



## Trading One Step Ahead!

### VectorBull

Timing is undoubtedly a major factor in successful trading. And you would have the perfect timing for a trade if you knew what would happen next on the stock markets. Will prices rise or will they fall?

■ VectorBull, the new tool of Spring Technologies GmbH, creates its forecasts claiming to know what will happen next on the stock markets before others do.

The makers of this system are moving towards a new pattern recognition approach:

Thanks to a vector data analysis, historical and real-time quotes are fully and thoroughly analysed. As a result, you get chart patterns with a high success and repetition rate.

#### **The Main Advantage of this Pattern Search**

These are not the usual well-known "textbook" pattern studies, but through timely analysis of each potential data formation, a previously unknown pattern is extracted. Thus, the information available is actually used 100% and no current influence is overlooked.

VectorBull comes with 2 versions, a Real-Time Futures version and an End-of-Day version, analysing Indices, Equities, Futures and Forex.

The Real-Time Futures version (at €1,250 in the mid-level price range) focuses on a selected number of liquid Futures. These are the DAX, Euro Stoxx, BUND, FTSE100, SMI, EURO, MINI DOW, MINI S & P 500, NASDAQ MINI, MINI RUSSELL2000, British Pound, BOBL, Gold and Mini Crude Oil . The data feed is integrated into the product with no additional monthly fees.

After an easy-to-handle 60 MB download, VectorBull first proceeds with some data updates and backups before allowing you take initial action. Now we have the choice to do a quick tour through the ready-to-use scenarios provided by the developers – or to directly create an scenario of our own.

To explore the possibilities of VectorBull, we will immediately create a scenario. A wizard guides us through the configuration. We choose a market, the DAX Future in this case, choose a timeframe (setting the rhythm for the forecasts), then the forecasting period (setting the extension of the forecast - for example, a parameter "2" in a 30-minute chart means

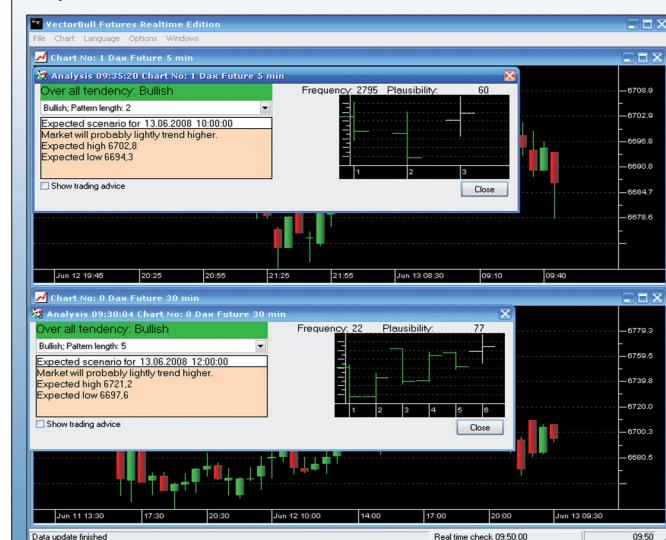
that VectorBull will create a forecast for the next 60 minutes). Finally, we have to choose between two modes of operation of VectorBull, the indicator mode and the trading system mode.

In indicator mode, VectorBull continuously forecasts, shows patterns found and indicates probability of success with these patterns. This is the ideal mode for traders who have their own set of systems and indicators in place and who use VectorBull only for confirming their trading signals. Those users are recommended to align VectorBull's timeframe with the timeframe of their own trading. So, when you're trading a 5-minute chart, VectorBull also provides you with a forecast every 5 minutes (provided the program discovered a pattern, which is not the case with every bar). Certainly you can run a second scenario in parallel with VectorBull if, for example, you want to use a 30-minute chart as a trend confirmation for your initial 5-minute scenario.

In our second attempt, we create a scenario in the so-called Trading system mode. With our parameters chosen above (DAX, 30-minute bars with a forecast period of 5), however, we now need to have some patience and a high-performance computer. The program estimates a 2-hour timeframe for the initial backtest (our test system: Pentium Dual Core 3 GHz), before we can finally conduct our first real-time analysis using the new system.

