intraday data instead of end of day data. This will skew your charts and indicators.

Manage Files Button

From this new screen you can:

1. **"Re-download All History for One Symbol".** This will go back exactly 20 years from now and download the daily Open, High, Low, Close and Volume. If the security does not have 20 years of history, it will go back as far as possible. The prices are adjusted for historical splits.

2. **"Add a Symbol and its History to AllStocks".** This is where you would add your own symbols one at a time. Confirm the correct syntax on www.finance.yahoo.com.
3. **"Re-download All History for every symbol in MyStocks".** Use this as needed to confirm your historical data is correct.
4. **"Re-download All History for all symbols in the Screener Folder".** Use this to confirm all history was correct and eliminate unadjusted splits before taking action on a signal. Signals are not accurate with unadjusted split data.
5. **"Re-download All History for every symbol in AllStocks (20+ hrs)".**
6. **"Delete Symbols that are not Updating".** Symbols will become invalid if the symbol changed or the stock stopped trading. This happens often. After the list is presented you will be asked if you want the program to delete them. When you "Update Symbols", those that are no longer updating will show in a list. If you wish them to be deleted, leave the "Update Symbols" window open before running this routine. Symbols that have the most recent prices missing will show in the "Outdated" list. Some of these will be deleted also. If a symbol continues to show up in the "Outdated" list, redownload all history for it. If the history is not recent, go ahead and delete the symbol manually.
7. **"Delete a Symbol from All Folders in VistaTrades".** This will eliminate everything, including any transactions you may have entered for that stock.
8. **"Delete from MyStocks".** This will drop the symbol from the MyStocks Folder only. It is a good idea to do this if you no longer own the stock. All past transactions are kept in the MyTransactions Folder and all historical data is kept in the AllStocks Folder.
9. **"Delete from ChalkStocks".** Drops the symbol from the ChalkStocks Folder and the ChalkTransactions Folder. Useful for eliminating practice transactions.
10. **"Download and extract AllStocks.rar from www.vistatrades.com".** The most recent stock symbol text files (historical data) are transferred from the website to your c:\VistaTrades Files\AllStocks folder. Nothing is deleted from your computer, only additions are made. For deleting, see 11 below.
11. **"Delete a List of Symbols from AllStocks".** The symbols in the selected folder beneath the button will be removed from the AllStocks folder, but the history is kept in the selected folder in case you choose to add the symbols back to AllStocks in the future.

♣ Tips and Tricks

Clearing the Screener Folder

It is a good idea to clear the screener folder prior to beginning a full screener run. While the screener is running, every stock that appears in the screener table will be automatically saved to the Screener Folder on your hard drive and will remain there even after you exit the VistaTrades program or turn your computer off. The intent is to allow you to rerun the screener, looking at only the stocks that were just now in the table, with different filters, or with refreshed historical data, without having to spend the time

screening several thousand stocks again. So, clearing the Screener Folder keeps the number of stocks in that folder to a minimum.

Before You Buy or Sell

Before purchasing a stock that is on the screener table, it is a good idea to validate the data by doing the following steps, if you are connected to the internet. After you have cleared the Screener Folder and run the Screener to completion:
1. Click on "Manage Files".
2. Click on "Redownload All History for all symbols in the Screener Folder".
   NOTE: It takes several seconds to download each symbol, so don't do this if your Screener table has several hundred symbols in it, it takes too much time to run.
3. After clicking OK, the File Manager Window will close.
4. Click "Update Quotes" and select the folder "Screener". This action will get today's data necessary for trading signals.
5. Click "Start Screener"
6. Answer "Yes" to "Save the table that is on the screen right now?"
7. On the Screener Control Panel, in the Folders box, highlight "Screener".
8. Click "Go".

The screener will rerun for the stocks in the Screener Folder. Stocks that had erroneous historical data and no longer show signals for today will be eliminated from the table. Click "Show Saved Screener Table" to compare the two tables.

Before selling a stock that is listed on "Suggest Orders for MyStocks", it is a good idea to re-download the data for that stock as well.
1. Click on "Manage Files".
2. Click on "Redownload All History for every symbol in MyStocks"
3. After clicking OK, the File Manager Window closes.
4. Update Quotes for the MyStocks Folder.
5. Run "Suggest Orders for MyStocks" again.
6. Confirm the suggested sell is still on the list.

