



### YTE Software Review: Vantage Point

By: Terry Wooten | On: January 30, 2018 | In: Expert Advice, Most Popular, Technical Analysis | Comments: 0

#### Software Overview and Background

VantagePoint is a premier technical analysis trading platform that has stood the test of time since its first version was introduced nearly 30 years ago in 1991. It was developed by Louis Mendelsohn, an acclaimed trading software pioneer who blew onto the technical analysis scene in 1983 when he unveiled the world's first commercially available trading software that performed strategy back testing and optimization on personal computers.

Beginning in the late 1970s, he was an active commodities trader so his back testing software focused solely on individual commodities markets, handling nuances specific to commodities trading including testing of actual contract months with rollovers as well as testing for lock limit conditions.

As a multi-million dollar trading software industry emerged, with a plethora of competitive programs featuring back testing as the backbone of computerized technical analysis, Mendelsohn had already moved on to conceptualizing his next generation trading software.

Instead of examining one market at a time using back testing, he began to explore the dynamic interconnections between related markets and the extent to which they simultaneously affect a specific target market that is under consideration for trading.

The global stock market crash of 1987 helped validate his concepts about these global market interdependencies, but he wanted to apply more rigorous mathematics to the challenge than using simple, linear correlation analysis between any two markets. His idea was to explore how multiple markets all simultaneously affect a specific target market, which correlation analysis could not do.

This led him to explore the mathematical application of artificial intelligence, and specifically what has recently become known as deep learning neural networks to his multi-market analysis approach now referred to as Intermarket Analysis.

VantagePoint was the first commercially available intermarket analysis software program and the first of its kind to incorporate artificial intelligence into technical analysis software.

Over the past several decades since [VantagePoint](#) was first released, Mendelsohn has expanded it to include commodities, individual stocks, ETFs and Forex pairs. With each new version he and his company's development team has been enhancing VantagePoint's user interface and improving its predictive accuracy at forecasting market trend direction and prices in advance, based on the software's AI-enabled, non-linear, intermarket analysis capabilities.

The recently released Version 10.0, like its predecessors, takes the software further in that direction with enhancements to the interface and to the underlying AI-engine that drives the software's documented forecasting capabilities, predictive accuracy and performance.

## New Features, Enhancements and addition of Cryptocurrency forecasting

The overall theme for the Version 10.0 VantagePoint is customization and modernization. The program looks sleeker and newer. You can do virtually whatever you want. You can open a few charts or open hundreds of charts in as little as a few seconds. The options are endless. It's now easier to work with both portfolios and VantagePoint's IntelliScan feature.

It operates **much** faster than before because you aren't downloading data for everything in your market tree. You download the data when you open a chart. Computing for IntelliScan is done in the cloud now so it loads much faster. You don't have to wait for all the markets to load before you can manipulate the IntelliScan.

It has an overall modern look and feel with cleaner-looking charts that are now more customizable than ever. A new tooltip feature makes chart information easier to see and use. There are larger individual charts and more charting opportunities due to the new appearance of the software's proprietary predictive indicator known as the Neural Index. This is the most user-friendly and visually-appearing version of the software that is now compatible with all the latest versions of Windows.

Another exciting aspect of this latest version is that it now forecasts three exciting new markets in the cryptocurrency space – Bitcoin, Litecoin and Ethereum with the same high level of predictive accuracy that VantagePoint has been able to achieve with all of the other markets it covers.

## Artificial Intelligence meets Intermarket Analysis

Artificial intelligence is now a buzzword, but it's been the heart and soul of VantagePoint for decades. VantagePoint's intermarket approach relying on artificial intelligence looks forward with leading technical indicators rather than backwards with trend-following, lagging indicators. This gives VantagePoint's users a distinctive edge over other traders still limited to using a single market back tested approach.

