

**MVWAP BANDS WITH PIVOTS LIBRARY**

**Introduction:**

The VWAP has been used by many traders throughout the years as a benchmark of price. This allows them to know when an investment is favorable or unfavorable. It is also a means to determine the markets average trading price during a given period by taking into account both the price and the volume or number of shares being traded during the same period.

**Benefits:**

There are many ways of looking at the VWAP, however, the most widely noted is to use it as a benchmark for passive investments. Many pension funds and some mutual funds line up with this passive thinking. The investor executes trades based on the VWAP to ensure they are inline with the price and volume of the market. VWAP can also measure the efficiency of an investors trades. Investors can see how effective their order executions have been over time compared to the VWAP price.

Large institutions use the VWAP as a way to find points of liquidity. Since the VWAP measures the price levels weighted by volume, it can help institutions know when to enter and exit large positions with out disturbing the markets. As stated above if the price of the market is below the VWAP it could be a good time to start buying up positions in the market. Conversely, if the market is above the VWAP they may look to sell off their positions for a profit.

## Included in this Library:

### MVWAP Templates

- MVWAP Daily with Pivots
- MVWAP Weekly with Pivots
- MVWAP Monthly with Pivots
- MVWAP Quarterly with Pivots
- MVWAP Yearly with Pivots

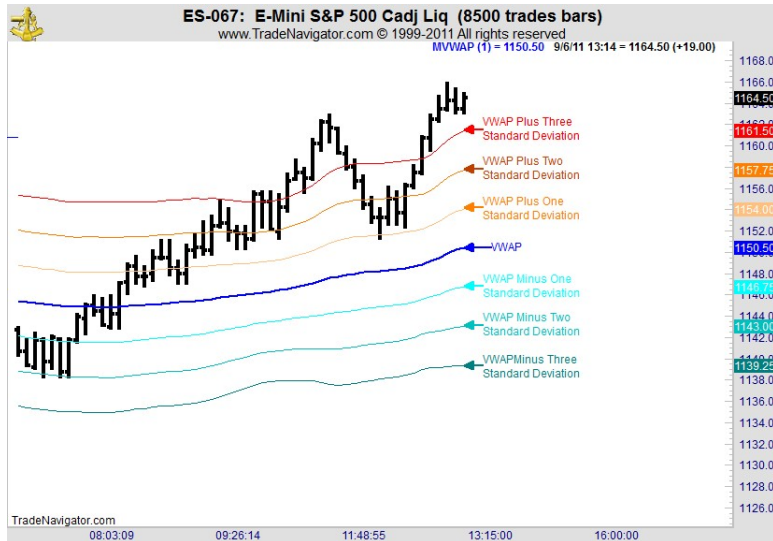
### MVWAP Page

- MVWAP timeframes

### Indicators

- MVWAP
- MVWAP Lower 1
- MVWAP Lower 2
- MVWAP Lower 3
- MVWAP Upper 1
- MVWAP Upper 2
- MVWAP Upper 3
- MVWAP Upper Pivot
- MVWAP Middle Pivot
- MVWAP Lower Pivot
- MVWAP weekly
- MVWAP weekly Lower 1
- MVWAP weekly Lower 2
- MVWAP weekly Lower 3
- MVWAP weekly Upper 1
- MVWAP weekly Upper 2
- MVWAP weekly Upper 3
- MVWAP weekly Upper Pivot
- MVWAP weekly Middle Pivot
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- MVWAP monthly
- MVWAP monthly Lower 1
- MVWAP monthly Lower 2
- MVWAP monthly Lower 3
- MVWAP monthly Upper 1
- MVWAP monthly Upper 2
- MVWAP monthly Upper 3
- MVWAP monthly Upper Pivot
- MVWAP monthly Middle Pivot
- MVWAP monthly Lower Pivot
- MVWAP quarterly
- MVWAP quarterly Lower 1
- MVWAP quarterly Lower 2
- MVWAP quarterly Lower 3
- MVWAP quarterly Upper 1
- MVWAP quarterly Upper 2
- MVWAP quarterly Upper 3
- MVWAP quarterly Upper Pivot
- MVWAP quarterly Middle Pivot
- MVWAP quarterly Lower Pivot
- MVWAP yearly
- MVWAP yearly Lower 1
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- MVWAP yearly Upper 1
- MVWAP yearly Upper 2
- MVWAP yearly Upper 3
- MVWAP yearly Upper Pivot
- MVWAP yearly Middle Pivot
- MVWAP yearly Lower Pivot

