

The ABC's of VSA: Stop Management

By Lauren Snedeker

Today's Objectives:

Use and understand:

- The H Stop Tool
- The Chandelier Stop
- Stop Placement
- Profit Targets

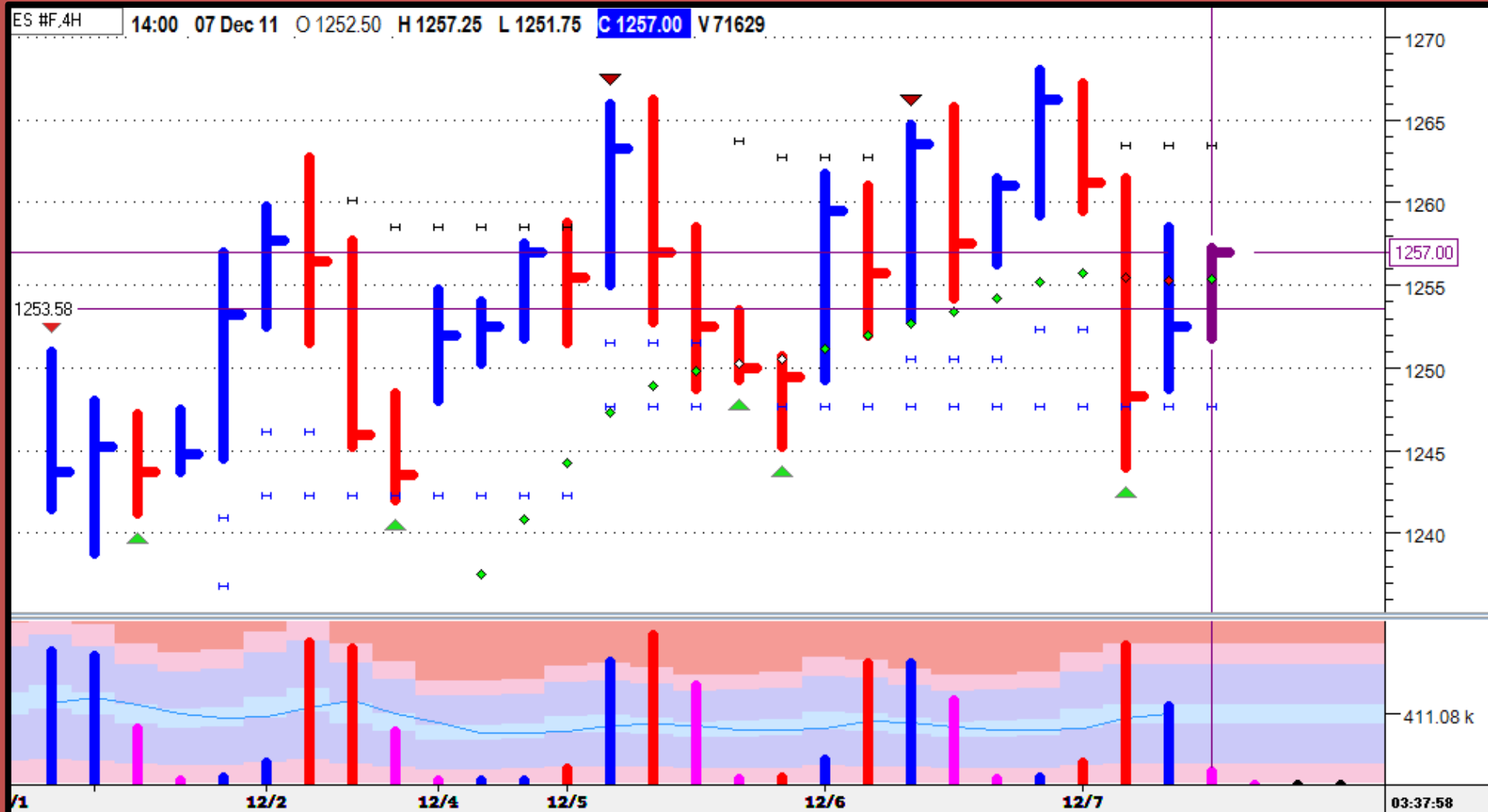


