

VantagePoint Software

Redefining Trading with Artificial Intelligence (AI)

While many individual traders have learned the basics of technical analysis which they use to make their trading decisions, the challenge of being able to identify and profit from changing market dynamics (involving market trend direction and strength) before other traders catch on, continues to be the elusive holy grail of trading. Traders, even today, typically analyze individual markets using price charts and technical indicators such as support and resistance lines or moving averages. The effects of related markets are only superficially taken into consideration by overlaying one market's price chart onto another to see how they have each behaved over time relative to one another, or by calculating simple linear correlations between any two obviously related markets. Florida-based Market Technologies, LLC enables traders to answer and overcome this challenge with its VantagePoint Software that utilizes artificial intelligence technologies to forecast market trends and changes in trend direction with up to 86 percent predictive accuracy. This accomplishment is as close to finding the holy grail as possible, given that no mathematical algorithm or technical indicator will ever achieve 100 percent predictive accuracy given the complexity and nature of the global financial markets and what makes them move and change trend direction.

To help readers understand VantagePoint's value proposition, we spoke to Lane J. Mendelsohn, President of Market Technologies. Lane explains the company's two patented AI technologies that are used to train artificial neural networks to find hidden patterns and non-linear relationships within global 'intermarket' data, and make highly accurate market forecasts.

1. Can you please elaborate on the inception of the company and the development of the VantagePoint Software?

There wasn't any demand for, or even awareness of AI by traders in the late 1970s when my father, Louis B. Mendelsohn, a commodities trader at the time, founded Market Technologies to develop trading software for the commodity futures markets. In 1983 he pioneered the first commercially available strategy back testing software for PCs, followed just a few years later by the first commercially available intermarket analysis software that took into consideration the effects of related markets on one another.

By the time of the 1987 market crash he had already perceived a shift in the financial markets toward increased globalization as the global economy began to take shape. The crash validated his perceptions, as markets all over the world reacted to one another in a domino-like effect. This led him to continue his research into the interrelationships between global markets. He wanted to measure, quantitatively, how markets impact each other. This new approach to technical analysis, now known as Intermarket Analysis, required the analysis of thousands and thousands of pieces of market data which just could not be done by humans alone. That's really what led him to pursue the application of artificial intelligence to intermarket analysis, in which neural networks are trained on global market data to find hidden patterns and relationships between various markets and to use these trained neural networks to forecast the trend and changes in trend direction of any given market under consideration.

2. Please shed some light on how VantagePoint Software can assist users to identify the changing market trends seamlessly.

While many of our customers are full-time or part-time traders with a lot of experience with technical analysis, and others have just gotten started in the markets and know less about technical analysis, none of them are experts when it comes to artificial intelligence and how it can be applied to the financial markets. Fortunately, for the past thirty years, our company has focused its resources exclusively on developing and refining our flagship AI software, VantagePoint, which was first released in 1991. Today, the latest version of VantagePoint is a highly polished application that does not require the user to have any knowledge or experience with AI, neural networks and their predictive capabilities. VantagePoint gives traders insight from a unique perspective about what various primary markets are most likely going to do over the next few days. Our proprietary and patented technologies are now fully-automated to train neural networks and find hidden patterns and non-linear relationships between hundreds of markets simultaneously. Then, with this information VantagePoint creates unique, predictive technical indicators that can forecast trend direction changes days in advance. These technologies effectively transform traditional, lagging, trend following, technical analysis indicators like moving averages into leading, predictive indicators.

Our patented technology trains neural networks to find hidden patterns and relationships between markets, and generate highly accurate, predictive, technical indicators which lead rather than lag behind market price movements



LANE J. MENDELSON,
PRESIDENT

VantagePoint can analyze a stock, like Apple, and identify the thirty other global markets that collectively account for the greatest predictive influence on Apple's stock price and future trend direction over the next few days.

VantagePoint sports a built-in feature called IntelliScan which scours thousands of markets based on user-selected trading criteria. Within seconds, IntelliScan will winnow down to a handful of markets which indicate that they are on the verge of changing trend direction and which present good trading opportunities.

3. What is your company's roadmap?

Virtual assistants available today such as Siri or Alexa are capable AI platforms but they are just about automating what a human being can already do without AI. This is analogous to factory automation using robots. They do what humans used to do, just much faster, more accurately and more efficiently. But, VantagePoint is different than merely automating what humans can already do. Based on its neural network training, the software forecasts a trend's direction over the next few days. This is something that simply can't be done by a person looking at a chart of an individual market to try to figure out the future trend direction of that market and make a trading decision. The financial markets are constantly changing, so our company has a research and development team, the Predictive Technologies Group, that is continually refining, tweaking, testing and improving VantagePoint, with each new version, to keep it abreast of these changes. We have reinvested over \$10 million dollars on this effort in recent years. We will continue to refine and perfect the application of artificial intelligence to the markets so that our customers maintain their competitive edge in the markets over other traders who are still reliant upon outdated, single market, trend-following,

approaches that lag behind market dynamics and which have limited, if any, actual forecasting capabilities.

4. How do you think the company will leave a footprint?

My father, as an individual trader and investor himself, wanted to put the odds in his favor to become more successful; he saw an opportunity at the inception of personal computers to develop and apply trading software to the financial markets. With this he laid the foundation for Market Technologies to develop VantagePoint's amazing AI technologies that have helped thousands of traders all over the world become more successful and realize their dreams. I, myself, have been involved with the company since 1995 and inherited the passion for the financial markets that my father instilled in me from an early age. He put decades of effort into developing and applying the AI technologies of neural network pattern recognition and forecasting to global inter-market analysis. I am fortunate to be able to learn from him and work with our incredible staff to build on his accomplishments as our firm approaches its 40th anniversary in 2019. Already, I'm encouraging my two young daughters to cultivate the same enthusiasm, so that one or both of them might someday follow in my father's and my footsteps and take the company to new heights in the future. In the meantime, as its current President, I am committed to making sure that Market Technologies retains its status as the premier AI trading software company in the world in the analysis and forecasting of global financial markets.

Moreover, being a socially conscious and responsible, second generation, family-owned and operated company, the Mendelsohn family and Market Technologies have donated over \$700,000 over the last ten years to charitable, non-profit organizations, including our proud partnership with Shriners Hospitals for Children, and will continue to do so as our company grows even larger. **CA**