The VectorVest RealTime Derby: A Revolutionary New Trading Tool

The VectorVest RealTime Derby is an exciting new trading tool that is destined to revolutionize the way traders see the market. It goes into action at the sound of the opening bell and keeps you abreast of thousands of stocks until the market closes. It is unlike anything you have ever seen before.

Why is it called the "Derby?" Imagine you're at a race track. The air is full of anticipation and excitement. You've studied your racing form, picked your ponies and placed your bets. The horses are at the gate and the race is about to begin. Suddenly the gun goes off. The horses break out of the gate. You cheer and you cheer for your choices to win. It's all over in a little over two minutes. You're elated if you won. You're determined to win the next race if you lost. You go back to studying your racing form.

Now let's suppose you're a stock trader and you're sitting at your computer, anxiously waiting for the market to open. You've burned the midnight oil and you've got your list of stocks to trade. The clock is ticking and you're ready to start trading. The bell rings and your screen comes to life. You're off to the races.

As a stock trader, you have several advantages compared to a bettor at a track. Most importantly, you don't have to place your bets before the bell rings. You can sit and watch how well your choices are performing before you place your bets. Wouldn't you like to do that at the track? Another advantage is that stock trading is an on-going process. Yes, you may trade only while the market is open, but the "race" goes on and on for days on end. You are in control. You decide when the "race" is over by closing your position on the stock. Another big advantage you have as a stock trader is that you have thousands of stocks from which to choose. Actually, this is a huge advantage. Winners are breaking-out all the time. All you have to do is find them. This is where the Derby comes in.

To fully appreciate the power of the VectorVest RealTime Derby, it's helpful to understand its foundation. So let's start with a little background.

For years, VectorVest has been successfully helping investors analyze the market's trend (Time the Market) and analyze individual stocks for Value, Safety and Timing. Our powerful search engine and system of Rank Analysis has consistently and easily identified the best performing stocks in markets across all time frames and investor temperaments. For a demonstration of how we've done this historically, follow this hyperlink to our weekly strategy presentation called "Best Strategies" http://www.vectorvest.com/freemovies/3259/3259.html

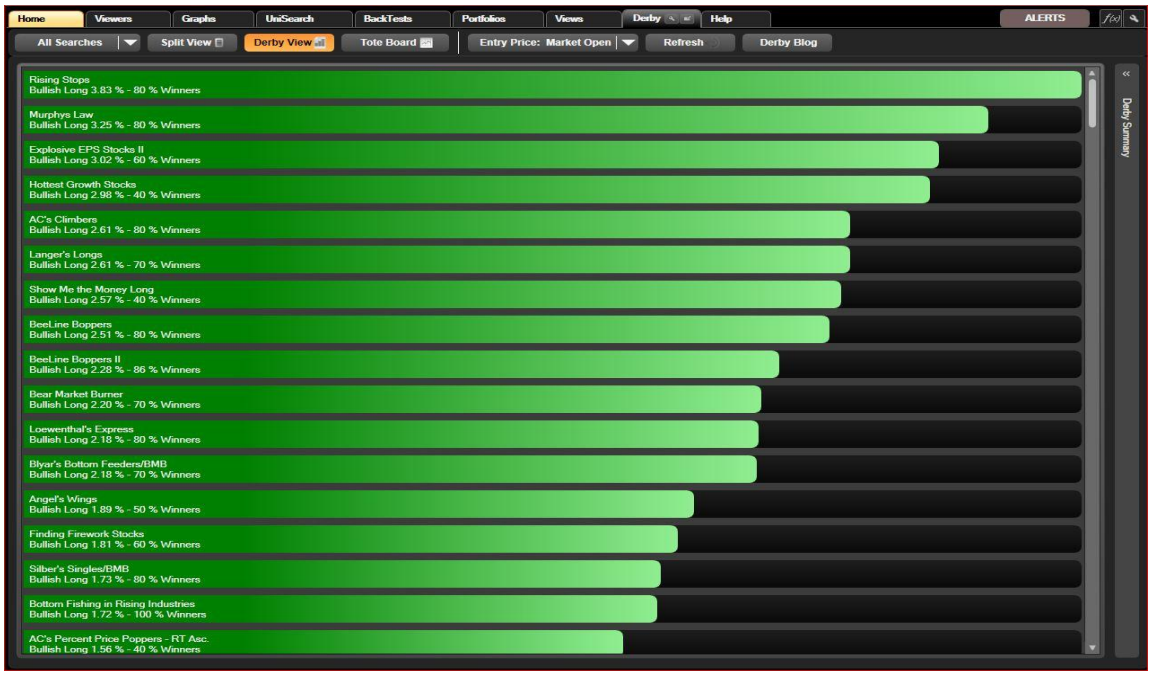
Essentially, we utilized a process of testing the daily performance of each of our 200+ strategies in the UniSearch tool and selecting from the top performers.

In August of 2008, we announced the release of VectorVest RealTime: All the same power of our proprietary indicators and powerful market but now delivered in a tick-by-tick streaming format. It wasn't long after its release, that we started using our instant portfolio feature, the QuickFolio tool, to track these best-performing searches from the market open to identify the leaders for today. As Dr. DiLiddo wrote in the Views:

> *"What I really like to do is create a variety of QuickFolios of stocks on any given day and see how they break out of the gate. Then I'll cherry pick my trades from stocks in the best performing up or down QuickFolio." –VV Views 12/5/2008*

And so the idea of the daily strategy race, the Derby, was born. We demonstrated this technique in a Strategy of the Week presentation titled, *"VectorVest RealTime Derby"* http://www.vectorvest.com/freemovies/3269/3269.html

As successful as this technique is, we weren't satisfied: it is only practical to track up to about 10 of these portfolios a day. That's good but there are over 200 stock selection strategies available as part of our scanning tool, UniSearch. We were capturing good performance but were we finding the *best* performer? This question was the genesis of our development of the Derby tool. The Derby tool takes that QuickFolio idea and puts it on steroids, testing over 180 stock selection strategies every day. A dollar-weighted portfolio is automatically created using the top stocks from each Strategy, up to a 10 stock portfolio. At the market open, each portfolio's daily gain or loss is tracked in real time and the portfolios are continuously ranked by their overall performance throughout the trading day. Here we see a screen shot of the Derby with the day's leaders at the top. As you can imagine, with a live data feed, the results constantly change and the new leaders will percolate to the top of the list.



The results can be measured based on the price change from the open or the previous night's close. This means at ANY MOMENT I know which strategies are performing best for the day. I can bet on the horse, after he's left the gate!

Getting Started with the Derby

Time Frame is a critical consideration when trading stocks. The Derby will show us today's winner, but what if we want to hold on to these positions for longer than just today? This would be perilous if today is a down day in an otherwise up-trending market. We want to hold these winners only when they are moving consistent with the market's trend. What constitutes a "trend" will vary based on the trading time-frame we would like to target – short-term, mid-term or long-term. For decades, VectorVest has been helping all types of investors and traders successfully buy low and sell high by providing a range of timing indicators that cover practically every investment style and market condition. There's no guesswork, no hunches, no predictions: Just factual, objective trend analysis. We don't just provide data, we provide *information*.