Tools of the Trade

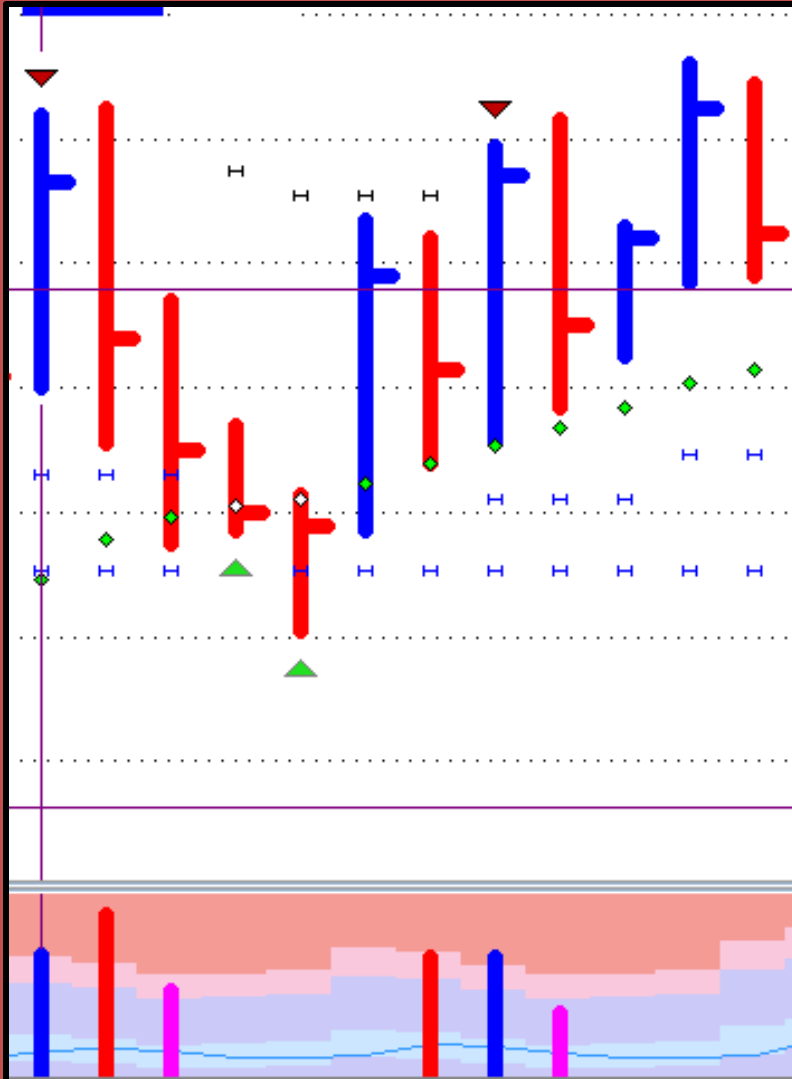
- These are tools that may be helpful
- They may be useful to you
- Traders should have more Than 1 tool to assist them in a Market as volatile as today's Market is