Day Trading

VistaTrades no longer supports Day Trading techniques. They are way too risky and can put a major hurt on your finances.

Show the Saved Screener Table Button

This button will toggle between "Show the Saved Screener Table" and "Hide the Saved Screener Table". If you have saved a previous screener table, you can recall it with this button. If you have not saved a previous screener table, "Show the Saved Screener Table" will duplicate and show the table that is currently running. The Screener Table is different than the Screener Folder. Screener Tables are kept in random memory and will be gone forever if you elect not to save one, or exit the program. The Screener Folder is

kept on your disk drive and will remain there even when the computer is turned off. Every stock that appears on the Screener Table is automatically added to the Screener Folder. The Screener Folder can be emptied or erased at any time by selecting the "Clear the Screener Folder" button from the main window or by answering "yes" to the "Clear the Screener Folder?" message that will appear prior to every screener run.

Stock Symbol Changes

It is very important to find out if that symbol is in the MyStocks Folder. Click on the green "Show Actual Performance" button. If the old symbol shows up in the table, you must change the symbol as follows: Click on "Add or Enter a Transaction" and click on "Symbol Change" in the next screen and follow the prompts.

If the symbol is not in the MyStocks folder, use "Manage Files" to "Add a Stock and its History to AllStocks". Once the new symbol has been added, delete the invalid symbol with "Delete a Stock from All Folders in VistaTrades".

Sorting the Screener Table

There are eight buttons in the lower left corner of the screener table labeled "Sort 1" through "Sort 8".

These are pre-programmed sort buttons FOR THE 9 MONTH ZONE ONLY

Sort 1: The %Gain in nine months divided by the average days held in nine months, sorted to show highest, quickest gains

Sort 2: The %Gain in nine months divided by the Max Drawdown in nine months, sorted to show the highest gains, least drawdown.

Sort 3: The %Gain in nine months divided by the sells in nine months, sorted to show the highest gains per trade.

Sort 4: The highest gains in nine months with the TVIs factored in. The lower TVIs will be closer to the top.

Sorts 5, 6, 7 and 8 are the same as Sorts 1, 2, 3 and 4 respectively, but they are restricted to Roll Rates of >=90% only.

Keep in mind that the %Gain values reflect the performance at the most recent sell in the three month zone, NOT the most recent buy.

✚ Practice Trading
Yellow Practice Buttons

The yellow buttons on the right are for entering practice transactions. Some investors like to use this area for a while to track their 'paper trades'. Once they are convinced they can actually make money for real, they move to the green buttons to record and track actual transactions. Other investors use the yellow buttons to try different strategies and track them for a while to see if they would work. Transactions entered with the yellow buttons can be removed at any time in the 'Manage Files' area. They are called ChalkStocks transactions because you can erase them. Transactions entered with the green buttons are "Actual Transactions", and cannot be removed by the software. They can be modified, but not erased within the software program. Actual Transactions can be erased or modified outside of the software by using Windows file operations or Notepad.

⬛ Actual Transactions
Add or Edit a Transaction Button

The software will prompt you to enter the stock symbol, which can be entered in upper or lower case. If the stock symbol cannot be found in the Symbol Universe on your computer, it will give you the opportunity to add it. Once added, it will download the historical data for the new symbol if you are connected to the internet. If the symbol is not valid, it will tell you. All data is downloaded from Alphavantage.co, so be sure to use the proper symbol protocol. If you have entered a symbol that comes back as "symbol not valid", try entering the symbol on www.finance.yahoo.com to find the new, changed or correct symbol.

The software will only prompt you for the symbol, the date of the transaction, the number of shares you bought, and the amount of money you spent after the commission was paid. The software will not ask you for the price per share. A 'virtual price' will appear after you enter the transaction. This is the price per share based on the commissions you entered earlier. If you make a mistake entering a transaction, it can be modified by clicking on the invalid value in the table.

Once you are long in a particular stock you may, at your discretion, add more shares by selecting "Bought Shares" when a subsequent TriVista Buy Signal occurs, or whenever you wish. You can sell a portion of your shares at a sell signal, or whenever you wish. You may elect to buy more shares or sell some of your shares at any time. The software will keep track of your additional transactions and recalculate your BEP (Break Even Price) to inform you when to sell all of your shares at a profit.

