



TRADE NAVIGATOR

by Genesis Financial Technologies

Volatility Breakout Library

Finally Strategy Development and Back Testing Just Got Easier!

Volatility Breakout Library

Basics

Volatility is loosely defined as the amount of risk in a given market. If a market (stock or commodity) can move from one value to a MUCH higher/lower value in a short period of time, depending on the market, it would be considered a high volatility market (more risk, quicker profit). If the market takes a larger amount of time for the prices to move significantly, then it would be considered a low volatility market (less risk, steady profit, with longer term positions).

What you get with the Volatility Breakout Library

1 Volatility Strategy

This library includes only 1 Strategy based on AVERAGE RANGE values of a specified amount of time. That means that it trades based on whether or not the security's (stock/commodity) prices break above (long positions) or below (short positions) its AVERAGE RANGE values. A breakout of its range values, for some, means that the volatility has increased. When AVERAGE RANGE values rise, the market is making more dramatic moves (price fluctuations) in a shorter amount of time.

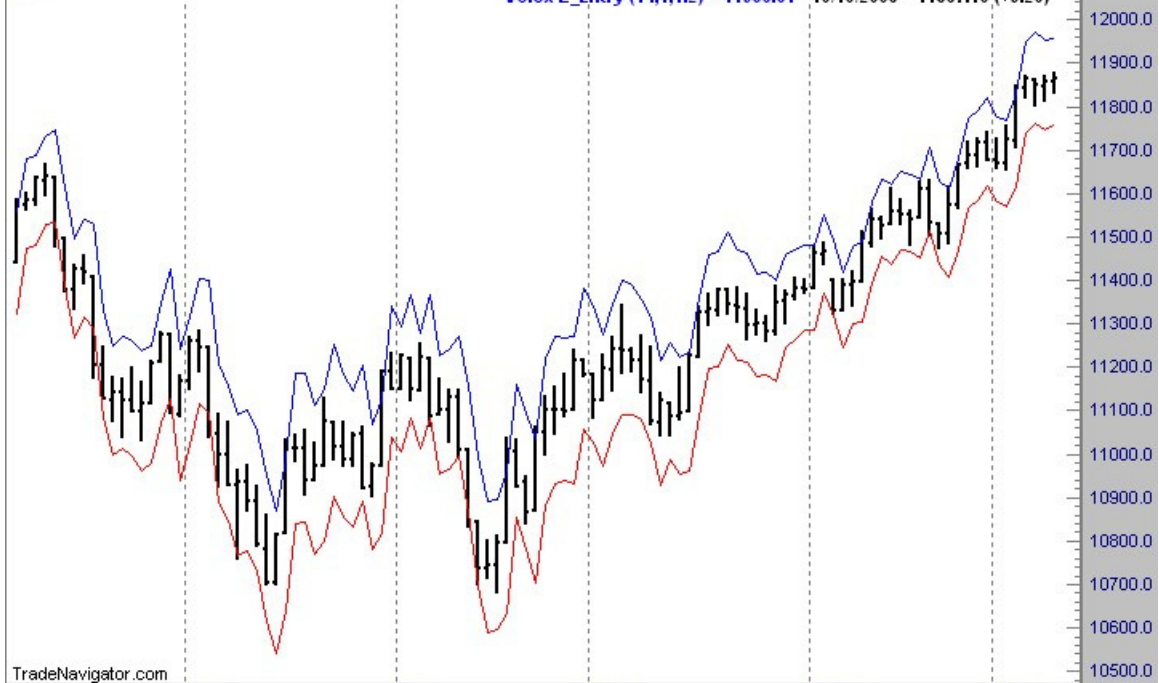
In the screen shot below the blue line represents the prices at which our Volatility Strategy will enter the market long. The red line represents the price at which we will enter a short position.



\$DJIA: Dow Jones Industrials Index (Daily bars)

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Volex L_Entry (14,1,1.2) = 11956.61 10/10/2006 = 11867.10 (+9.20)



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Volex (Volatility Strategy)