H Stop Tool in VSA



H Stop State 1 - Sideways

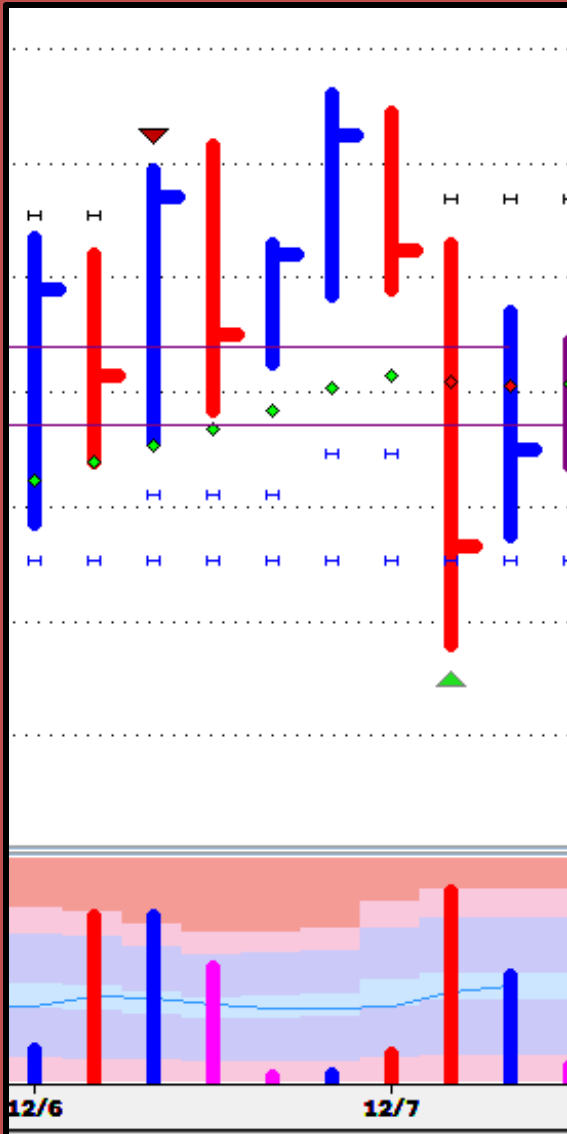


When you have:
1 Black H above
the bar

And

1 Blue H below
the bar

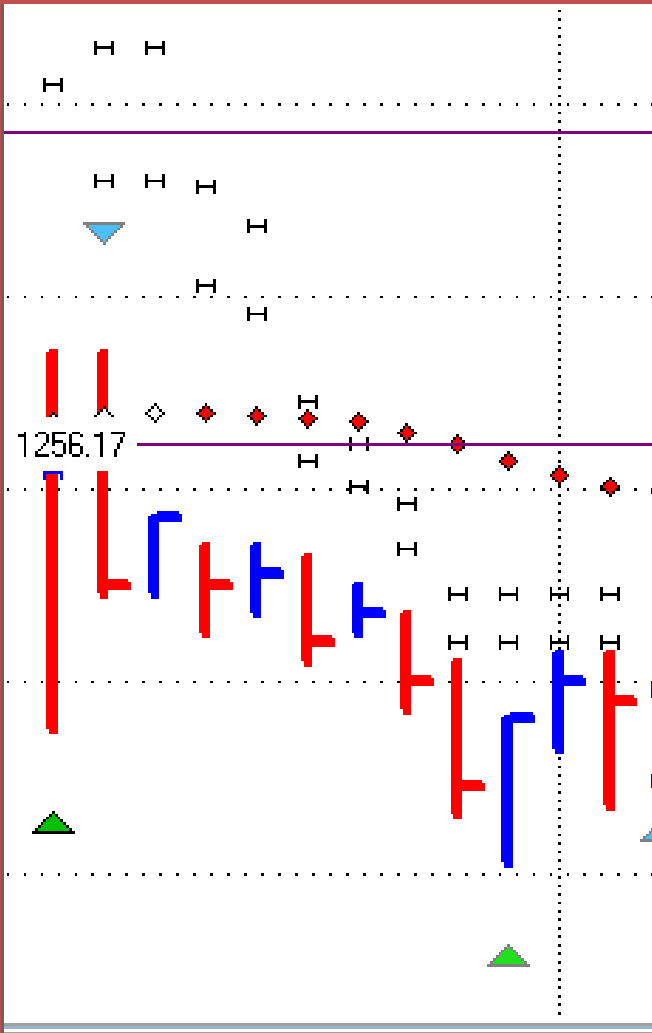
H Stop State 2 = UpTrend



When you have **2 Blue**
H Stops below the bars

Look for a long entry
point after a sideways
state and **3 green**
diamonds

H Stop State 3 = Downtrend



- When you see **2 Black H** bars above the bar
- Look for a short entry point after a sideways state and **3 red diamonds**

Adjusting your H Stop Tool

- Default setting is: 2.5 Far & 2.5 Near
- Higher numbers = higher volatility required to move the stops to identify a trade entry
- Lower numbers = lower volatility required to move the stop to identify a trade entry

H Stops are not Auto Trades!

