

# VantagePoint Software Review

**Darrell Jobman**

When I was the editor of *Commodities* Magazine in the late 1970s and the 1980s, I was always looking for articles about trading ideas that would appeal to individual traders.

This was in an era of line charts (no candlesticks) drawn by hand, IBM had just introduced its personal computer (PC), individuals were becoming more interested in capitalizing on hyper-inflationary forces or hedging their risks against it. It was also an era for introducing new trading developments of all kinds:

- New markets to trade . . . oil, currencies, stock indexes, interest rates . . . in fact, the magazine changed its name from *Commodities* to *Futures* to expand into a whole new array of products available to individual traders for the first time.
- New instruments to trade them . . . options on stocks, then options on futures, managed futures funds, portfolio trading systems.
- New approaches to analysis . . . Richard Dennis and his Turtle Traders, Elliott Wave from Bob Prechter, cyclical and seasonal patterns . . . and many others.
- New indicators . . . Relative Strength Index and others by Welles Wilder Jr., Keltner and Donchian channels, Bollinger Bands and numerous other ways to massage data.

In 1983 in the middle of this trading industry growth spurt, I received an article from Lou Mendelsohn, a hospital administrator/commodities trader in Florida, explaining how computers could analyze the performance of trading systems. Institutions may have had the capability to do this, but Mendelsohn's program, ProfitTaker, was the first back-testing trading system software for the personal computer.

It was probably a little beyond my intellectual comprehension at the time, but I recognized that here was something with substance for individual traders trying to do their own analysis. The response of readers just getting into personal computers verified it.

Mendelsohn's research didn't stop with looking backward at what a system had done. Markets were becoming more global, and he wanted to be able to look ahead to see where prices might go in the future. As many traders know intuitively, price actions in one market are influenced by actions in other related markets.

To quantify these effects, Mendelsohn used artificial intelligence, a buzzword in almost every area now but a new concept at the time, for his intermarket analysis studies to detect which markets had the most effect on a target market. With that knowledge, he developed a neural network process that produced forward-looking price data that turned traditional lagging

indicators based only on past prices into predictive indicators that provide short-term price forecasts.

Mendelsohn revealed the fruits of his pioneering role in intermarket analysis and developing financial software with the release of the first version of VantagePoint Intermarket Analysis Software in 1991. Now, nearly 30 years later, VantagePoint AI Software has gone through a series of generations of added features and studies that has attracted tens of thousands of customers worldwide.