To get started, we advocate a systematic approach to all trading and use the VectorVest *system* to inform us: *When* to buy, *What* to buy, and *When* to sell.

When to Buy

Our first consideration is the market's trend. Through our more than two decades of experience, we've found this to be the most powerful influence on a traders' success. This is true whether our time frame is 1 hour, 1 week or 1 month. Our proven market timing system provides a clear signal to get you into the market when prices are low and out of the market when prices are high. The VectorVest program offers multiple timing signals over different timeframes to accommodate everyone from Day-Traders to Long-term investors. You can even develop your own combination of signals to perfectly match your temperament. We will review the core timing components below to guide you in your selection.

Getting Started: Choosing a Timer

The VectorVest system of trend analysis generates five distinct timing signals. Each signal is designed to offer a unique balance between identifying a trend early enough to maximize gain and waiting long enough to be confident in the sustainability of the trend. The more sensitive to trend change, the more frequently the signals are generated and the shorter their duration. For your convenience, we've listed several signals in order from fastest to slowest.

- **Primary Wave**: The Primary Wave is our fastest signal. It analyzes the week-over-week direction of the VVC our broad-market index
- **CGPRC Light**: Our short-trend analysis of the VVC price movement. It compares price day-over-day as well as week-over-week
- **MACD Crossover**: We apply this technical study to the price movement of the VVC
- **DEW Crossover**: Combines a 30-day WMA of the VVC price and a DPO crossover
- **MTI Crossover**: the MTI crosses above or below its neutral value of 1.
- **Confirmed Calls**: Our most conservative signal looks for 2 weeks of VVC price movement confirmed with the BSR.

Remember, the faster the signal, the shorter your implied holding period before the signal reverses. This infers the stocks you trade must be more volatile to make acceptable gains in a relatively short period. Conversely, the slower the signal, the longer the trend tends to last. And by implication, the stocks traded can be less volatile.

For more information on the Market Timing System and these signals, please refer to our special report http://www.vectorvest.com/vvonline/us/Reports/colorguard.htm

What to Buy

Once we've selected our market entry signal, we need to determine which strategies are performing the best for our outlook. This is where the VectorVest Derby really shines. Over the years, we've developed hundreds of strategies that combine hundreds of stock indicators and parameters to identify the best performing stocks in any given market condition. You can automatically run the best of all the VectorVest strategies and view their results in a clear, concise format in real-time or view the compiled results of those strategies over time. You can click on the best performing strategy, as of this tick, to drill down to the individual stocks and view a chart of that portfolio. You can easily determine which stocks the Market is currently favoring and choose the stocks and strategies that are consistent with your investment style. All this and more is available today with VectorVest's RealTime Derby! Let's take a closer look at the Derby tool.

Getting Started: The Derby Tool

Leveraging Computer Power

Every day, the RealTime Derby creates approximately 150 long strategy portfolios and 35 short strategy portfolios. At market open, each portfolio's performance is tracked and ranked by its real-time performance relative to the previous day's close or today's open. Immediately, the best performing strategies are identified-- right **now** – in any market. It is incredibly easy to use and takes active trading to a whole new level.

Graphics designed to Make Money

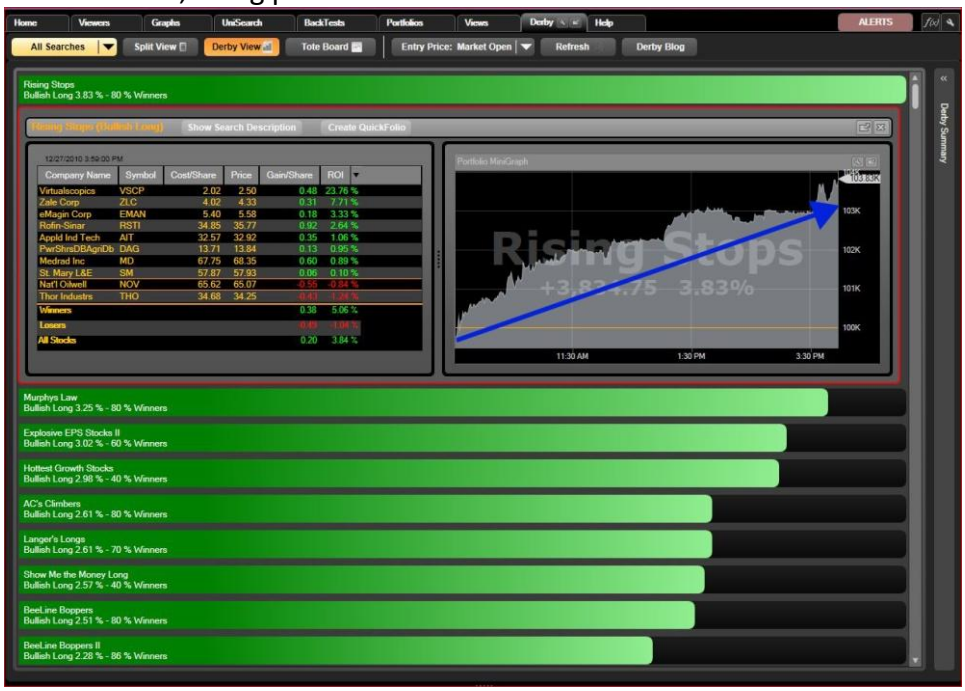
All the data in the world is useless if you can't discern its meaning. The RealTime Derby displays all of this information in a simple, intuitive format so that only a glance is required to determine the stocks to trade today. It provides multiple views so you can focus on what's important **now**:

Derby Summary -- shows composite performance of all the strategies and the component bullish and bearish searches. Who's winning so far today, the bulls or bears? (Arrow #1)

- Derby View – combines all the strategies in rank order by gain. Which is the leading strategy? (Arrow #2)

Split View – groups the Bullish strategies together and the Bearish strategies together- particularly useful for fading gaps or trend reversals.

- Click on any search and see the component stocks and an equity curve for the portfolio Favor smooth, rising performance.