CAUTION

- These tools are guidelines
- They are parameters for identifying entries

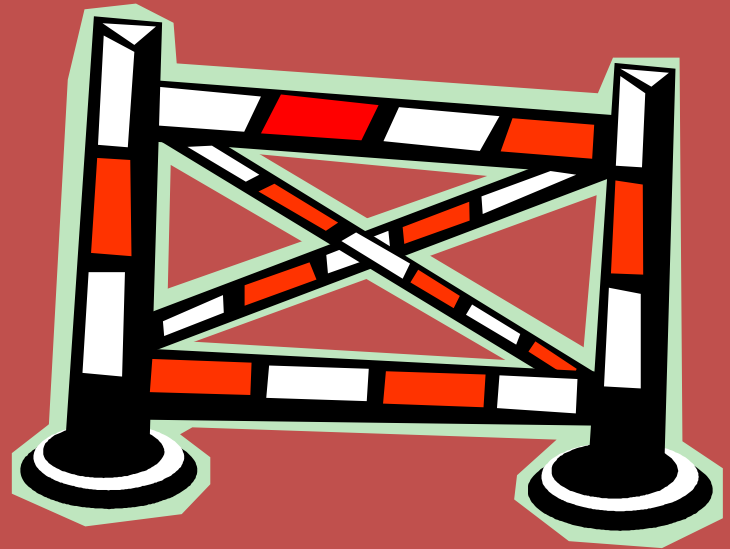
- They are **NOT**



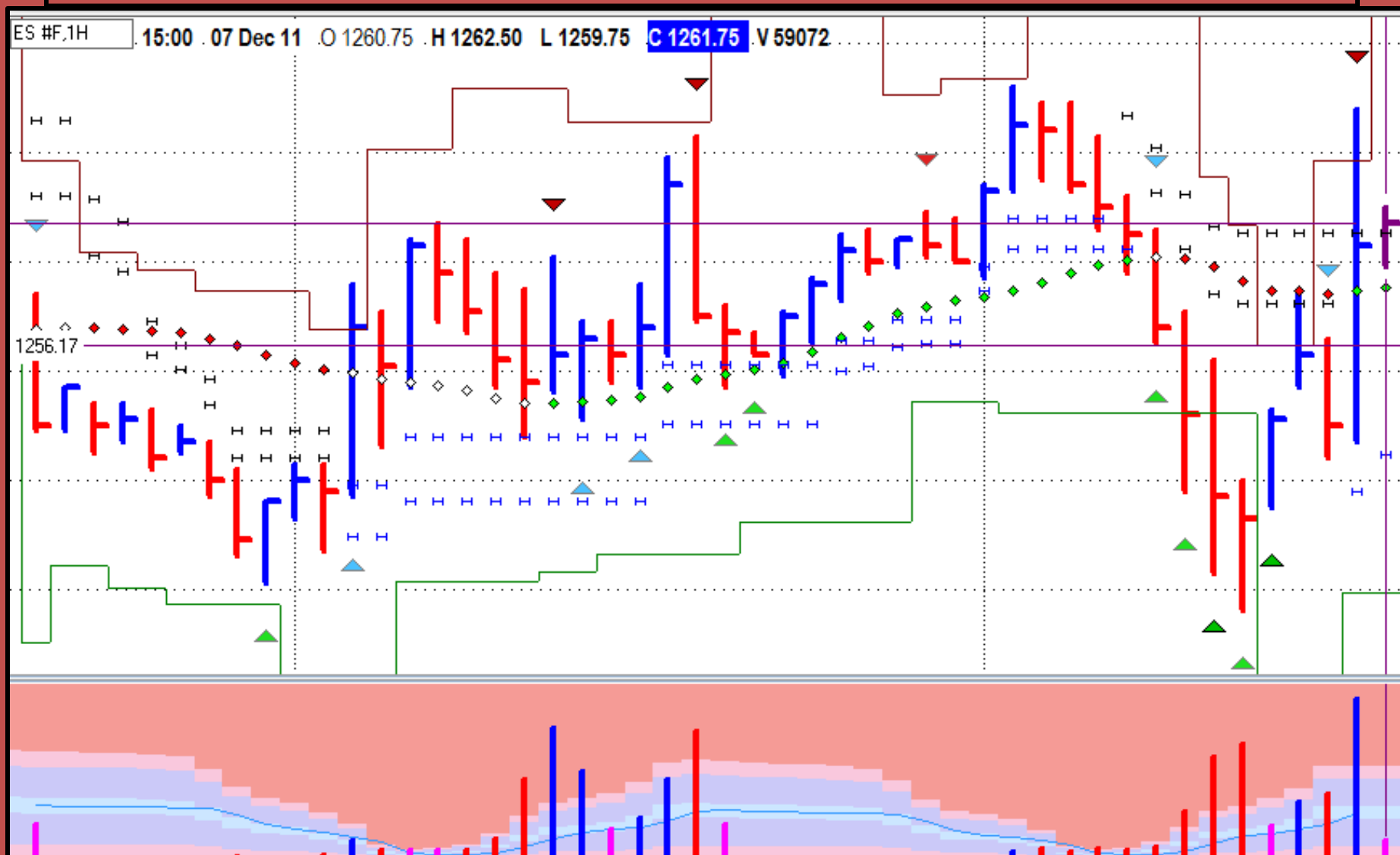
signals

Stop Placement

- Also known as Stop Management
- Designed to reduce risk
- Can be done by you
- Can be done by a broker



