

Gavin's VSA Trading Plan – Extended Edition (Tom Williams additional comments)

My Purpose

My purpose is to empower my fellow traders and investors with the knowledge, belief and confidence instilled in me by the master, Tom Williams. I want all who connect with me to be consistently profitable in the markets, be happy and to help others know the truth about the markets, the herd and the smart money.

YOU GET PAID TO WAIT / BE PATIENT

Mission Statement

- I am very grateful for everything I have today and gratefully expect more to come.
- I will share the information imparted to me by Tom Williams with my fellow brothers and sisters who seek me or who connect with me.
- I will make money in the markets and assist others to do the same.
- I will excel at trading and will become a hedge fund manager in 2 years.
- I will act with integrity, honesty and fairness in all my dealings with others.
- I will achieve my monthly and yearly financial goals and will always control my own destiny.
- I will travel the world and teach what I know to others so they too may become financially independent.
- I will connect with other like minded people who have the same desires and aspirations that I have.

My mission

To live a purposeful, meaningful and enjoyable life and enjoy all I have and graciously seek more of what I want. To love my friends and family and be a good husband, father, brother, son, boss, friend and teacher. To understand that the universe is abundant and to know that every single person on this earth is important and should be treated as such. To understand and master the universal laws and always connect with the higher power and know that I can empower myself and others to have a great life.

Always remember:

BULLS MAKE MONEY!

BEARS MAKE MONEY!

PIGS GET SLAUGHTERED!!!

MONEY NEVER SLEEPS!

Remember Ali Baba and the forty thieves – don't be greedy!!

“The market is devious and many times you will buy on good news only to lose money and sell on bad news only to see the price rise soon afterwards, and that is because “Smart Money” understand crowd behavior and take full advantage of “The Herd”!!

Tom Williams

BEWARE OF THE NEWS

SWOT Analysis

Strengths

- I have knowledge, the skill and the patience to succeed in the markets.
- I am able to read the charts and follow the smart money.
- If I was to lose my account it would not affect my lifestyle or cause financial hardship.
- I have the support of my wife in my trading.
- I have created multiple income streams through businesses and investments
- I BELIEVE in myself and am grateful for the abilities I have.

Weaknesses

- I can still be impatient and sometimes I lose focus.
- I sometimes try to multitask which I am not good at.
- I can overtrade and I need to recognize this when it is happening.

Opportunities

- I am in a financially stable position and each year have gone from strength to strength.
- Through the knowledge imparted to me by Tom Williams I have created many opportunities and have connected with some wonderful people.
- I know the universe is abundant and that I can have everything I desire if I believe and take MASSIVE ACTION on my thoughts of prosperity and happiness.

Threats

I foresee no threats to my future and live each day in eager anticipation of more great things to come.

Goals

Personal

- To live a purpose driven life and meet other great people who have the same desires and aspirations that I have.
- To have a great relationship with my wife, Laura, and all my children, family and all my friends.
- To empower all who connect with me so that they may truly understand how precious life is and to enjoy every moment.
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Trading

- To become one of the best traders and fund managers in the world.
- To build an automated VSA trading system that does not rely on human decision making.
- To open, trade and manage an institutional hedge fund.
- To improve upon the current version of TradeGuider and build an institutional trading platform, TradeGuider Professional.
- To clearly identify VSA principles when markets are being manipulated and post YouTube videos in advance of the move to warn the uninformed traders and investors.
- To improve my returns on my accounts each year.

SMART CENTER Trading Strategy

Wait for trend alignment in at least four timeframes paying the most attention to the large timeframe you are monitoring. Swim with the current, DO NOT fight the trend of price. A TREND goes on a lot longer than one thinks, so trade with the trend, the trend is your FRIEND.

Always monitor more than one timeframe. The markets are FRACTAL. Look for trend alignment in multiple timeframes. Remember that STRENGTH APPEARS ON DOWNBARS (a down bar is defined in VSA as a price bar that has CLOSED lower than the CLOSE of the previous bar) and WEAKNESS APPEARS ON UP BARS (an up bar is defined in VSA as a price bar that has CLOSED higher than the CLOSE of the previous bar)

WAIT for your bus to arrive. If you waiting for a number 10 bus and number 6 arrives do not get on the bus. In trading and investing YOU are paid to be patient.

