PRODUCT REVIEW

VectorVest 7
The Jockey Club, RealTime Derby, and RoboTrader

VECTORVEST, INC.
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Minimum system requirements:
Listed at website
Pricing: See website for details

by Matt Blackman

FIGURE 1: REALTIME DERBY. Here you see the best-performing portfolios in the Derby in real time 49 minutes after the market open, showing a short portfolio—with "crash landers" in the lead. You can choose which portfolio you think will most likely perform best, and you can buy the stocks in that portfolio without leaving the VectorVest software. The default number of stocks in a portfolio is 10.

VectorVest 7 (US version) is a subscription-based stock analysis and portfolio management system. It's delivered via software that provides the active trader or investor with a wide array of powerful tools to analyze, sort, rank, and graph stocks from a database of approximately 8,000 US stocks with more than 19 years of data. There are three versions available: end-of-day, intraday (15-minute delayed), or real-time (see my past review of Vector-Vest 7 and VectorVest plugins in the May 2014 issue of STOCKS & COMMODITIES which subscribers to this magazine will find online at Traders.com).

THE JOCKEY CLUB

The Jockey Club is a live, daily webinar for VectorVest 7 users that shares and demonstrates ideas and techniques on how to make money actively trading stocks using the VectorVest RealTime Derby. The Derby automatically ranks the real-time performance of over 180 dynamic portfolios, each returning 10 top stocks meeting a unique set of fundamental and technical criteria.

The Jockey Club begins at 9:00 am ET Monday through Friday, 30 minutes before US markets open. It consists of multiple sessions that generally last 120 minutes, and viewers follow along as the instructor buys and/or sells stocks and monitors how the portfolios perform through the trading day, into the close. A wide variety of trading and money management methodologies are discussed. So not only is it a great way to see how VectorVest 7 works as a trading platform, the Jockey Club provides valuable, hands-on, real-time trading experience.

The top-performing portfolios are traded live following an analysis of premarket activity through the opening bell. You get step-by-step guidance on market direction, stock selection, and major market news as you follow along while the day's trades are prepared and placed. A diversity of trading techniques are demonstrated, from short-term trades lasting a few minutes, to longer-term entries and exits for swing trades and buy & hold positions.

VectorVest instructors demonstrate a detailed premarket trend analysis producing a clear directional bias—bullish, bearish, or neutral. That bias is confirmed after the open using the VectorVest Color Guard (a gauge of market direction), the advance/decline ratio in the VectorVest stock universe, the direction of the VectorVest composite, and a proprietary market timing indicator. After the day's movers and shakers are identified and analyzed, a process for performance tracking and a final assessment is explained to help participants trade the market trend with the best-performing portfolios.

Sector and industry rotations are analyzed to allow traders to hone in on the best-performing stocks in those groups. The idea is to use a top-down approach for selecting stocks that have the best probability of making money in the current market in the sectors or industries that are moving the fastest.

REALTIME DERBY

The RealTime Derby plugin for VectorVest 7 is an active trader's tool that provides users with a real-time ranking of built-in strategy performance. The Derby helps traders find strategies with the highest returns, highest percent winners, minimum drawdowns, and highest overall efficiencies each day using time frames from one minute up to daily and weekly. In short, it allows traders to quickly zero in on the best-performing stocks in any type of market and desired time frame.

The Derby offers five ways to analyze strategy performance: *today's derby* analyzes performance of strategies since the daily open; *day trading* analyzes daytrading returns for stocks over a set period; *buy and hold*, which, as the name implies, buys and holds stocks over a preset period; and *vary the start date* and *sliding window* both allow traders to vary the time frame to be examined. Users can quickly determine which strategies have performed best for periods from the current intraday to a maximum of 90 days of history.

As you see in Figure 1, the Derby builds

horizontal bar graphs (or spreadsheets) showing which strategies are performing best in your desired time frame and tracks real-time portfolio performance.

