

## MarketVolume Uncovers Price Signals in Trading Data

NEW YORK — In MarketVolume, a product of **Highlight Investments Group**, investment management firms have a way to see the impact of volume on pricing of leading indexes. This view of the market becomes important when large institutional firms buy or sell, creating significant surges in the price of securities based on those indexes.

“Nobody has a guarantee on when an event will occur, but if we can see one side of volume accumulating either on the buy-or-sell side, MarketVolume is helpful because it shows definitive spikes in volume counts that show when a price is primed to bounce back the other way,” says John Howe, Vice President, **Advisor’s Capital Research Inc.**, a Woodstock, Conn.-based investment management firm.

Advisor’s Capital began using MarketVolume in early 2006 after looking for a better volume perspective, according to Howe. MarketVolume’s ability to evaluate volumes over different lengths of time attracted Advisor’s.

MarketVolume’s indicator, the SBV Oscillator [Selling and Buying Volume], can produce charts of securities and indexes for time ranges from just two hours to as long as 10 years, with time ranges in-between of 1-, 5-, 15-, 30- and 60 days, and 3- and 6- months as well as 1-year, 18 months, 2 years, and each year thereafter through 10 years. The SBV Oscillator sets 20 percent increases or decreases in volume as the thresholds for issuing buy or sell signals to users.

These signals serve not just as a means to make profit but also to preserve capital and prevent losses. “The SBV Oscillator for the last year hasn’t missed any upturns or dropdowns,”

says Victor Kalitowski, Chief Operating Officer, MarketVolume. “In February, when the Dow and indexes had dramatic losses, it was very clear. On February 20, the SBV Oscillator dropped below 20 percent and generated a sell signal. Only on March 7 did it generate a buy signal again.”

Users can choose among time ranges they chart using the SBV Oscillator based on whether they want to generate more or fewer trades, explains Kalitowski.

“For those who would like to generate more trades, we would recommend a lower time view selection like 15 days,” he says. “If they want to generate fewer trades, they would select 18-month view or a longer time frame.”

The SBV Oscillator covers the **Nasdaq 100**, Internet and Market Makers indexes; the **S&P 500**, 100, Mid-Cap 400, Small-Cap 600, Movers, Large Cap and Leaders Indexes; the **Dow Jones Industrial Average**, Transportation and Utilities indexes; the **NYSE**, Nasdaq and AMEX exchange indexes; the **Russell 1000**, 2000 and 3000; and gold, oil and semiconductor indexes.

Based on its 20 percent plus and minus thresholds, when the SBV indicator declines below minus 20 percent, it enters a short position for the user if they are not already short on the index in question.

When the indicator comes back up above minus 20 percent, it enters a long position; when the indicator rises above 20 percent, it also will enter a long position, and when it declines below 20 percent, it enters a short position.

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The charts that the SBV Oscillator generates feature the index itself above another smaller chart with the user’s personal SBV Oscillator indicator activity above or below the plus or minus 20 percent thresholds.

The activity is highlighted in red and green colors for easy visual understanding, with red meaning sell (or short) and green meaning buy (or go long).

The indicator related the magnitude and duration of volume surges to a time span three times longer than the timeframe the user is charting. A user analyzing a one-day chart would have surges defined by a three-day timeframe.

The SBV Oscillator can be used to evaluate the performance of any trading system or strategy, such as one that a user has custom built based on their personal trading style and risk tolerance, by scrolling back in history on the indicator’s charts.

The SBV Oscillator also allows MarketVolume to analyze volume in real time. “Volume activity during the day is different; it’s higher in the morning, lower at lunch and again higher at the end of the session when people are closing position,” says Kalitowski.

“On an intra-day basis, it’s become a little difficult to analyze volume because of this volume fluctuation. So in real-time, we analyze past history, define the normal fluctuation and filter it to show users what is normal.”

By monitoring market conditions throughout the day, MarketVolume makes it possible for **Bennett Financial Advisors**, a Brookline, Mass.-based firm using its product, to get a much better entry position. “It’s very easy to use and it’s good for

getting different frames,” says Jarratt G. “Jerry” Bennett, Wealth Manager, Bennett Financial Advisors.

“There are drop down menus to change your timeframe or index and also manipulate the various other off sitters they have. MarketVolume is one of the few tools I found that is effective. There’s no perfect tool in the marketplace but this provides real-time info which I really can’t get elsewhere. It’s helpful in providing very low-risk pension [funds] a view to which side of the market they want to be on.”

MarketVolume developed a volume tutorial through the past several years that is now available to its users.

“There’s an explanation of the nature of the volume and what is driving it – why it’s generated and what generates it,” says Kalitowski. “Step-by-step guidelines help analyze and understand the volume.”

As a result, MarketVolume can highlight abnormal volume activity. “If you see something abnormal on the market – like a huge volume spike or something else, that means something is going on,” says Kalitowski.

“Somebody is buying in order to profit, or a huge panic is going on and people are selling. At that time, a trader may define what’s going on and place a trade up or down.”

In addition, SBV Oscillator users can experiment with the chart settings and critical levels on the indicator, adjusting for stages of the market, type of trading and risk tolerance.

MarketVolume also offers a daily “Market Stage” report, which summarizes SBV Oscillator values over certain highlighted time periods, as well as value analysis over the course of the day, a daily analyst tip and a financial press overview. □