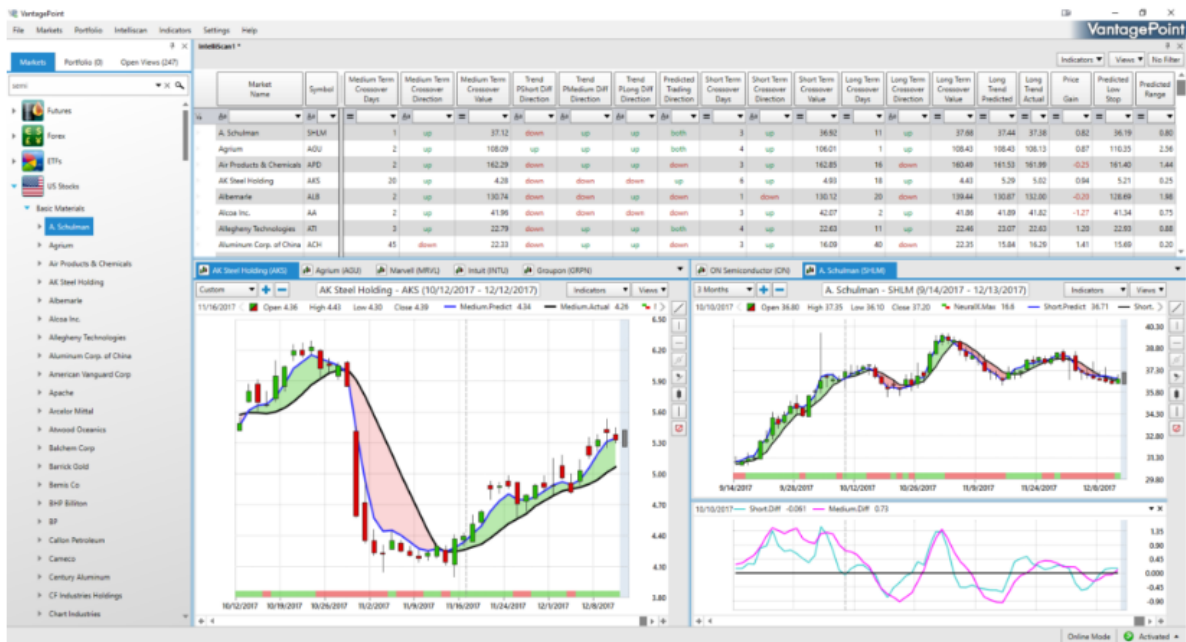


Figure 1: Top region displays the results of the IntelliScan which sifts through thousands of markets and stocks to identify the ones that meet the criteria you set. Everything is easily customizable with no programming needed. In the lower region VantagePoint forecasts the trend direction (red and green shading indicates direction) and trend changes when the shading goes from green to red or vice versa.



Figure 2: Top region displays clear forecast of trend direction and trend changes with high predictive accuracy. Lower region forecasts the next day's Price range. Knowing when a trend will begin, its direction and what the next day's range is likely to be

## Leading the Trend

Lagging Indicators show what the market has done in the past few days, making it difficult for traders to figure out what the trend will be in the future. VantagePoint turns the predictive data from the application of its patented neural network training process into Leading Indicators that can provide early alerts that the market momentum may be shifting. The software clearly indicates that a trend is getting stronger or weaker, and when a change in trend direction is imminent.

VantagePoint software features leading indicators for more than 600 markets in forex, futures, stocks and exchange-traded funds. One of the software's features, IntelliScan, makes it easy for a trader to select from more than 70 filters when scanning markets for a potential trade.

When the scan targets a trade that matches the criteria that has been set, the trader can click to go to the chart to see if it's the right time to execute a trade. This new version upgrade to this feature is a really significant one. It allows IntelliScan to load faster because computing occurs in the cloud. You can download data for the chart you call up, allowing you to manipulate the IntelliScan faster.

The program's strength, however, is its leading technical indicators which come from the forecasting capabilities of AI's neural network analysis. The leading indicators involve predicted short-term and long-term moving average crossovers. When a predicted moving average crosses an actual moving average, it suggests an impending trend change. VantagePoint produces the optimal moving average combinations. Users, however, can choose their own combinations from six predicted exponential moving averages of typical prices and three actual simple moving averages of the daily close.

The Predicted Next Day High and Low Indicators forecast the trading range for the next day, allowing a trader to identify precise entry/exit points and stops to mesh with short-term forecasts by other indicators.

## Neural Index, a true Predictive Indicator

The Predicted Neural Index, or PIndex, may be VantagePoint's most valuable leading indicator. PIndex compares the present day's actual three-day moving average with a predicted three-day moving average. This forecasts whether the typical price will be up or down two days in the future.

The PIndex has a well-documented predictive accuracy of up to 86% on a broad range of markets during many different time frames. VantagePoint's predictive accuracy statistics have been verified over the years in certified, independent and scientific studies conducted by Ph.D. mathematicians and other experts.