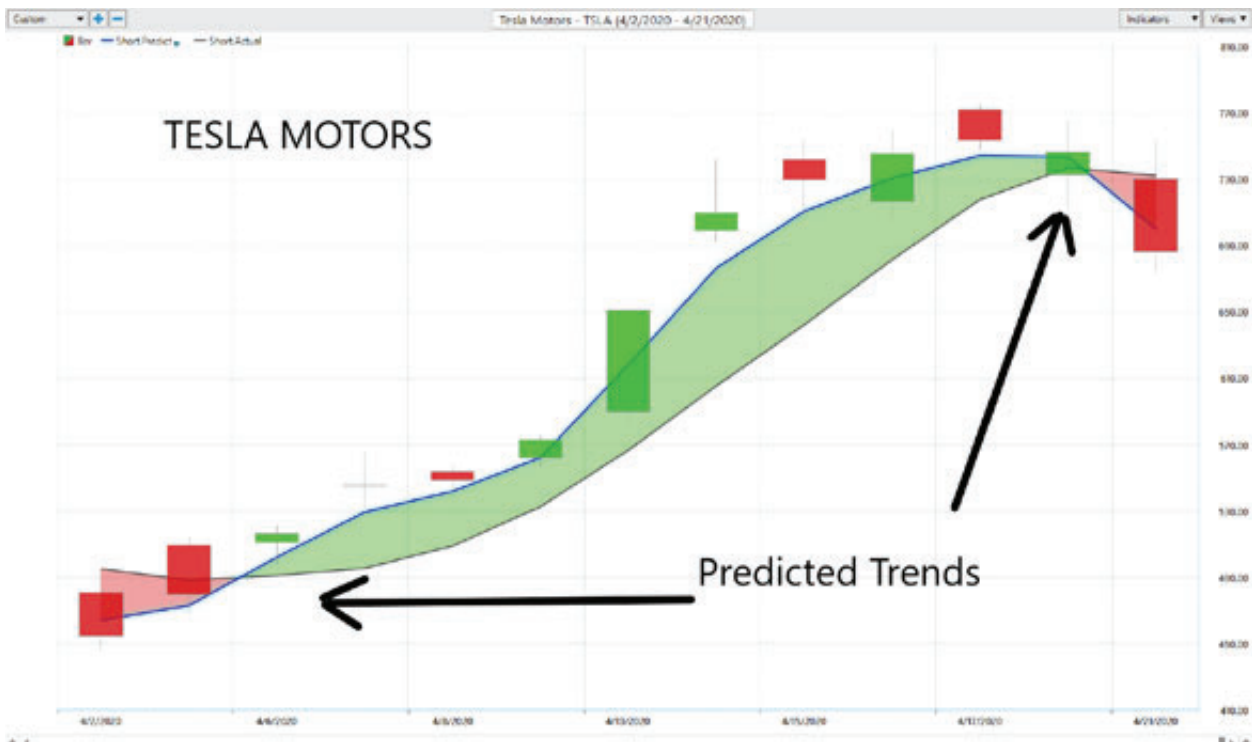
Lou has turned the mantel of his company over to his son, Lane, who continues to enhance the capabilities of VantagePoint. A number of independent studies over varying periods of time have shown that VantagePoint Software can give traders insights into market movements up to three days ahead with up to 87.4% accuracy. I don't know what all is happening under the hood to explain how AI spots and tracks all the market relationships that exist, but I can confirm VantagePoint features take the job of market forecasting beyond the ability of most humans.

So, what does today's version of VantagePoint offer? Let's start with markets. VantagePoint now offers a larger range of U.S. and international stocks, futures and commodities, forex pairs, exchange-traded funds (ETFs) and cryptocurrencies– in time frames that can be customized from three days to 10 years, all based on end-of-day data.

Setup is very flexible and easy, and you can store portfolios of charts with the style and features you want on your computer. You can apply VantagePoint's AI technology to any of the charts found in the software with the click of a button in a matter of seconds.

In addition to being a great chart service, the meat of VantagePoint is in its predictive indicators, using the look-ahead price points provided by artificial intelligence and intermarket analysis. You have lots of choices:

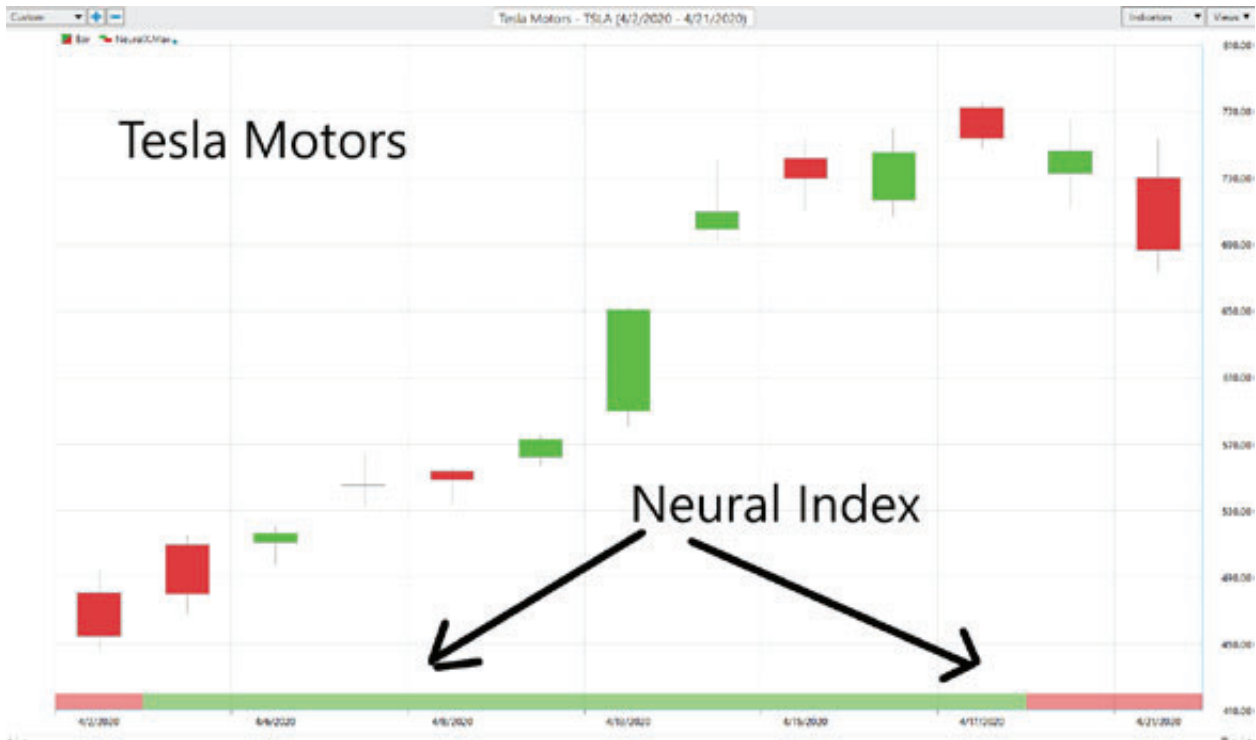
**Predicted Trends** – Most traders are familiar with moving averages and crossovers pointing to changes in trends. The power of VantagePoint is that it uses forward price points projected by artificial intelligence in its averages rather than looking only at past prices as most moving average studies do. VantagePoint goes a step further and provides optimized combinations of predicted moving averages for short-term, medium-term or long-term periods, depending on the user's preference.



The predicted moving average often turns a day or two ahead of a turn in the actual moving average, alerting you that a new trend may be beginning and allowing you to get into a position early.

VantagePoint lets you tailor your choices of moving average combinations to what suits your style. The program also includes a triple cross study of all three lengths of moving averages. You have the flexibility to modify the parameters, but VantagePoint's computers have already done the heavy work to determine what combinations produce the best performance for the time period selected so you may want to stick with the computer's choices.

**Predictive Neural Index** – The green, red, yellow sections on this bar on the bottom of the chart provide a quick visual clue about the direction that price is expected to go. This indicator predicts whether a three-day simple moving average of the typical price (high, low, close) will be higher or lower two days into the future. It provides either a reading of green, suggesting up and a long position or a reading of red, suggesting lower and a short position. Helping traders to reduce the emotion involved in making important trading decisions.



Source: Vantagepoint A.I. Software ([www.Vantagepointsoftware.com](http://www.Vantagepointsoftware.com))

This proprietary index is used to determine VantagePoint’s accuracy rates. If it can successfully predict the short-term direction four times out of five, as tests have shown, you can understand why it would be so valuable to a trader.

**Predicted Differences** – If you have worked with combinations of moving averages, you know they tend to diverge and converge as prices move. The convergence and divergence of those line can indicate a transfer of either bullish or bearish momentum. The short-term moving average will turn before a medium-term moving average, the medium-term moving average will turn ahead of the long-term moving average.



**Source: Vantagepoint A.I. Software ([www.Vantagepointsoftware.com](http://www.Vantagepointsoftware.com))**

By incorporating predicted prices into the moving averages, you may be able to see visible shifts in the differences between the averages that provide an early sign that market momentum may be changing. This might suggest that a moving average crossover is imminent, indicating a trend change. If the three lengths of moving averages are moving in the same direction, it may also be the confirmation you need that this is a tradable trend you want to take action on.