The historical tracking system will NOT sell a portion of shares owned at sell signals. The historical tracking system is "all in" (spends all of the cash available at the buy signal) and "all out" (sells all of the shares at the sell signal). These actions are simply building a track record based on the signals.

Show Actual Performance Button

A table will appear showing you the actual performance of every stock you bought. The data comes from the MyTransactions Folder, not the MyStocks Folder. Stocks you traded and no longer hold will also show in the table. This allows you to keep a running tab of your total investment performance.

However, if you wish to only see the performance of stocks you own right now, there is a way to do that. After the performance table is finished running, you can click on the button "Stocks Owned Now", and the performance table will rerun for the stocks you currently own. Similarly, you can click on "Stocks Closed Out" to see the performance of stocks you no longer own.

Options are included when a closing transaction matches an opening transaction. Option trades that are not closed out will not show because VistaTrades cannot look up the current value of option symbols. Remember to close out options when they are exercised or expire.

At any time, you can click on a column heading to sort the column, even while the table is still running.

Suggest Orders for MyStocks Button

You should click this button every day after you have updated your quotes. The software will tell you when to sell or buy more shares. Make sure your commissions are correct. This is how your Break Even Price (BEP) is calculated to make sure you get out at a profit, or at least break even. Some investors have multiple brokerages with different commissions, so the table can be rerun with different values.

You may elect to use this button intraday. You can use this button while "AutoNotify" is running to give you up to the minute signaling with real time data for SOME securities, not all. Also, you can do an "Update Quotes" for your MyStocks Folder from the main screen intraday, then select "Suggest Orders for MyStocks". Any intraday signals will be shown. CAUTION: Buy and sell signals will come and go during the day. The software was designed to recommend trades based on end of day data, but you can use certainly use intraday data. Also, remember to rerun "Update Quotes" after the market has closed or you will lock in intraday data as end of day data, throwing off the charts.

Another way to do a check on intraday data is from the charting screen. While you are looking at any chart, you can click on the yellow "Update Quote" button to get the real time quote, if available, from Alphavantage.co if you are connected to the internet. This will redraw the chart and display any signals that may be present at that time.

The VistaTrades software will recommend you sell ALL of your shares. Sometimes you will not sell all of your shares, either because you chose to sell only a portion, or were forced into a partial fill by the market. When this happens, enter your partial transaction as appropriate, and the software will continue to track the remaining shares.

✚ Auto Notify

You must run the "Suggest Orders for MyStocks" green button at least once before AutoNotify will run. This is so AutoNotify will know what the Break Even Price (BEP) is for all stocks in your MyStocks folder. If any of the BEPs are missing, AutoNotify will stop. All BEPs are calculated from the most recent time you opened the position (went from not owning shares to owning shares).

This routine runs separately from the main VistaTrades program. It will run in the background from your computer at home and will send you alerts by email when certain things happen to stocks that are in your MyStocks folder. Of course, the computer on which Auto Notify is running must be connected to the internet. Set your computer to automatically connect to the internet signal it is using. That way, if it drops off line, when it connects again, Auto Notify will reconnect also.

Currently, the AutoNotify function cannot send emails.

VistaTrades will monitor all of the stocks currently in your MyStocks Folder and will let you know when any of the following occur:
1. Security is weak in its Sell Zone (consider selling it)
2. Security is strong in its Buy Zone (consider buying more shares)
3. TriVista Sell Signal (Sell at profit or set GTC@BEP)
4. TriVista Buy Signal (consider buying more shares)

IMPORTANT: The alerts are based on the closing TVI of yesterday compared to what is happening to the TVI right now, real time. AutoNotify updates quotes in real time constantly, but only if the real time data is available.

If the market is open, and real time data is available from AlphaVantage.co, the signals are "intraday signals". Remember that an intraday signal might not be present at the end of the day due to market fluctuations. You can always take action on an intraday signal if you wish. The VistaTrades historical tracking system takes action on end of the day data, or whatever it thinks end of the day data is. If you do "Update Quotes" intraday, VistaTrades assumes those quotes are end of day data.