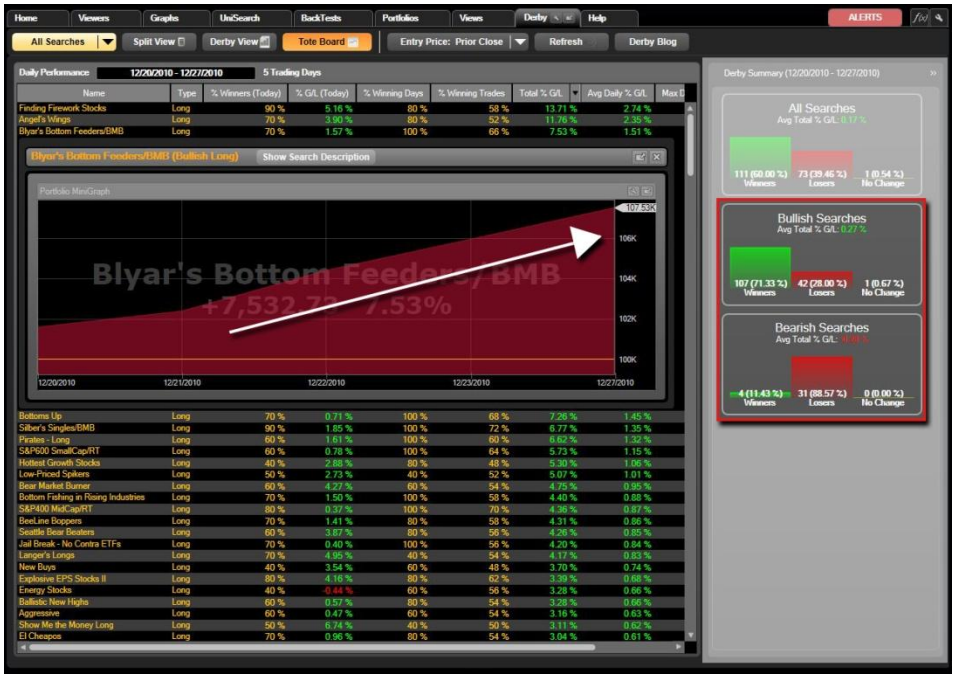


The Tote Board compiles the daily Derby performance statistics over custom time frames: days, weeks, or even months.

Name	Type	% Winning Days	% Winning Trades	Total % G/L	Avg Daily % G/L	Max Drawdown	Efficiency
Finding Firework Stocks	Long	80 %	58 %	13.71 %	2.74 %	2.35 %	45.31
Angel's Wings	Long	80 %	52 %	11.76 %	2.35 %	1.07 %	41.15
Blyar's Bottom Feeders/BMB	Long	100 %	66 %	7.53 %	1.51 %	0.00 %	66.00
Bottoms Up	Long	100 %	68 %	7.36 %	1.45 %	0.00 %	68.00
Silber's Singles/BMB	Long	100 %	72 %	6.77 %	1.35 %	0.00 %	72.00
Pirates - Long	Long	100 %	60 %	6.62 %	1.32 %	0.00 %	60.00
S&P600 SmallCap/RT	Long	100 %	64 %	5.73 %	1.15 %	0.00 %	64.00
Hottest Growth Stocks	Long	80 %	48 %	5.30 %	1.06 %	1.08 %	37.99
Low-Priced Spikers	Long	40 %	52 %	5.07 %	1.01 %	4.44 %	19.88
Bear Market Burner	Long	60 %	54 %	4.75 %	0.95 %	1.41 %	31.94
Bottom Fishing in Rising Industries	Long	100 %	58 %	4.40 %	0.88 %	0.00 %	58.00
S&P400 MidCap/RT	Long	100 %	70 %	4.36 %	0.87 %	0.00 %	70.00
BeeLine Boppers	Long	80 %	58 %	4.31 %	0.86 %	0.43 %	46.20
Seattle Bear Beaters	Long	80 %	56 %	4.26 %	0.85 %	0.58 %	44.54
Jail Break - No Contra ETFs	Long	100 %	56 %	4.20 %	0.84 %	0.00 %	56.00
Langer's Longs	Long	40 %	54 %	4.17 %	0.83 %	1.50 %	21.27
New Buys	Long	60 %	48 %	3.70 %	0.74 %	1.67 %	28.32
Explosive EPS Stocks II	Long	80 %	62 %	3.38 %	0.68 %	3.90 %	47.67
Energy Stocks	Long	60 %	56 %	3.28 %	0.66 %	0.44 %	33.45
Ballistic New Highs	Long	80 %	54 %	3.28 %	0.66 %	1.16 %	42.70
Aggressive	Long	60 %	54 %	3.16 %	0.63 %	1.19 %	32.01
Show Me the Money Long	Long	40 %	50 %	3.11 %	0.62 %	3.92 %	19.22
El Cheapos	Long	80 %	54 %	3.04 %	0.61 %	0.80 %	42.86
Dividend Payers	Long	60 %	62 %	3.02 %	0.60 %	0.59 %	36.98
BF - =S, , =B	Long	40 %	54 %	3.00 %	0.60 %	0.64 %	21.58
AC's Percent Price Poppers - RT Desc.	Long	40 %	38 %	2.89 %	0.58 %	5.13 %	14.42
Ka-Ching Ka-Ching	Long	40 %	46 %	2.87 %	0.57 %	1.50 %	18.12
Odd Fellows Long	Long	60 %	58 %	2.78 %	0.56 %	0.53 %	34.81
Bottom Fishing by Stop Reversal + B Rec	Long	80 %	66 %	2.76 %	0.55 %	0.89 %	52.26
Power Play: Triple Ups	Long	60 %	56 %	2.66 %	0.53 %	1.54 %	33.23
Sweet Spot	Long	60 %	70 %	2.62 %	0.52 %	0.17 %	41.93
Blue Chip Bargains - VST/RT	Long	100 %	64 %	2.60 %	0.52 %	0.00 %	64.00
Rising CI Stealth Stocks	Long	100 %	50 %	2.59 %	0.52 %	0.00 %	50.00
Pale Blue Chips	Long	60 %	68 %	2.58 %	0.52 %	0.40 %	40.64
Rising ETFs	Long	80 %	62 %	2.54 %	0.51 %	0.01 %	49.60
Russell 2000/RT	Long	80 %	56 %	2.49 %	0.50 %	1.77 %	44.01
Rising Stops	Long	40 %	44 %	2.34 %	0.47 %	1.76 %	17.29
Steady Eddies	Long	40 %	58 %	2.34 %	0.47 %	0.56 %	23.07
Best New Highs/BMB	Long	40 %	60 %	2.31 %	0.46 %	3.33 %	23.20
Shooting Stars	Long	60 %	38 %	2.28 %	0.46 %	2.74 %	22.35
Follow the Money	Long	60 %	40 %	2.26 %	0.45 %	0.86 %	23.79
Power Play: Double Ups	Long	60 %	60 %	2.19 %	0.44 %	1.32 %	35.53
Worst Stocks Over $20.00	Short	60 %	56 %	2.16 %	0.43 %	1.52 %	33.09
Easy Does It - C/Dn	Short	60 %	56 %	2.16 %	0.43 %	1.52 %	33.09
Price-Volume Boomers	Long	40 %	41 %	2.15 %	0.43 %	2.03 %	15.99
Blue Chip Bargains/RT	Long	80 %	62 %	2.12 %	0.42 %	0.02 %	49.59
S&P500/RT	Long	80 %	64 %	2.09 %	0.42 %	0.01 %	51.19

By default, the date range selected will be for the last 5 calendar days and the default sort ranks the strategies by the highest total gain. The date range can be customized simply by clicking on the date window and selecting beginning and ending dates using the calendar tool. The sort can be changed with one click on any column heading to rank the strategies by percent winners today, percentage of winning days over the specified date range, percentage winning trades for the strategy over that same date range, average daily gain, maximum drawdown over the date range, and the overall consistency of the strategy's performance over the date range which we call its Efficiency. We also provide Summary information for the specified time frame. This information is critical for analyzing market trend performance for extended holding periods.