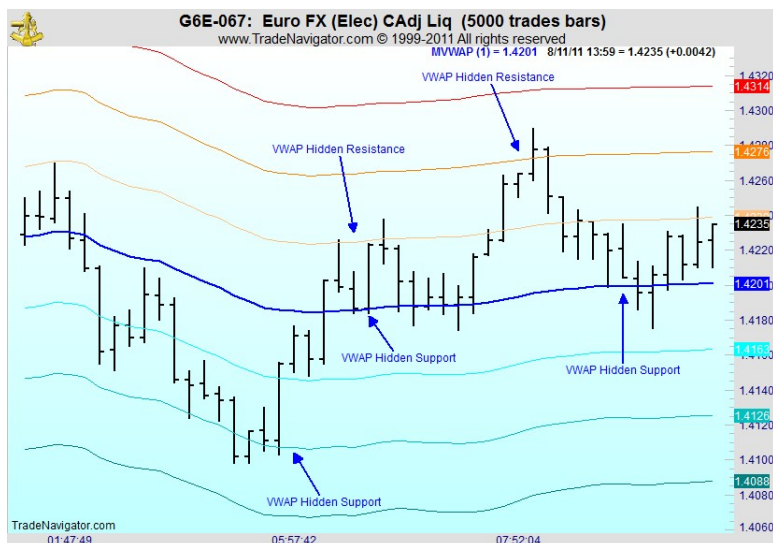
## MVWAP with Standard Deviations



Investors can apply a standard deviation of the MVWAP to the charts to see how far way from the average price the market has moved. Often three standard deviations away from the average price shows over bought and over sold conditions in the market. Or in other words, the market is over valued or under valued. Each standard deviation is plotted from the MVWAP, therefore, the chart will have three lines above and three lines below the average price, one for every standard

deviation. The deeper the market goes into the standard deviations the more extremely the market is under or over valued.

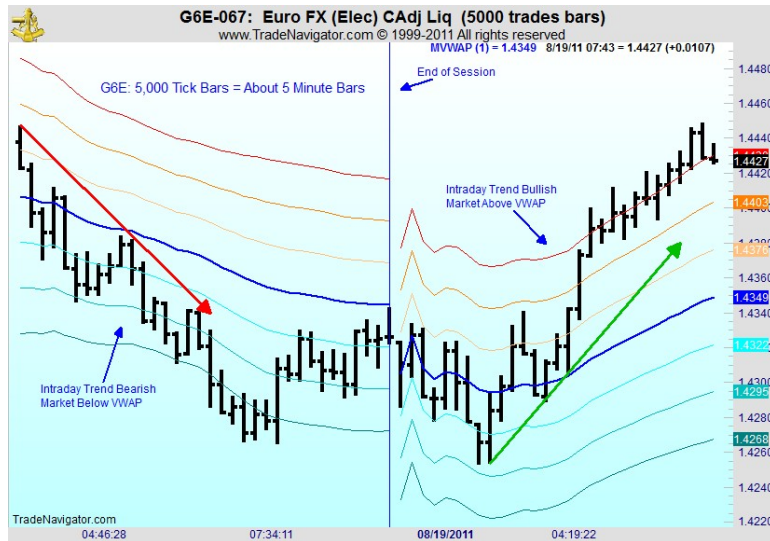
## Intraday Charts



Many investors find it helpful to use the MVWAP during intraday time periods. This allows the investor to see the volume and average price during the shorter time periods. The draw back with looking at intraday charts with the MVWAP is that there is a lag in the indicator. A larger the time period gives a larger lag time. Many suggest using tick bars for looking at the MVWAP in the calculation. This gives a clearer picture to the over all volume and helps shorten the lag with the indicator.

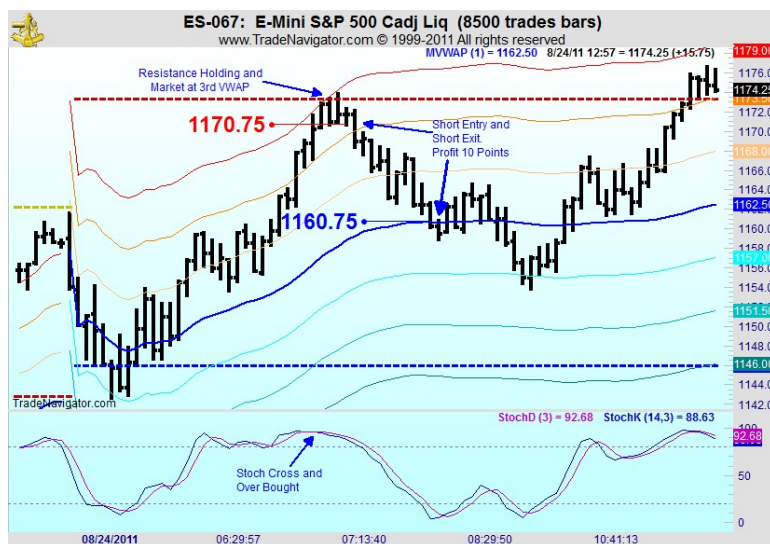
Investors can compare the current prices with the MVWAP to determine a possible intraday trend. If the prices fall below the MVWAP then the market is trading at a lower value for that given time period. If the prices are above the MVWAP then the market is trading at a higher value for that given time period. It could also mean that the volume is lower or higher for that given time period depending how far into the standard deviation bands the price moves. Some analysis see intraday MVWAP as no real value, however, if the investor uses a twenty four hour chart the data tends to be more accurate than if the investor used the market open and close for the calculation.

