

VSTOPS 2.0

Indicator and Barcolor Utility

for NinjaTrader



User Guide

V2 VSTOPS 2.0

Indicator and Barcolor Utility for NinjaTrader

PowerZone Trading **VSTOPS PRO** 2.0 indicator provides an innovative method of calculating stop levels based on market activity. This package includes both an indicator and a bar color utility that work together to give traders an objective method of determining a trading condition, as well as providing definitive stop prices. **VSTOPS 2.0** uses an extremely fast filter to determine market volatility and step-up stop levels to help traders protect profits.

The **VSTOPS 2.0** trading software package is an updated and enhanced release of our original VSTOPS package. You can now sync **VSTOPS 2.0** exactly to tick values, allowing you to place your trades with pinpoint accuracy. In addition, **VSTOPS 2.0** has been redesigned to have a smoother response to market spikes, eliminating the potential for false signals and improving the predictability of the signals.

The **VSTOPS 2.0** Indicator displays a dotted line representing the current stop level, which appears below the current price for long conditions and above the current price for short conditions. As price continues into a trend, the indicator recalculates these stops, moving them closer to the direction of the current price. The exact **VSTOPS 2.0** level can be viewed on the price axis or by selecting the “show data box” icon and clicking on the current bar.



This indicator uses a color-coding system to quickly identify the condition of the market and can be customized by the user. By default, green represents long conditions, red represents short conditions and blue represents a transition (between long and short). As price transitions between conditions, a blue dot appears at the point where price penetrated the stop level. In many cases, this represents the end of a price move.

The **VSTOPS PRO BarColor** uses identical logic to the indicator. This study color codes the bars to match the indicator condition but will not display the level of the VSTOPS itself. It is important to exactly match the inputs of the indicator and the bar color. While the bar color is a useful trading tool, some traders prefer to use only the indicator and rely on standard bar or candlestick charts.

The user can adjust the settings of the **VSTOPS PRO 2.0** indicator to fit a particular market or chart interval. The two settings that affect the performance of the indicator are the *Period* and the *StandardDV*. The *Period* represents the amount of historical data that will be used in the calculation. Larger values use more data but will react more slowly to the market (even with longer lookbacks, this is still a very fast indicator). Conversely, settings that are too small will become rather jittery. The *StandardDV* alters the distance of the **VSTOPS 2.0** from the price. The *StandardDV* input is adjustable in small increments; i.e. 3.5, 3.6, 3.7 etc to allow for fine tuning.

RoundToTick (true/false) allows traders to adjust the VSTOPS price to an exact tick. This can be helpful when trading symbols such as E-minis.

Settings

The settings for the VSTOPS PRO 2.0 and VSTOPS PRO BarColor 2.0 are as follows:

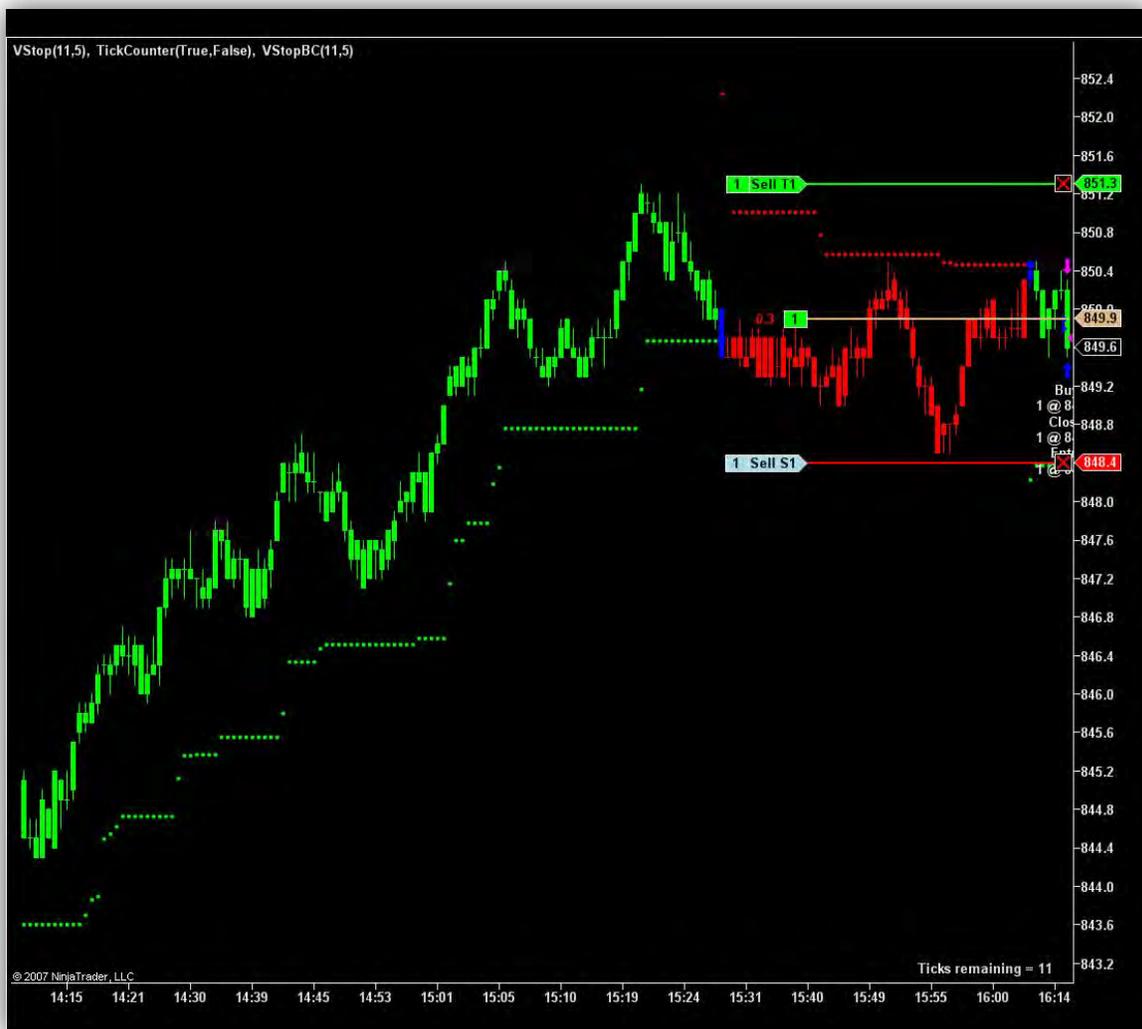
NAME	VALUE	DESCRIPTION
Parameters		
Period	11	<i>Statistical lookback period</i>
RoundToTick	False	<i>True = rounds VSTOPS to nearest tick, False = uses fractions</i>
StandardDV	5	<i>Number of standard deviations to draw VSTOPS</i>
General		
Auto Scale	True	<i>Include the indicator plot as part of the chart range</i>
Calculate on bar close	False	<i>Indicator values are calculated at the close of a bar</i>
Displacement	0	<i>Displace the indicators by n bars</i>
Display in Data Box	False	<i>Exclude the indicator plot from the data box</i>
Label	VStop	<i>Indicator explanation</i>
Panel	1	<i>The index of the chart panel (1-10)</i>
Price markers(s)	True	<i>Paint price markers at y-axis</i>
Misc		
ChangeColor	 Blue	<i>Indicator color for transitional condition</i>
LongColor	 Lime	<i>Indicator color for long condition</i>
ShortColor	 Red	<i>Indicator color for short condition</i>

Tuning Tips

The StandardDV setting has the greatest effect on the indicator. This often needs to be tuned to the timeframe (charting interval) and trading symbol or instrument; otherwise, the stops may become overly reactive and bounce you out of positions too easily.

One method of tuning this indicator is to vary the StandardDV based on risk amount (or stop loss) for any given trade. To accomplish this, calculate the distance between the first **VSTOPS 2.0** level (after a blue dot) and relate this to a dollar amount. This initial level can be adjusted to reflect your personal risk tolerance. This method involves visually analyzing historical charts and requires a bit of intuition about the markets you are trading.

VSTOPS 2.0 + Chart Trader



NinjaTrader allows direct trade management using the “Chart Trader” utility. This allows traders to dynamically adjust their stop levels by simply clicking and dragging the current stop to the current **VSTOPS** Level. This intraday chart shows the **VSTOPS 2.0** PRO indicator and barcolor applied to it. The red horizontal line represents the stop price of the current trade while the green line represents the profit target. These lines and their corresponding stop and profit target prices can be adjusted throughout the trade.

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Fast and Reliable – Designed for trading live intraday markets, tick by tick
- 
Reactive - Step-up stop levels help you protect your profits
- 
Fast - Extremely fast filter determines volatility to keep you ahead of the trend
- 
Precise - Pinpoint exact trade entries, exits & reversals
- 
Customizable – Adjust to fit your trading style, markets & chart intervals

ATR and VSTOPS Comparison



ATR Transition Point

VSTOPS Transition Point

VSTOPS Adaptive Filter tracks price more closely



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