Click on any search and we can graph our search's performance over the specified time frame. We want to favor smooth rising performance. For example, the figure below shows that Blyar's Bottom Feeders/BMB continues to make money even though the market gapped down at the open today.



When to Sell

There are four reasons to sell a stock in the VectorVest system:

1. The stock has reached your predetermined Stop Loss.
2. The Market Timing signal you've adopted has indicated a trend reversal.
3. The stock receives a Sell recommendation in the VectorVest system (with the exception of bottom fishing strategies).
4. Dr. DiLiddo has indicated in his daily Strategy section that it is time to move to the sidelines.

Putting It All Together

Next we'll introduce four trading approaches. Then we'll demonstrate step-by-step how these types of traders might put together a successful trading plan using the Derby tool.

First let's define 4 trading approaches.

- **Day Traders:** Day traders typically enter and exit their positions the same day. Their holding periods may be as short as several minutes to a full day. They come to the market with an expectation or bias consistent with the Primary Wave condition. However, they will be prepared to go long or short, based on the current day's market performance. They typically try to "scalp" small-percentage gains on a daily basis.
- **Swing Traders:** Typically hold positions several days. They come to the market with an expectation or bias consistent with the Primary Wave or MACD.
- **Position Traders:** Typically hold positions weeks to months. They come to the market with an expectation or bias consistent with mid-term indicators i.e. MTI or DEW.
- **Investors:** Typically hold positions months to years. They come to the market with an expectation or bias consistent with longer-term indicators such as the Confirmed Market Calls.

Day Traders

Timing:

Monitor the status of the stock market futures and their trend prior to the market open. Are they up or down? Are they rising or falling? Get a feel for the market's trend as the Bell approaches.

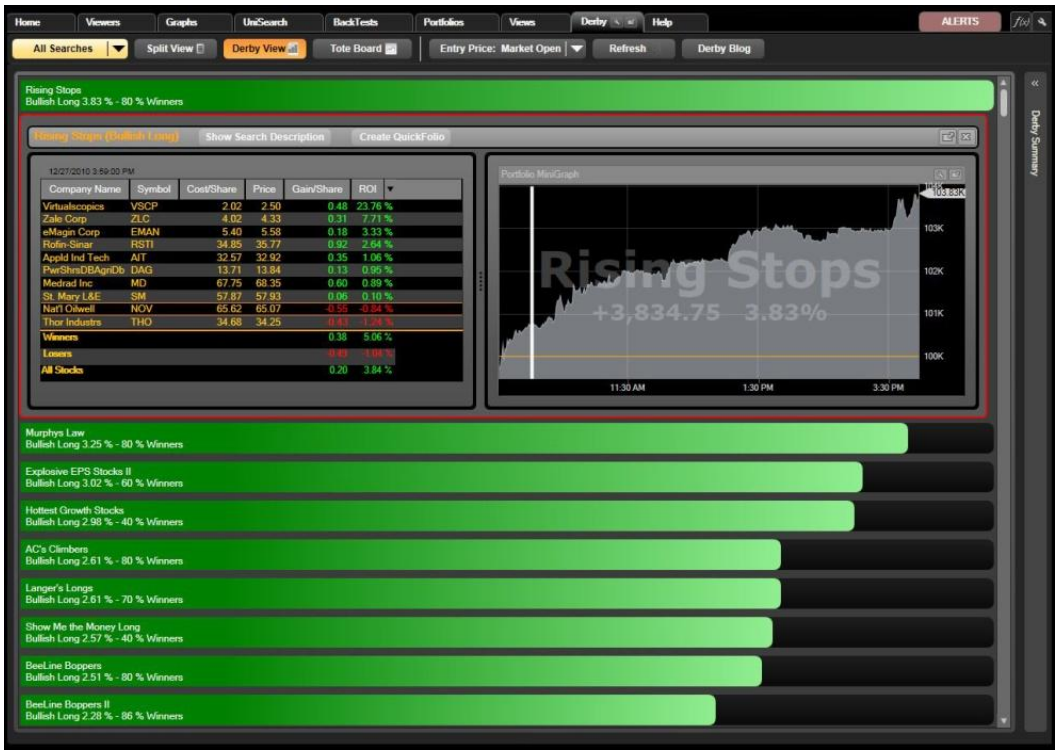
At the market open, use the Home Tab of VectorVest 7 to begin monitoring the market's movement. Our goal is to discern the market trend **no earlier than 10am**. We wait because the first and last hours of trading are typically very volatile. It also gives our best strategies time to show their stuff!

Look for congruity between the major indices (all up or all down and trending in the direction that you would like to trade), Advance/Declines in a 2:1 ratio, or better, and trending (trending up if you are bullish, down if you are bearish).

Notice that the market may gap in one direction at the open but then start trending nicely in the opposite direction – as it did below. This is an opportunity in disguise! However, if the evidence is mixed or reversing, hold off until a trend is clear. It's better to be confident than to take unwarranted risks.

Strategy Selection

Open the Derby tab. The Entry Price should be set to Market Open. Begin by reviewing the Derby Summary on the Derby View Tab. You should see a majority of the searches making money consistent with your outlook – i.e. if the majority of Bullish Searches are making gains; it's likely that the market is rising. In the figure below, it looks like the Bulls are leading the way (arrow #1). At any given moment, you will find the best performing searches right at the top of the list. Notice all the top performers are Bullish searches. Click on any strategy to view the stocks in the portfolio, as well as the portfolio's equity curve for the day (arrow #2).