## Hidden Support and Resistance



The standard deviations can often act as a hidden support or resistance which can be useful during intraday time frames. Much like John Bollinger's idea of selling at the top Bollinger band and buying at the lower Bollinger band in range bound markets. The same can be used with the MVWAP with the standard deviations.

## Support and Resistance



Another concept that has been helpful to investors has been adding pivots or support and resistance lines to the chart. Investors should watch for the market to test an area of support or resistance while reaching into the third standard deviation. This shows that the market is testing out a previous level that it may not be able to break because the market is over or under valued. It gives strength to the market to push the current price back to the MVWAP and often past it. Entry

points can be tricky at times and there are many ways to enter into one of these trades. Investors should develop a plan of attack before blindly entering the market with this situation.

## Trade Navigator

In Trade Navigator under the Pages drop down menu there is a custom page named, “MVWAP Time Frames” set up for our users. This includes five charts which include an intraday, daily, weekly, monthly and quarterly with the appropriate VWAP settings.

To change the settings right click on your chart and select the top option, “EDIT Chart Settings.” Under the Linked Inputs you will see in the right column: &#days, &#weeks, &#months, &#quarter, &#year.

The settings would be as follows:

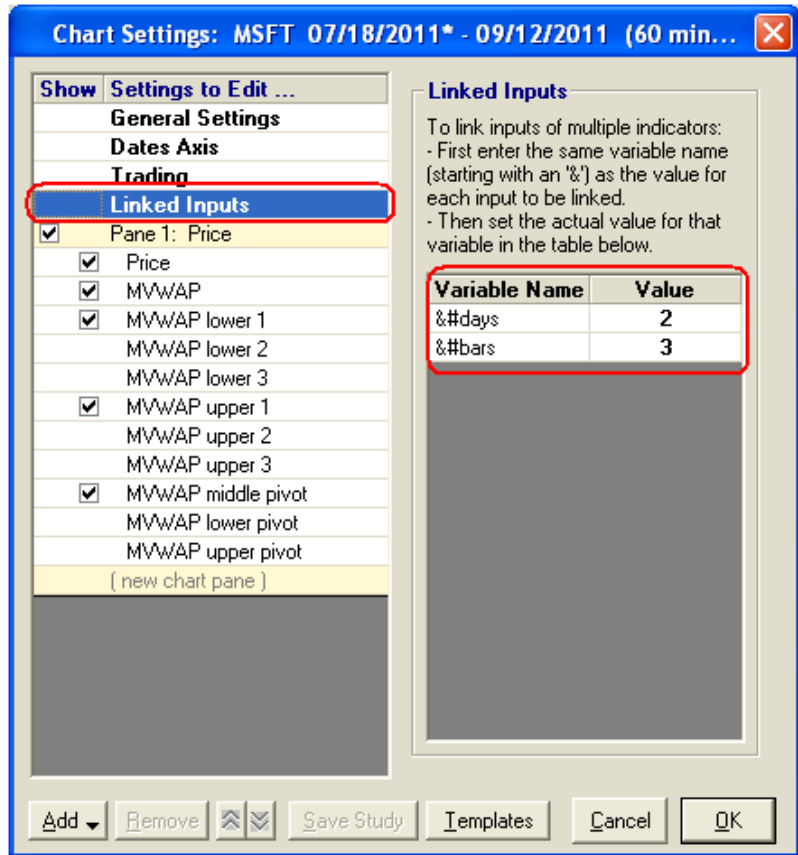
&#days – 1 to 5

&#weeks – 1 to 4

&#months – 1 to 4

&#quarter – 1 to 2

Yearly – only calculates for 1 year



There are also Templates that have been created for our users as well. Under the Template drop down menu there are five different templates named, MVWAP Daily with Pivots, MVWAP Weekly with Pivots, MVWAP Monthly with Pivots, MVWAP Quarterly with Pivots and MVWAP Yearly with Pivots. All of the templates come with Pivot Points based off the of the MVWAP settings to help investors make informed decisions.