✚ Lump Sum Test (Steps 1 & 2)

The idea is to show how you can invest a lump sum of $100,000 safely and generate an income from it without significantly reducing the lump sum over time. VistaTrades will paper trade the $100,000 starting on any day you choose, up to 13 months ago. The screener will run on every trading day and the list will be sorted with the Sort 2 button. The sort 2 button takes the 9 month performance value divided by the 9 month drawdown and arranges the list from high to low. It will invest $10,000 per security from the top of

the screener list down, owning no more than 10 securities at a time. Securities will be sold on TriVista Sell Signals at a profit or break even. Bootstrapping will occur as needed. The profits from sells are kept as "Saved Gains" and will not be reinvested. The Saved Gains will be the spendable income. As securities are sold, they will be replaced with new ones on the following TriVista Buy Signals. It is important to note that any dividends that would be received are not included in Saved Gains, as VistaTrades has no way of knowing what those dividends would have been.

The AllStocks folder is used for Step 1 and should only contain about 1000 securities. You can certainly make your AllStocks folder larger by adding symbols from other folders, but the run times will be extremely long.

Step 1 takes about 15 minutes to accomplish for a 1000 symbol AllStocks folder using a fast processor. This step creates a new file named:
c:\VistaTrades Files\TriVistaBuySignalSecurities. In that text file will be every security in your AllStocks Folder that met the following criteria looking back 13 months from today:

1. The security had a TriVista Buy Signal that day.
3. The security closing price was more than a penny
4. The volume was more than zero.

Step 2 will get its data from the Step 1 file. Step 2 can be run without redoing Step 1. Only run Step 1 when you desire fresher dates or a different folder for Step 2. If you accidentally start Step 1, you can stop it, and the older data will remain. New data is added only when Step 1 completes its run.

Step 2 takes a lot longer than Step 1. It will start with a fixed lump sum of $100,000 to buy up to 10 Securities. Starting at the oldest day in the file from Step 1, or a younger trading day if you wish, the screener will run on every following trading day and sort the list based on best "Score" (the Sort 2 button). The "Score" is the 9 month historical performance value divided by the 9 month Maximum DrawDown times 10 and displayed as a whole number. As Step 2 is running, a "What's it Doing Now?" window will log the progress. Step 2 can be paused or stopped. You can minimize the screens and work on something else while Step 2 runs.

✚ Sell Put Options Weekly for Income

WARNING: Trading options is tricky, risky and complicated. Please read up on and/or take a course on options trading before attempting anything in this section.

There is a special folder called "WeeklyOptions". In this folder are securities that have options available to buy and sell with expiration dates every week. The idea is to sell put options every Monday morning, collecting the premiums immediately and having the options expire that week with the security trading HIGHER than the strike price you sold the option at. This way, you get to keep all the premiums and will not have any options assigned to you.

There are several steps to find sell put candidates.

Step 1: Run the screener any day Tuesday thru Friday. (If you run it on Saturday, Sunday or Monday you'll get info for the week that already happened. We want info for the

upcoming week). Select the "WeeklyOptions" folder. Check "Sell Puts" in the Filter box. Check Frequency "Off". Check "Disregard Signals" and click Go. Select a minimum price of $1 and a minimum volume of 0. Select "Yes" to get a history of years in a row. While the screener is running, a blue button called "Sell Put Candidates" should appear.

Click on the "Sell Put Candidates" button to open a new window. In this window are securities that, starting a year ago this Friday, the security closed at a higher price on the following expiration date, every single year, for 5 years in a row or more. Columns 2, 3 and 6 in this table are sortable. The table will continue to fill until the Screener is completed. Jot the symbols for these securities down on a sheet of paper.

Step 2: Run the screener again on a Tuesday thru Friday using the "WeeklyOptions" folder, "Sell Puts", Frequency "Off", "Disregard Signals", minimum price of $1 and minimum volume of 0. This time, select "No" to get a history of instances in all years. While the screener is running, a blue button called "Sell Put Candidates" should appear.

Click on the "Sell Put Candidates" button to open a new window. In this window are securities that have at least 3 years of historical data. Every single year for ALL of the history, if the security closed at a higher price on this particular week from Friday to expiration date at least 75% of the time, it will appear in the table. When the Screener is completed, jot the symbols for these securities down on the same sheet of paper.