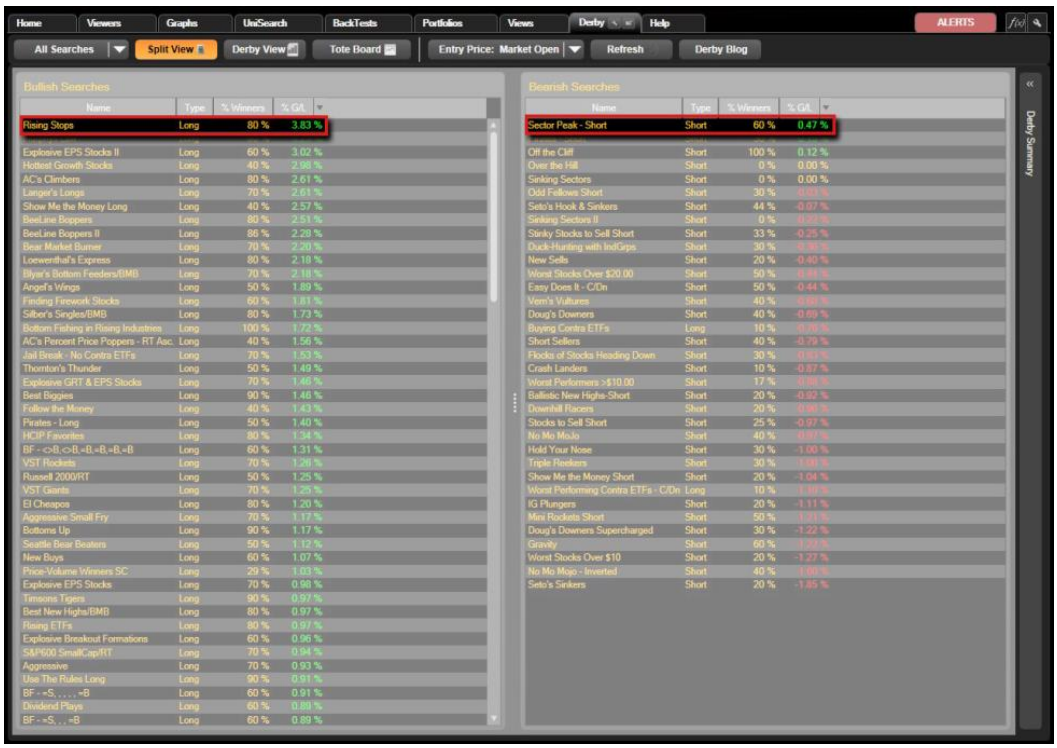


Are the majority of the stocks rising or are a few big winners pulling the load? Look at the equity curve. Is it rising?

If everything looks favorable, trade all 10 or just the stocks making gains on the day. If the evidence is mixed or reversing, consider the next strategy in the list.

The figure above, shows that at 10am the portfolio was already showing a gain and was still rising. If we had taken positions in all ten stocks, we could have captured the balance of the day's move –approximately 2.83%.

On occasion, you will find the market reversing from its initial thrust. Not to worry. Click on the Split View tab and see the search list categorized by Search Type and sorted by %G/L. Once again, the Derby will display the best performing Bullish *or* Bearish strategies-- information you won't find anywhere else.



Sell Criteria

Consider closing positions if any of the following occur:

Any position reaches a 5% loss from the cost basis.

The total portfolio value moves from a gain to a 1% loss.

Display VectorVest's Support and Resistance Indicators on the Market Timing Graph for further insight on potential reversal areas.

Swing Traders

Timing:

Unlike the Day Trader, the Swing Trader will only be pursuing trades consistent with the Primary Wave: the first pair of initials in the Trend column.

Date	Price	RT	BSR	MTI	Trend	Call
Dec 27	27.74 (G)	1.04 (Y)	1.98 (G)	1.53	UpUp	C/Up
Dec 23	27.71 (Y)	1.04 (Y)	1.97 (Y)	1.53	UpUp	C/Up
Dec 22	27.75 (G)	1.04 (G)	2 (G)	1.54	UpUp	C/Up
Dec 21	27.71 (G)	1.03 (G)	1.95 (G)	1.52	UpUp	C/Up
Dec 20	27.51 (G)	1.02 (Y)	1.70 (Y)	1.47	UpUp	C/Up
Dec 17	27.47 (G)	1.03 (Y)	1.83 (Y)	1.48	UpUp	C/Up
Dec 16	27.41 (G)	1.02 (Y)	1.78 (Y)	1.45	UpUp	C/Up
Dec 15	27.24 (Y)	1.00 (Y)	1.53 (Y)	1.43	UpUp	C/Up
Dec 14	27.39 (Y)	1.02 (Y)	1.70 (Y)	1.51	UpUp	C/Up
Dec 13	27.39 (Y)	1.04 (Y)	1.90 (Y)	1.55	UpUp	C/Up
Dec 10	27.41 (G)	1.05 (Y)	2.06 (Y)	1.57	UpUp	C/Up
Dec 09	27.23 (G)	1.04 (Y)	1.94 (Y)	1.54	UpUp	C/Up
Dec 08	27.18 (Y)	1.03 (Y)	1.89 (Y)	1.54	UpUp	C/Up

Begin by monitoring the status and trend of the stock market futures prior to the market open. Are they up or down? Are they rising or falling? Get a feel for the market's trend as the Bell approaches.

At the market open, use the Home Tab of VectorVest 7 to begin monitoring the market's movement. Our goal is to discern the market's trend **no earlier than 10am**. We wait because the first and last hours of trading are typically very volatile. It also gives our strategies time to show their stuff!

Look for congruence between the major indices (all up or all down and trending in the direction that you would like to trade), Advance/Declines in a 2:1 ratio, or better, and trending (trending up if you are bullish, down if you are bearish).

Is the current day's trend consistent with the Primary Wave? If not, we would not open new positions. This is because the market is not **following through** in the expected direction based on our signal.

We won't sell short yet because trading against the Primary Wave reduces our odds of making money as a Swing Trader. Swing Traders will simply stand aside and wait for the market trend to realign with the Primary Wave.

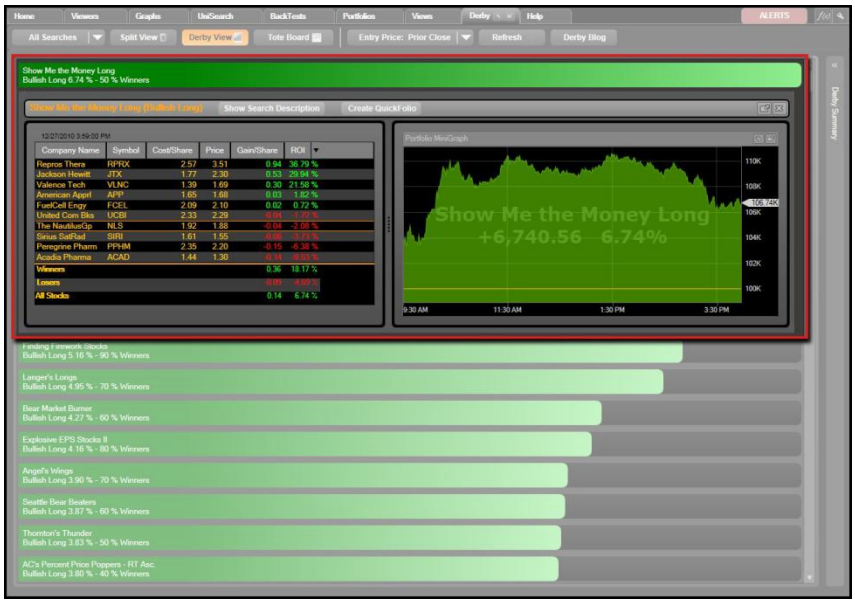
In some cases, you may notice the market gaps in one direction at the open before trending nicely in the opposite direction. If that trend is consistent with the Primary Wave, we may open positions even if it is later in the day.