With this, we recommend applying the ready-to-use scenarios, coming with the program for your first few experiments. All the calculating has already been done here and you get much quicker results. When the backtest is finally completed, it is easy to set the framework of the trading system. Different stops (Stop Loss, Trailing

## F1) Charts



This is the view of two charts. The pattern analysis indicates which trend predominates and which new highs/lows are expected.

Source: [www.vectorbull.com](http://www.vectorbull.com)

Stop, Profit Stop) are available as well as entries via Market, Stop or Limit. Furthermore, there are filters that can be applied – e.g. to only have patterns with more than 75% probability. A trading system

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## TOOLS

**F2) Trading System Orders**

This shows a summary of the current orders. The current position's entry point and profit are listed.

Source: www.vectorbull.com

summary and performance graphs give you an overview of the success of the system. Once your adequate system is found, you only need to monitor the tab "Orders". Here you can watch new orders in real time and keep informed about the current position held by the trading system.

The factory-supplied trading systems operate at different frequencies, some even with relatively wide stops and overnight positions. They seem to perform very well, but need to be watched over a longer time period.

On the whole, it is obvious that the VectorBull Real-Time Edition only targets day traders. For an investment style à la Kostolany, this tool is not appropriate.

Things are somewhat calmer with the Stocks Edition. Its analysis is based on daily data, so orders can comfortably be placed before the markets open. Hence a permanent monitoring of the markets is not necessary. The Stocks Edition (€500), also uses the two modes of

operation "Indicator mode" and "Trading system mode." The principle is the same as in the future version: It can be used as an accompanying indicator or as an independent trading system. The Stocks Edition also comes with numerous trading systems, including those on the VectorBull website (<http://www.vectorbull.com/livetradings/>), updated daily.

These systems are good starting points for the exploration of VectorBull, as with the rich selection of securities (over 30,000), there is the difficult question of where to start. The securities are broken down into different equity markets and in the list "Daily", there is a wide range of indices, forex, ETFs and futures.

The backtest in the Trading system mode is much faster than in the Futures version, and there are also some features, e.g. the settings window for the trading system, that we already know from the Futures Version. Here you can customise any trading system a little to adapt to your own preferences: For example, with relatively tight stops, positions are closed much earlier, resulting in a higher trade frequency – while wide stops significantly reduce the frequency.

One can see that the figure relating to the forecast period has a significant influence on the results of the trading systems (for example, of two systems in crude oil, one with a horizon of 5 (equivalent to a week) and one with a horizon of 10 (equivalent to 2 weeks): Performance and the total profit are clearly distinguishable. Responding to an inquiry, the developers of VectorBull confirmed that with different forecast periods and settings, up to 10 different systems can easily be created for a single security. With over 30,000 securities \* 10 = 300,000 trading systems, this is probably a life-time task.

With so many trading systems there is something for everyone. The trade signals from VectorBull can be implemented in many ways. CFDs are one of the most flexible and cheapest options. Therefore VectorBull partnered with CMC Markets to make new customers the offer of opening an account with CMC Markets as a special edition of VectorBull for free.

### Conclusion

With VectorBull some life has finally been breathed into the Chart Pattern Recognition segment. This approach, leaving the common and (perhaps) no longer functional path of pattern analysis, is promising. The vector analysis is self-adjusting on a continuous basis as the latest data is always involved in the analysis. In its practical approach, VectorBull aims to meet the growing need for sophisticated and easy-to-use technology. Hence, VectorBull comes with a multitude of profitable trading systems. Coping with the software is fairly easy to learn.

It would still be highly desirable – at least for the Futures Real-Time version – to have an automatic order connection. Such Trade Automation orders could automatically be forwarded to the broker. For more information go to the website [www.vectorbull.com/eng](http://www.vectorbull.com/eng).

### Scenario

VectorBull saves the charts and trading systems in a so-called scenario. All settings are saved there and can be retrieved immediately.

**F3) Trading System Settings**

Here, the development of a trading system is shown. In the field above the corresponding settings can be made.

Source: www.vectorbull.com