Step 3: On Friday, at least 20 minutes after the market has closed, update the "WeeklyOptions" Folder. Then, on Friday, Saturday or Sunday, run the screener. Select "WeeklyOptions" folder, "Sell Puts", Frequency "Off", "Disregard Signals", minimum price of $1 and minimum volume of 0. Answer "Yes" or No" for years in a row. This time do NOT click on "Sell Put Candidates" when it appears. Let the screener run to completion. In the screener table are securities that are showing strength in their buy zones. Jot these symbols down on the same sheet of paper.

Step 4: Take the Friday Closing price for each of the securities you wrote down and multiply them by .93 to get prices about 7% lower. Using your broker's website, look up the strike price that is closest to that number. Write the strike price down next to the symbol. Next, look up the bid and the ask for the put option that expires in a week for that particular strike price. Take the ask price divided by the strike price. If the answer is greater than or equal to .005, jot the ask price next to the strike price.

These are the put options you should try to sell on Monday morning at the ask prices or a little less than the ask prices. Obviously, try to sell the ones that will get you the most income.

Remember that if the security price closes lower than your strike price on expiration day, you will be forced to buy the security at the strike price. Each contract you sell is equal to 100 shares, so be careful. You should always make sure you have the cash to cover the puts you sold. For example, if you sold 10 contracts of XYZ at a strike price of $50, you

should have 10 x 100 x 50 = $50,000 in cash to cover the put if you are assigned the put and must buy the security.

When you are assigned puts (and you will be at some point because this system is not infallible) start selling Call options to keep the weekly income stream going.

For every $100,000 you have in cash available, you should be able to create an income of at least $1,000 per week.

Relative Strength Indicator (RSI):
The Relative Strength Indicator is an oscillating type of indicator that attempts to quantify price momentum. It's a front weighted, price velocity, ratio indicator developed by J. Welles Wilder in 1978. It should not be confused with other relative strength indicators that measure the strength of a single stock or commodity against the broader market. Instead this indicator measures the recent strength of a stock relative to its own past strength.

RSI = 100 - [100 / (1 + RS)]

RS = the ratio of the exponentially smoothed moving average of n-period gains divided by the absolute value of the exponentially smoothed moving average of n-period losses.

A simple expression of RS = Average price change for up days / Average price change for down days.

The indicator is bounded by the values 0-100 and can be used as an overbought / oversold indicator. The market is said to be overbought when the indicator is above the 70-70 line and oversold when below the 20-30 region. In most trading software, the buy or sell trigger is activated when price reaches these lines, on a closing basis. A sell signal is activated when the indicator exceeds the overbought line and a buy signal is generated when the indicator hits the oversold line.

[Click here to return to text](#)

Overbought/Oversold:

When a stock is overbought, it is at or near a price peak. You should be Bearish when a stock is overbought (sell the stock, sell it short, sell call options, or buy put options).

Oversold means it is at or near a price bottom. You should be Bullish when a stock is oversold (buy the stock, buy call options, or sell put options).

Stochastic Indicator:
The basic premise for the stochastic indicator is that the market tends to close higher in its range during a bull market, up move and lower during a bear market, down move.

The indicator is made up of two lines referred to as %K and %D lines and are calculated as shown below.

%K = (current price - Low n) / (High n - Low n)
- where n is the period, the number of bars in the sample.

%D = (%K x + %K x-1 + %K x-2) / 3
- which is simply a three period moving average of %K
- where x is the current period

There are two types of stochastic, the fast stochastic indicator (calculations shown above) and the slow stochastic. The fast stochastic is extremely sensitive to price, while the slow stochastic is merely the result of smoothing the fast stochastic, using a moving average calculation.

Therefore, the fast stochastic %K line is actually the %D line from the slow stochastic and the new %D line is a smoothed moving average of the faster stochastic, %D line.

The indicator is bound by the parameters of 0 and 100. Usually, horizontal boundary lines are set at 20 and 70, which may reflect an oversold or overbought condition, respectively. It can be dangerous to use these indicator lines solely, as a trading signal, without more information to support it.