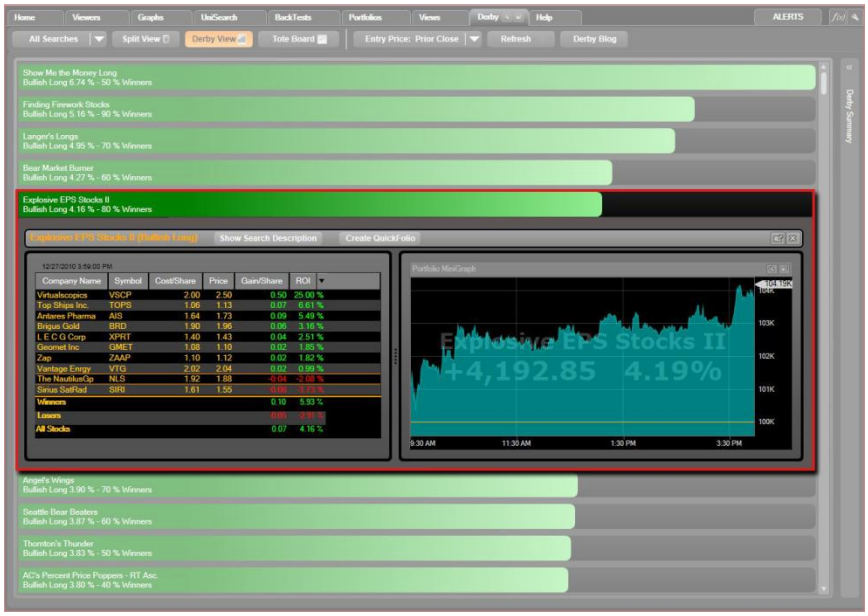
Bottom line: If the evidence is mixed or indicates a reversal, hold off until a trend is clear. It's better to be confident than to take unwarranted risks. Our goal at the end of the day is to have made gains in all of our open positions. Not only does this give us a psychological boost, it also allows us more 'breathing room' on our stop criteria.

Strategy Selection

Open the Derby tab. The Entry Price should be set to Prior Close (Arrow #1). This captures any gapping behavior since these positions will be held longer than the current day. Review the Derby Summary on the Derby View Tab (Arrow #2). You should see a majority of the strategies making money consistent with your outlook, i.e. if the majority of bullish searches are making gains it's likely that the market is rising.

At any given moment, you will find the best performing searches right at the top of the list. Notice in the prior figure all the top performers are bullish searches. Click on any search and view the stocks in that portfolio as well as the portfolio's equity curve for the day. Are the majority of stocks rising or are there just a few big winners pulling the load? Look at the equity curve, is it rising? Below, the top performing search only had 50% winners. We may also consider Explosive EPS Stocks II which had 80% winners.





If everything looks favorable, trade all 10 stocks currently in the portfolio or just the stocks that are making gains. If the evidence is mixed or reversing consider the next strategy in the list. Referring to the figure above, we see that at 10 am, the portfolio shows a 2% gain and is still rising. If we had taken positions on all 10 stocks, we would have captured the balance of the day's move, approximately 2% more at its peak. We will continue to hold these positions several days or until our exit criteria is met.

Sell Criteria

Consider closing positions if any of the following occur:

Any position reaches a 5% loss from the cost basis.

Any position reaches a 10% Trailing Stop after the price has risen more than 10% from the cost basis.

The Primary Wave changes direction.

Position Traders and Investors

Timing

Like all users of the VectorVest system, Position Traders will never trade against the market timing signal they're using. In addition, they only buy stocks when the Primary Wave is Up - evidence that the trend is still strengthening. Instead of selling short in down markets, they often will move to cash.

Prior to the market open, monitor the status and trend of the market futures to confirm the current day is consistent with the longer term timing signal. Are they up or down? Are they rising or falling? Get a feel for the market's trend as the Bell approaches.

At market open, use the Home Tab of VectorVest 7 to begin monitoring the market's movement. Our goal is to discern the market's trend **no earlier than 10 AM**. We wait because the first and last hours of market action are typically very volatile. It also gives our strategies time to show their stuff!

Look for congruence between the major indices (all up or all down and trending in the direction that you would like to trade), Advance/Declines in a 2:1 ratio, or better, and trending (trending up if you are bullish, down if you are bearish). Is the trend consistent with the primary wave?

Is the current day's trend consistent with the Primary Wave? If not, we would not open new positions. This is because the market is not **following through** in the expected direction based on our signal.

We won't short the market because our longer-term signal does not tell us to go short yet and trading against this signal reduces our probability of success as a Position Trader. We would simply stand aside and wait for Primary Wave, as well as the current day's trend to line up with our main timing signal.

Bottom line, if the evidence is mixed or reversing hold off until the trend is clear. Better to be confident to take unwarranted risks.

Strategy Selection

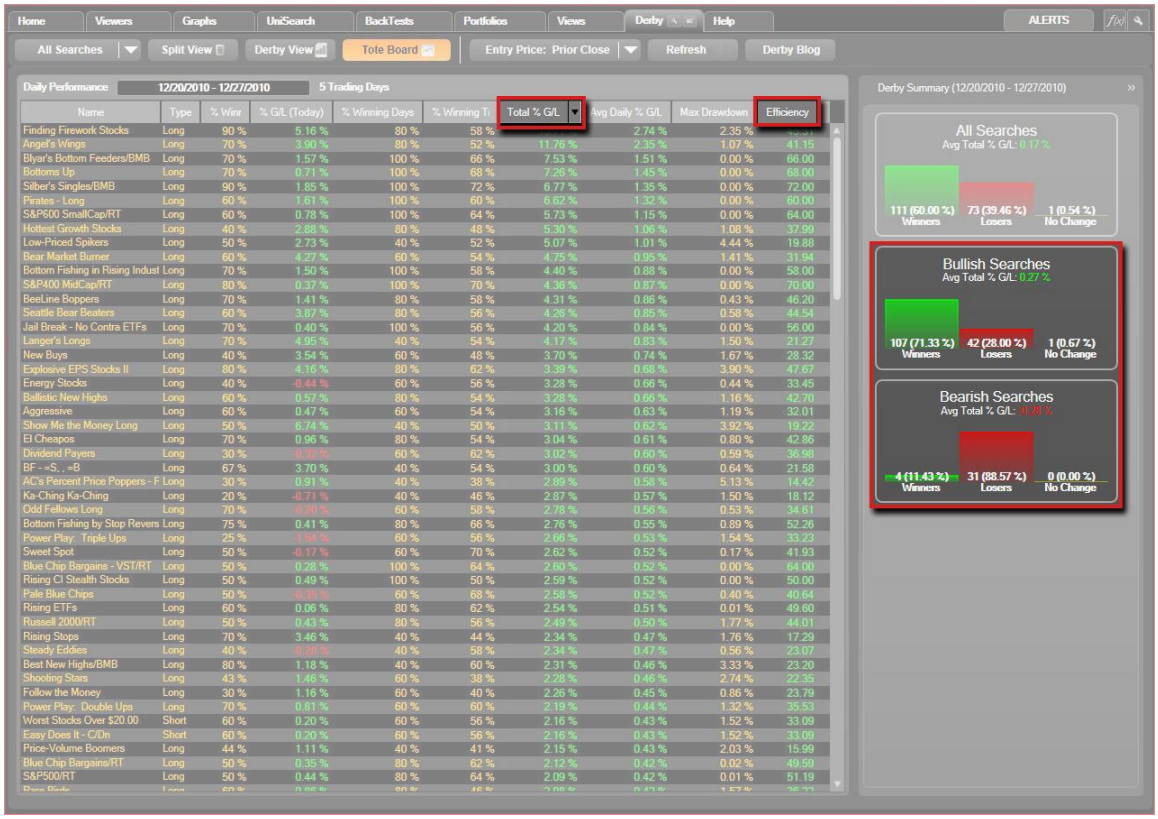
Because our holding period is longer, we will modify the way we use the VectorVest Derby to identify strategies that have been performing over a longer time frame.