The Chandelier Stop

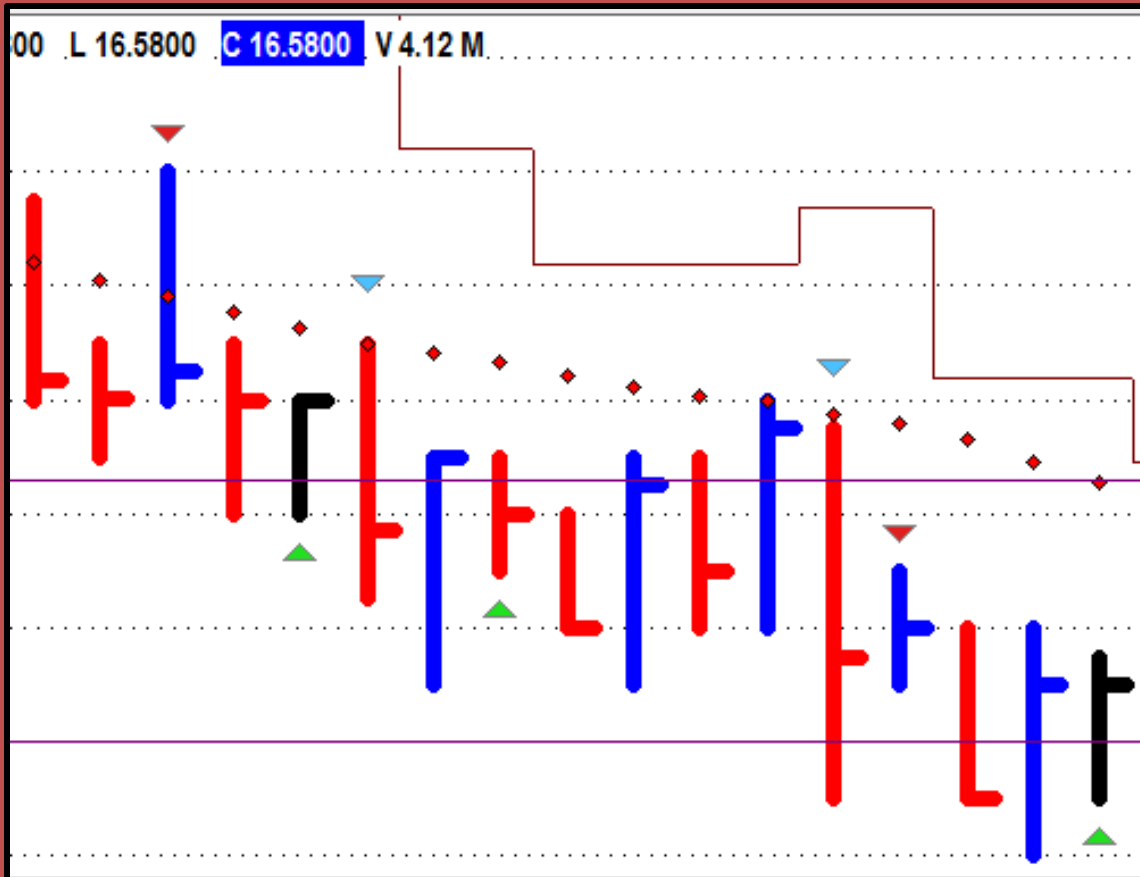


Downward Stop

Under Tools

Or Hit Ctrl + D

Allows you to
trail your stop
downwards in
your short