The Stochastic cross method will generate a buy or sell signal, but only when the crossing of the %K and %D lines occurs below 20 or above 70, respectively.

PercentR Indicator:
The PercentR indicator was developed by Larry Williams, a trader and author of note, who has published numerous works on trading using technical indicators.

%R = (Close p - Low p) / (High p - Low p) * 100

High p = highest price recorded for period p
Close p = close for period p
Low p = Low for the period p
p is the length of the period
As a new bar comes into the calculation, the first bar is dropped.

Originally Larry used a 10 day trading range and then examined where the market closed, relative to that range. The study appears to reflect an overbought or oversold condition of the market. A close toward the higher side of the range indicates an overbought condition and toward the lower side, an oversold condition.

The underlying premise is that rising markets close toward the higher end of the range and falling markets toward the lower end of the range. Often markets close at the higher extreme when they top and conversely close at the lower extreme when they bottom. The signal is actually generated when the market backs away from that extreme close.
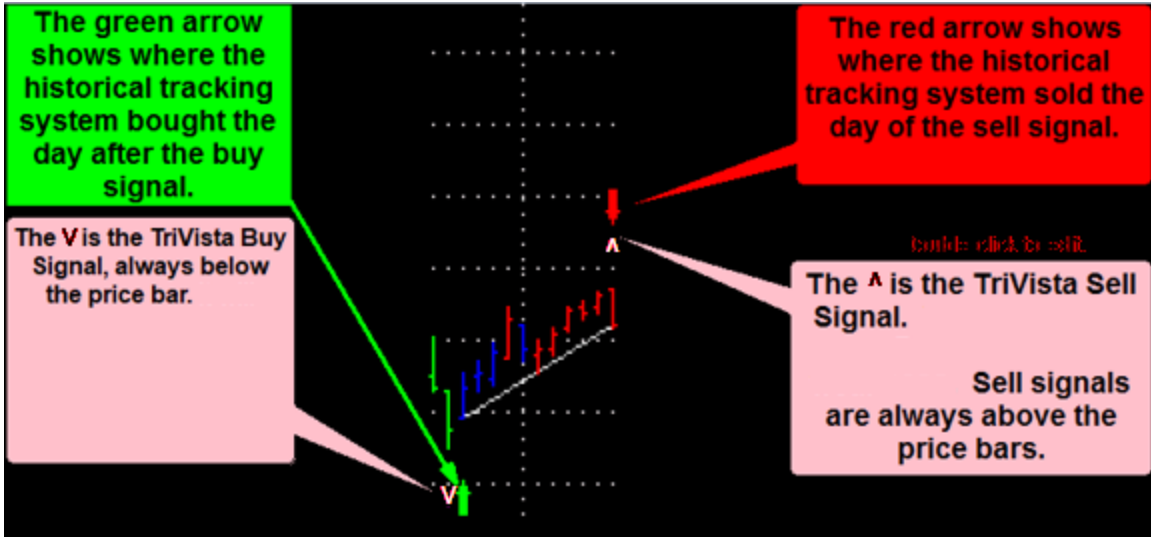
The period variable can be tuned to reflect your own optimum time frame. Obviously the shorter the period the more volatile the indicator, whereas a longer term time frame will result in a smoother indicator line. The indicator is bound by the limits 0 and 100.

There are two horizontal lines overlaid on the indicator at 10% and 90%, which represent oversold and overbought levels. A move below the bottom line, by the indicator, will generate a buy signal when the indicator moves back above the bottom line. A sell signal is generated when the indicator moves from above the top line to below it.
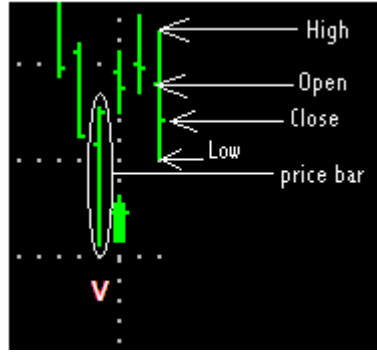
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The green arrow shows where the historical tracking system bought the day after the buy signal.

The **V** is the TriVista Buy Signal, always below the price bar.

The red arrow shows where the historical tracking system sold the day of the sell signal.

The **^** is the TriVista Sell Signal.

Sell signals are always above the price bars.

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