Open the Derby tab. The Entry Price should be set to Prior Close. The Derby tool will now calculate performance on a close-to-close basis. This captures any gapping behavior since these positions will be held longer than the current day.

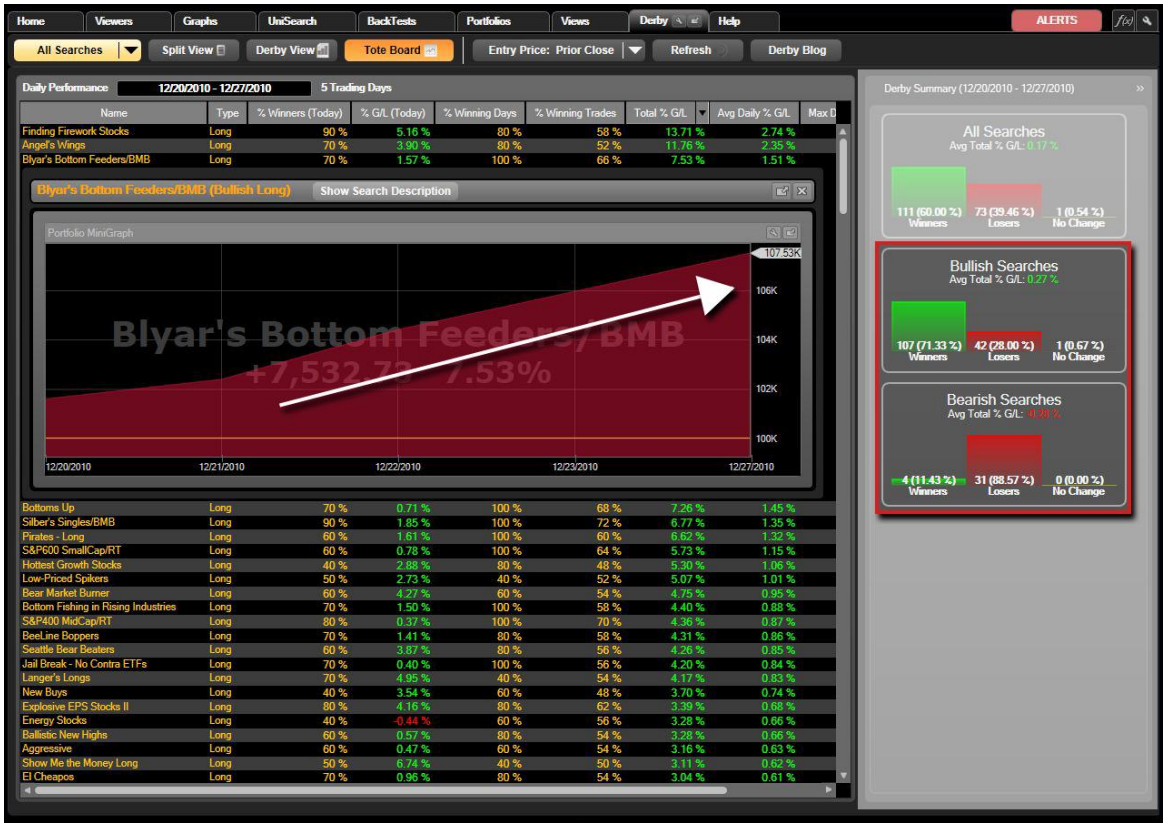
Click on the Tote Board Tab. The Tote Board tallies the *daily* performance of all the strategies in the Derby tool. By default, it will 'totalize' the past 5 trading days of data. In this example below, our Derby Summary, shows a majority of bullish strategies making money. This confirms a bullish trend over the past 5 days. An even mix of bull and bear strategies showing gains is a classic indication of a weakening/transitioning market trend, and a reason to be cautious.

The highest-gaining strategies over the last 5 trading days are at the top of the list. But we should also look beyond the total gains, to the consistency of each strategy's performance. The Efficiency Factor combines % Winning Days, % Winning Trades and Max Drawdown.

Ranked by highest total gain, Finding Firework Stocks is the top Strategy. It has a very good Efficiency score of 45.31, but before we make a final decision, we might also consider Blyar's Bottom Feeders/BMB or Bottoms Up. While their total gain is lower, they made money each of the past 5 trading days and have a much higher Efficiency score.