Although I love the user-interface and functionality of the software, what really matters is the ability to forecast market movements with a high degree of accuracy. I have seen many 'pretty' products that fall short when it comes to producing results. To ensure that my test was thorough and that I could be satisfied that there was no luck involved, I did two things to prove to myself that this product lived up to its forecasting accuracy statistics.

- **I tested over an extended period of time.** For the purposes of this test the time frame was June 1, 2013 – December 1, 2017. I wanted to have multi-year testing so that I could truly evaluate consistency, which is what a lot of traders and strategies lack.
- **I tested a multitude of financial instruments including stocks, commodities and ETFs.** In my experience, I have seen where a particular strategy or methodology can work in certain markets, but not others. VantagePoint touts a high predictive accuracy across all of these verticals so I wanted to put that to the test.

I am pleased to report that over the several years tested and across the markets and stocks tested I was very pleased – even impressed – with the results VantagePoint delivered. Below is a summary of the accuracy study broken down by market segment for the period 6/1/2013 to 12/1/2017. Of the markets and stocks tested, the Share Price Index 200 had the highest predictive accuracy at 82.4% with American Airlines close behind at 82.2%. The lowest accuracy was 78.8% over the nearly four years tested and there were several markets at that accuracy level.

Individual US Stocks	
American Airlines	82.2%
Iron Mountain	80.9%
General Growth Properties	80.9%
Energy Transfer Partners	80.9%
CBOE Holdings	80.9%
Beacon Roofing Supply	80.9%
Western Digital	80.8%
Steel Dynamics	80.7%
Southwest Gas Holdings	80.7%

<b>Exchange Traded Funds (ETFs)</b>	
Consumer Discretionary SPDR	79.6%
Market Vectors Retail ETF	79.5%
SPDR S&P 500 Growth	79.4%
iPath S&P GSCI Crude Oil Total Return IDX ETN	79.2%
SPDR S&P Transportation ETF	78.9%
Midcap SPDR Trust	78.9%
SPDR S&P Aerospace and Defense	78.8%
SPDR S&P 500 Semiconductors	78.8%
Market Vectors Semiconductor ETF	78.8%
<b>Commodities</b>	
Share Price Index 200	82.4%
Hang Seng	81.7%
RBOB Gasoline	80.5%
Light Sweet Crude Oil	80.4%
E-Mini NASDAQ 100	80.3%
E-Mini DJIA	80.2%
Canola	80.2%
VIX Index	80.1%
U.S. Treasury Bonds	80.0%

As you can see, I did not take the easy path of testing just one or two stocks. This exhaustive review and testing was a lot of work, but it was required in order to determine whether or not VantagePoint and its predictive indicators would help traders and investors become more successful if they had access to this software's trend forecasting capabilities.

I can report that the software does live up to its published accuracy measures and while this is not the 'holy grail', as there is no such thing, VantagePoint will provide a definite statistical advantage that I have not seen elsewhere.

Mendelsohn holds two patents on aspects of VantagePoint. One covers his company's proprietary computerized processes for applying neural networks to global intermarket data. The second involves his invention of predictive technical indicators through the use of neural networks.

VantagePoint is a first-class tool to use to build profitable trading strategies. The improvements in VantagePoint version 10.0 illustrate how far the program has come since 1991 and leaves us wondering what dazzling new features and capabilities will appear in the years ahead.

### **Summary**

In summary, VantagePoint is a very powerful tool built on Mendelsohn's long-standing reputation in the trading software industry as the 'godfather of computerized technical analysis'. If you are serious about your trading, believe that globalization of the markets is here to stay, and want to build your net worth, you should strongly consider joining the thousands of other VantagePoint users worldwide who have moved beyond analyzing each individual market with lagging, trend following indicators of the last century when 21<sup>st</sup> century technologies of artificial intelligence applied to intermarket analysis of global markets are available. An intelligent trader or investor should have no problem recouping the cost of the software quickly. Highly Recommended.

**For More Information Visit: [www.VantagepointSoftware.com](http://www.VantagepointSoftware.com)**

**Phone: 813 973-0496 or 800-732-5407 for US and Canada**

**Email: [Info@VantagepointSoftware.com](mailto:Info@VantagepointSoftware.com)**

*Request a free live demonstration via website*

***Terry Wooten is a former managing editor/commodities for Dow Jones Newswires, former editor-in-chief for Futures World News and former London editor for Futures Magazine. He currently writes about the financial markets and new technologies being applied to technical analysis.***