**Predicted Next Day High and Low** – On the right side of a VantagePoint chart, you may notice a gray price “bar” that uses look-ahead data to project the high and low for the next day, based on recent price action. This bar may be a clue about whether a trend will continue or turn, or it may help the short-term trader looking for a place to put stops or enter a position.



**Source: Vantagepoint A.I. Software ([www.Vantagepointsoftware.com](http://www.Vantagepointsoftware.com))**

**Making traditional indicators predictive** – Using its look-ahead price data, VantagePoint is also able to forecast what some of the most popular technical indicators might look like the next day – Relative Strength Index (RSI), stochastics, Moving Average Convergence Divergence (MACD), True Strength Index, Bollinger Bands and others. If traders use RSI to detect possible trend changes, for example, this capability can give them an edge to get into a position.

In addition, VantagePoint’s predictive indicators can be incorporated into its Intelliscan feature. Once you have selected the markets for your portfolio, you can choose the criteria you want to alert you to a possible trade. To take a long position, for example, you may want a market to have a moving average crossover to the upside less than two days ago, a positive (green) Neural Index reading and short-, medium- and long-term difference trends moving higher together. That’s my favorite combination; you can select others. Intelliscan filters through the

markets/sectors you have selected in the software to get a list of those specific moves that meet your criteria.

Cannabis1

## Intelliscan Cannabis Sector

Market	Symbol	Neural Index Trend		Long Term Difference Trend		Predicted Trading Range Direction
		Direction	Days	Direction	Days	
Auxly Cannabis Group	XLY.VN	up	2	up		both
Emerald Health Therapeutics	EMH.VN	up	2	down		both
The Hydrophocary	HEXO	up	1	up		both
Agriflora Organics International	AGRACN	down	17	up		none
Aphria	APHA.TO	down	5	down		both
Aurora Cannabis	ACB.TO	down	1	up		up
Canopy Growth	WEED.TO	down	2	down		up

**Source: Vantagepoint A.I. Software ([www.Vantagepointsoftware.com](http://www.Vantagepointsoftware.com))**

Once Intelliscan identifies a trade, you can further check the extent of a potential price move by using another VantagePoint feature called ProfitCalc. It takes only a second to calculate the dollar amount of a trade from a breakout chart point, for example, to a support or resistance area. How much would you gain or how much would you risk if a trade matches your projections?



**Source: Vantagepoint A.I. Software ([www.Vantagepointsoftware.com](http://www.Vantagepointsoftware.com))**



In addition to predictive indicators, VantagePoint offers a number of other indicator resources that visually depict market activity.

In the price category, there is volume and open interest, of course, plus several layers of verified support and resistance zones, open to close price ranges and a diagram of potential strike prices for the options trader.



**Source: Vantagepoint A.I. Software ([www.Vantagepointsoftware.com](http://www.Vantagepointsoftware.com))**

One section even includes selections from the work of such trading industry gurus as Larry Williams.

VantagePoint offers many markets and features from which to choose what you want. But, despite all the features it offers, one thing should be very clear: VantagePoint is not a magic black-box trading system. It is a trading tool. It doesn't make the asset allocation or position-sizing decisions that are critical for successful trading.



**Source: Vantagepoint A.I. Software ([www.Vantagepointsoftware.com](http://www.Vantagepointsoftware.com))**

You still have to analyze the chart and execute your own trades. Which puts the ultimate power in your hands where it should be.

The advantage of a complete trading program like VantagePoint is that the computer and its sophisticated algorithms do all the hard work for you. A long history of success and the ability to apply its technology to any market make it a program for any trader to consider. And if you need any help to understand or set up the program, VantagePoint has a long history of providing excellent customer service support and training, too. Applying the software along with training and recouping the cost should not take long. Highly Recommended.