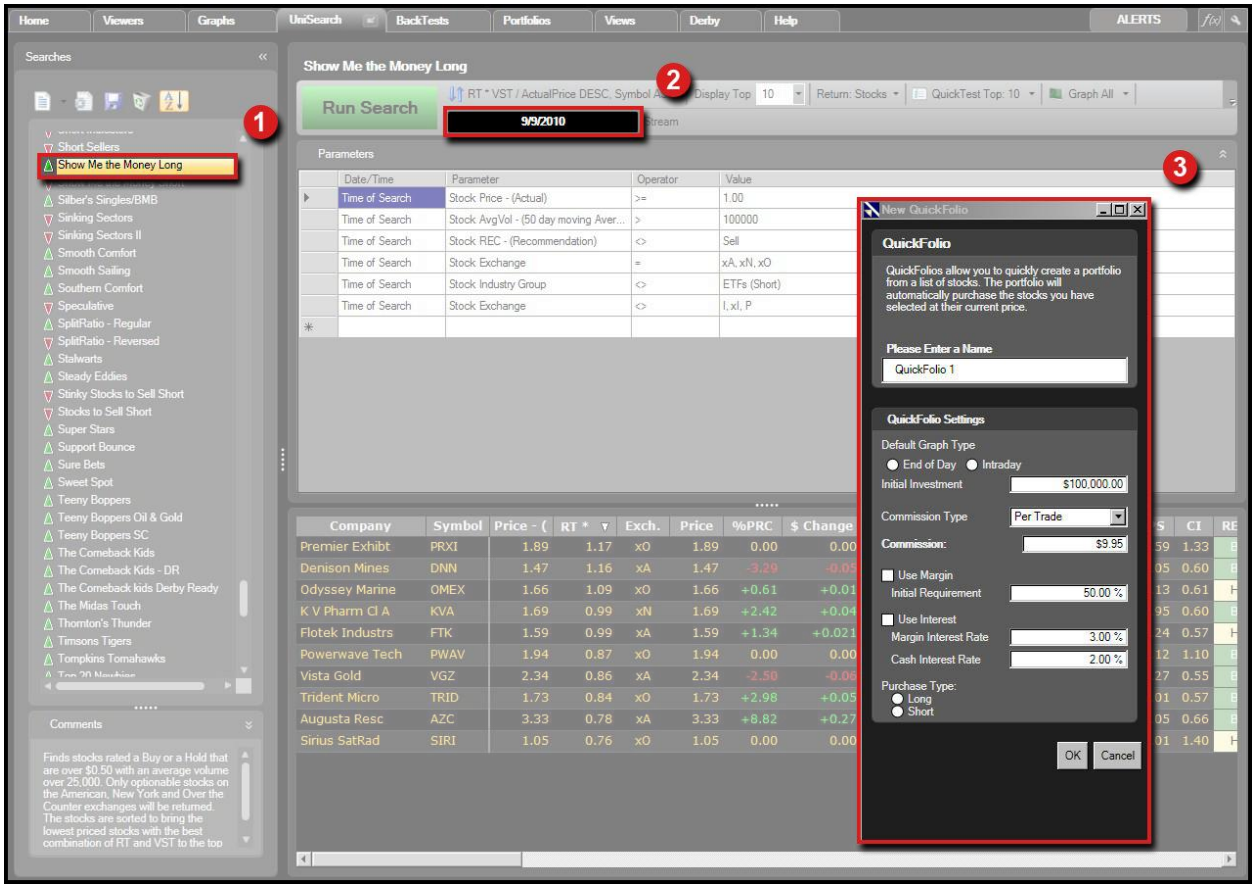


If we click on Blyar's Bottom Feeders/BMB , we can look at its 5-day equity curve and see the smooth upward pattern we favor.

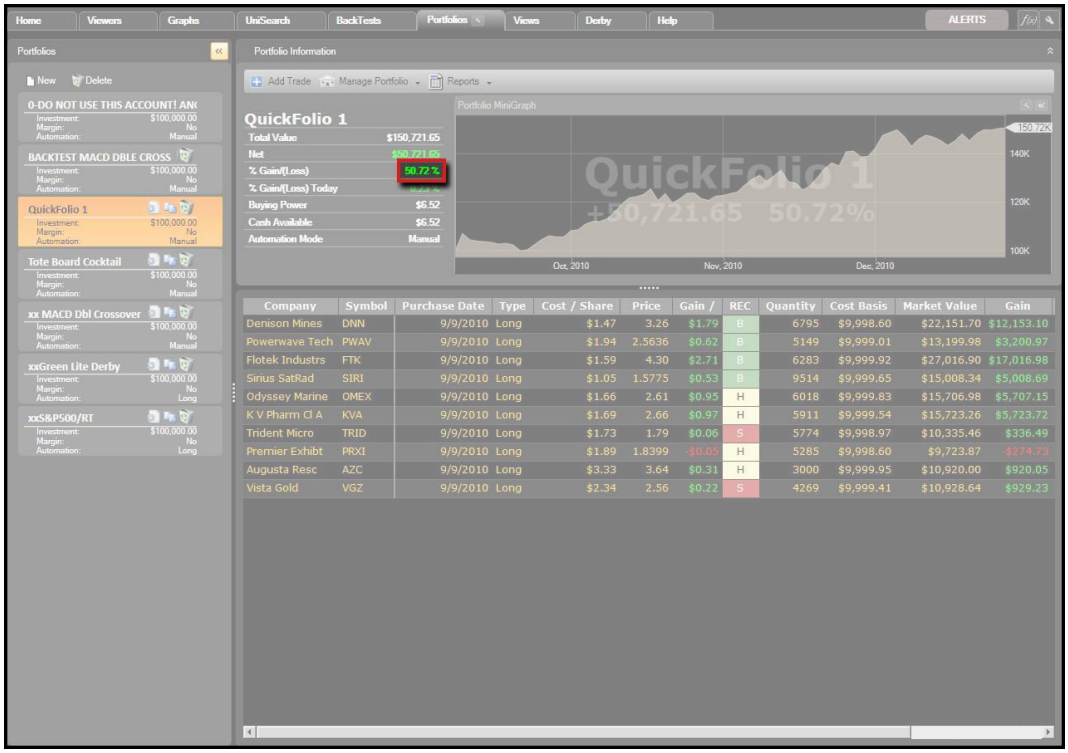


To demonstrate how this technique works, let's examine a case study from our most recent confirmed up call, on September 9, 2010. We will enter this signal date as our end date in the Tote Board and enter a starting date 5 days previous. This replicates what we would have seen on the evening we received the Confirmed Market Up Call. Notice the Derby Summary is bullish and our top performing search, Show Me the Money Long, has nice gains and a strong Efficiency score.

Using the UniSearch Tab in VectorVest 7, run the “Show Me the Money Long” strategy just as you would have the evening of the 9th.



To track the performance of these stocks going forward, create a QuickFolio of the top 10 stocks by using the QuickFolio Menu on the local toolbar.



A 50.72% gain in approximately 4 months. This is annualized rate of return of over 150%!

Of course, you don't have to do this during the trading day, all of your strategy analysis can be done in the evening in just a few minutes. Once you've decided on a strategy, run it, then look at the charts of the top 10 selections. Cherry pick the stocks that you like best and use the News button on the graphs to be fully informed before you trade. Go to your brokers website to place your trades, entering Buy-Stop-Limit orders to reduce risk. If you aren't ready to trade yet, you can use VectorVest 7's Portfolio features to paper trade and track your trading results for as long as necessary. When you're comfortable opening a position, confirm the market direction and then place orders for the stocks in your paper portfolio that are rising.

Sell Criteria

Consider closing positions if any of the following occur:

Any position reaches a 50% gain or a 20% loss from the cost basis. Tighten stops if the market trend weakens.

The Market Timing Signal you've selected reverses.

Conclusion

The VectorVest 7 Derby offers a revolutionary approach to real-time trading. Never before has the retail investor had so much power available in such an easy to use, intuitive format. The ability to easily identify stocks that are making money at any time –in any market –is the most powerful weapon investors can have in their arsenal.