For example, Crash Landers is a shorting strategy that returns overvalued stocks with low growth rates and negative earnings growth. These stocks are trading between $6 and $20, with a VectorVest relative value less than 1, a growth rate less than 1, and earnings per share less than zero. By 10:19 am on March 8, 2016, this basket had earned 7.65% (Figure 2).

VECTORVEST ROBOTRADER

RoboTrader, a new add-on module in VectorVest, allows Jockey Club viewers to buy baskets of stocks with the click of a button when linked to their brokerage account directly from the VectorVest platform (Figure 3). TradeStation and TradeKing brokerages are the first to work with RoboTrader in the US, however, more brokers are being added. RoboTrader will also be functional in Canada but no firm launch date was available at the time of this review.

Using RoboTrader is as simple as choosing a top-performing portfolio, trading the stocks you wish RoboTrader to sell (or buy) for you, selecting whether you wish to use limit or market orders, checking limit prices (if using the first choice), and hitting the *trade* button. The program then goes to work filling your orders. RoboTrader then tracks the performance of each stock, showing individual and overall portfolio gains (or losses). It also monitors your progress on an equity chart in real time.

SIT BACK AND ENJOY THE RIDE

The VectorVest Jockey Club takes the guesswork and heavy lifting out of the trading experience. Thanks to the Jockey

You get step-by-step guidance on market direction, stock selection, and major market news as you follow along while the day's trades are prepared and placed.
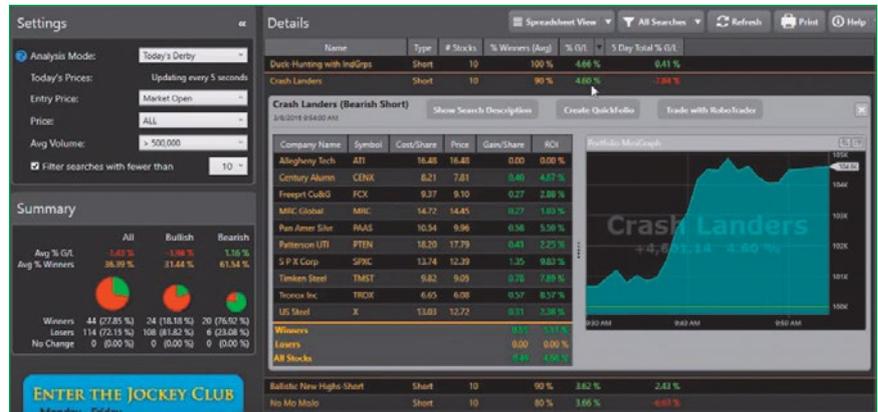
FIGURE 2: STRATEGY PERFORMANCE. This screen displays a graph of the portfolio that showed an overall gain of 7.65% by 10:19 am.

FIGURE 3: THE ROBOTRADER. Here you see the RoboTrader screen with an intraday chart of a Jockey Club portfolio on March 8, 2016, up 2.70% just after 10:10 am.

Club, traders can build real-time, real market experience in making trades: first with experienced traders to guide them; second, with paper trades in a simulated account; and finally, when they are ready, by themselves.

With the new RoboTrader plugin, the job of applying fundamental and technical trading analysis is seamlessly paired with a brokerage account to allow you to quickly and easily buy and sell baskets of stocks with the push of a button. It is important to point out that before using real money to make trades, you first trade a simulated account within RoboTrader, and you become familiar with FINRA's daytrading margin requirements and rules for pattern daytraders at www.finra.org.

Thanks to this functional metamorphosis, VectorVest has graduated from a stock analysis and charting platform to a trading application complete with all the tools that most

traders will need to get the job done.

Matt Blackman is a full-time technical and financial writer and trader. He produces corporate and financial newsletters, and assists clients in getting published in the mainstream media. He has earned the Chartered Market Technician (CMT) designation. You can find out on Twitter what stocks and futures he is watching at www.twitter.com/ RatioTrade or email indextradermb@ gmail.com.

FURTHER READING

Blackman, Matt [2014]. "VectorVest 7.0," product review, *Technical Analysis of* STOCKS & COMMODITIES, Volume 32: May.

‡VectorVest
‡See Editorial Resource Index