The most important price bars to identify are price bars with massive volume and narrow spreads. Note the spread of a bar is the high and low of the bar and should not be confused with the bid/ask spread. If the bar closes in the middle this is incredibly significant.

On an up bar as defined previously, the next bar should close lower, this is selling.

On a down bar as defined previously, the next bar should close higher, this is buying. When trading currencies monitor both SPOT FX and currency futures together. The SPOT FX will move a few seconds before the futures and gives you valuable time to get into a trade.

Pay particular attention to SOW (Sign of Weakness) number 58, The Trap Upmove. It is a trap laid by the professionals or Smart Money. Wait for the market to break the low of the Trap Upmove price bar and mark this level on your charts. Then look for No Demand at this level or Upthrusts which confirms the weakness.

Always look for trigger numbers, they are areas where the big money is positioned.

When SMART CENTER PRO identifies the following trade set ups, especially in big timeframes (weekly, daily, 240 min and 60 min) BE PREPARED FOR A TRADING / INVESTING OPPORTUNITY.

End of a Rising Market
Trap Upmove
Reversal Over Two Bars

Bag Holding
Climactic Action
Stopping Volume
Test in a Rising Market

Markets and Stocks I will Specialize In

Markets

Currency Futures traded on the CME Group Exchange.

Key Currencies

AUD/USD
GBP/USD
EUR/USD
JPY/USD
CAD/USD

E-mini Futures

E-mini S&P

E-mini Dow

E-mini Nasdaq

E-mini Russell

Commodities

Gold
Silver
Oil
Wheat
Corn

Stocks

The following stocks will be my core portfolio to watch and look for set ups, however I will use the VSA stock scanner, indicator scanner and sector scan to identify high probability VSA set ups.

JP Morgan
British Petroleum
Bank of America
Apple
Google
Research In Motion
AIG
Caterpillar
Cisco Systems
Goldman Sachs
Westport Innovations
Microsoft

VSA Strategies and Core Timeframes

1. On every chart, look initially for Yao Ming Bars on the highest timeframes (Yao Ming bar is an ULTRA HIGH volume bar, the higher the volume the more potential for a large move.)
2. Begin the 25 bar count from the UH volume bar.
3. If going short because the UH volume was on an up bar, look for No Demand bars and Upthrusts for confirmation. (This is especially powerful if the ND and UT are at the same price level as the UH bar which will act as serious resistance)
4. If going long look for UH volume on a down bar, narrow spread is a very strong signal, then look for Stopping Volume and No Supply bars.
5. Wait for a change in market behaviour (trend change). Identify distribution at the top and look for the mushroom, short as the mushroom declines at the far edge of chart.
6. Identify accumulation at bottom and look for saucer shape being formed, go long as the price moves into the right edge of the saucer.
7. Short on any core VSA sign of weakness. Look for trend change three timeframes.
8. Go long on any core VSA sign of strength. Look for trend change three timeframes.

Multiple Timeframes

CME Group Currency Futures

Highest timeframe – 240 minute

60 minute – key trend timeframe

15 minute (execute for swing trade position)

5 minute (execute in fast moving market)

E-mini Futures

Highest timeframe – Daily chart (This is for trend channel placement, looking for unusually high volume in the background if price action is approaching that level now.)

240 minute - looking for trend alignment with daily chart.

60 minute - looking for trend alignment with 240m chart.

15 minute – Identify ultra high volume bars.

5 minute – (execute position intraday)

3 minute – (use only if market is moving fast after news)

Commodities

Monthly – Looking for ultra high volume.

Weekly – Looking at ultra high volume and trend.

Daily – Looking at trend and execution.

240 minute – key execution chart.

Stocks

Monthly – Looking for ultra high volume.

Weekly – Looking at ultra high volume and trend.

Daily – Looking at trend and execution.

240 minute – key execution chart.

60 minute – Looking at trend and execution.

30 minute chart – trading intraday only.

Key VSA sequential trade set ups – long and short – indicator number does not matter

(visible within 25 to 35 bars)

Short

Set up 1

End of a Rising Market

Upthrust

No Demand

Set up 2

End of a Rising Market

No Demand

Upthrust

Set up 3

Buying Climax

No Demand

No Demand

Set up 4

Buying Climax

Upthrust

No Demand

Set up 5

No Demand

No Demand

Trap Upmove/Weakness Based on Price Action

Long

Set up 1

Bag Holding

Stopping Volume

No Supply / Test

Set up 2

Bag Holding

Test

No Supply

Set up 3

Bottom Reversal (second bar must close higher than top of first bar, first bar has higher volume than second bar)

No supply

Test

Set up 4

Bottom Reversal (market rally's instantly no test)

Stopping Volume

Test in a Rising Market

Set Up 5

Selling Climax (market must rally above high of climactic bar before entry confirmed)

Test

No Supply

Money Management

I will not risk more than 2.5% of my capital in any one account in any one trade

I will not risk more than 6% of my capital in any one account in multiple trades.

I will close a losing trade quickly and treat it as a cost of doing business in the market.

I will never take a loss personally.

I will never get angry because a trade went against me.

I will learn from the losing trade but will not dwell on it.

If I make three consecutive losing trades I will cease trading and re-examine my plan.

I will never revenge trade.

I will allow a winning position to run using the chandelier stops and H stops in TG.

My key objective is to get my stop to break even then small profit without getting stopped out.

I will use a minimum of a 2:1 risk reward ratio

I will evaluate my trades every Saturday and will identify high probability set ups for the following week.

Final Thoughts

“Most people get interested in stocks when everyone else is. The time to get interested is when no one else is. You can't buy what is popular and do well.”

Warren buffet

“In which it is shown that if you scrap traditional approaches to the market and *attack* the financial conspiracy with its own weapons, you can beat the stock exchange insiders at their own game”

Richard Ney

"The story is told that after he had been deported to Italy, Infamous New York City gangster Lucky Luciano granted an interview in which he described a visit to the floor of

the New York Stock Exchange. When the operations of floor specialists had been explained to him, he said, 'A terrible thing happened. I realized I'd joined the wrong mob''

Charles “Lucky” Luciano

6th May 2010 – Dow drops 1000 points in minutes and all the stops are caught, but most stocks do the same thing, and all is blamed on a “fat finger” futures trader trading the CME e-Mini Futures with 16 Billion contracts!!!!!!

Bartiromo stated what is never said on CNBC or mainstream media.

“This really sounds like Market Manipulation to me, this is outrageous!”

Maria Bartiromo – CNBC - May 2010

“Everyday investors wonder if market is rigged”

MSNBC 11/21/2010

“I will not get sucked into buying market tops and selling at market bottoms because I know the intrinsic relationship between the imbalances of supply and demand and the footprints left by the “Smart Money”. I know the game on Wall Street and will win it, every time I trade or invest. Fail to plan, plan to fail – I will follow my plan and adapt the plan as necessary to current market conditions. A plan is work in progress, just like living life, so I will treat each new trading session as a new opportunity”

Gavin Holmes

Tom Williams simple rules VSA Plan

I will look for any key VSA principle that shows me that a market is undergoing heavy accumulation or distribution by professional money.

I will trade any market where a strong VSA principle has appeared.

The strongest principles are:

To short:

End of a Rising Market on ultra high volume narrow spread into fresh high ground. (If we see an upthrust or No Demand into the same price area this is a very good short).

Buying Climax on ultra high volume (especially if seen on a big timeframe like a daily chart – e.g Gold chart (GC Futures daily 10th August 2011)

The Upthrust into prior resistance on ultra high volume followed by No Demand

To go long:

Bag Holding – If the news is very bad I will buy instantly, no confirmation needed.

Selling Climax followed by lower volume down bars into the same area as the selling climax, buy any bar when the volume is lower than average volume, stop below the bottom of Selling Climax.

Bottom Reversal when both bars are on high or ultra high volume followed by a test, buy the first test after the Bottom Reversal.

Things I always keep in mind:

I immediately close a trade if it starts going against me (maybe because I got in too early).

I always use a stop loss.

I will stay in a trade until I see an opposing principle that will stop the trend trade I am in.

I don't ever get emotional about my trading.

I know I am not 100% right but I am very close!!

I enjoy helping other traders and investors to learn the 30 years of knowledge that I have gained.

All the principles that you can see on a chart in hindsight will be there in foresight so BELIEVE in VSA as I do and you will not go wrong.

Tom Williams