trade

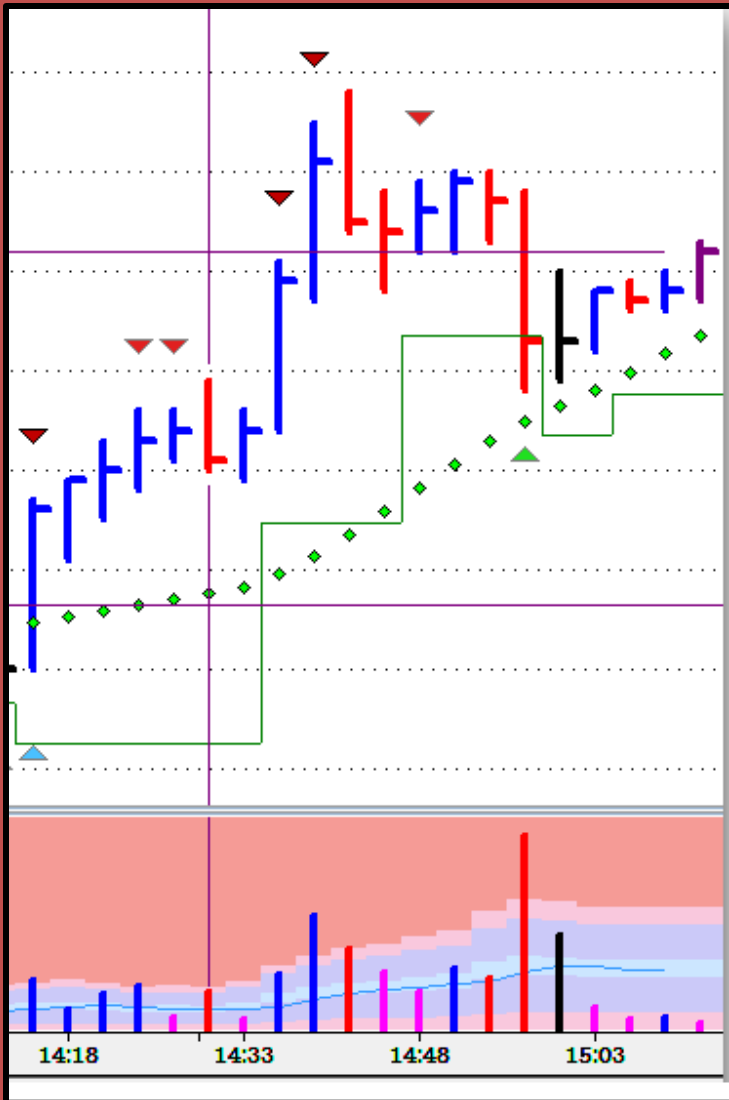


Upward Stop

Under Tools

Or Hit Ctrl + U

Suggests where you
place your stop upwards
As the market rises



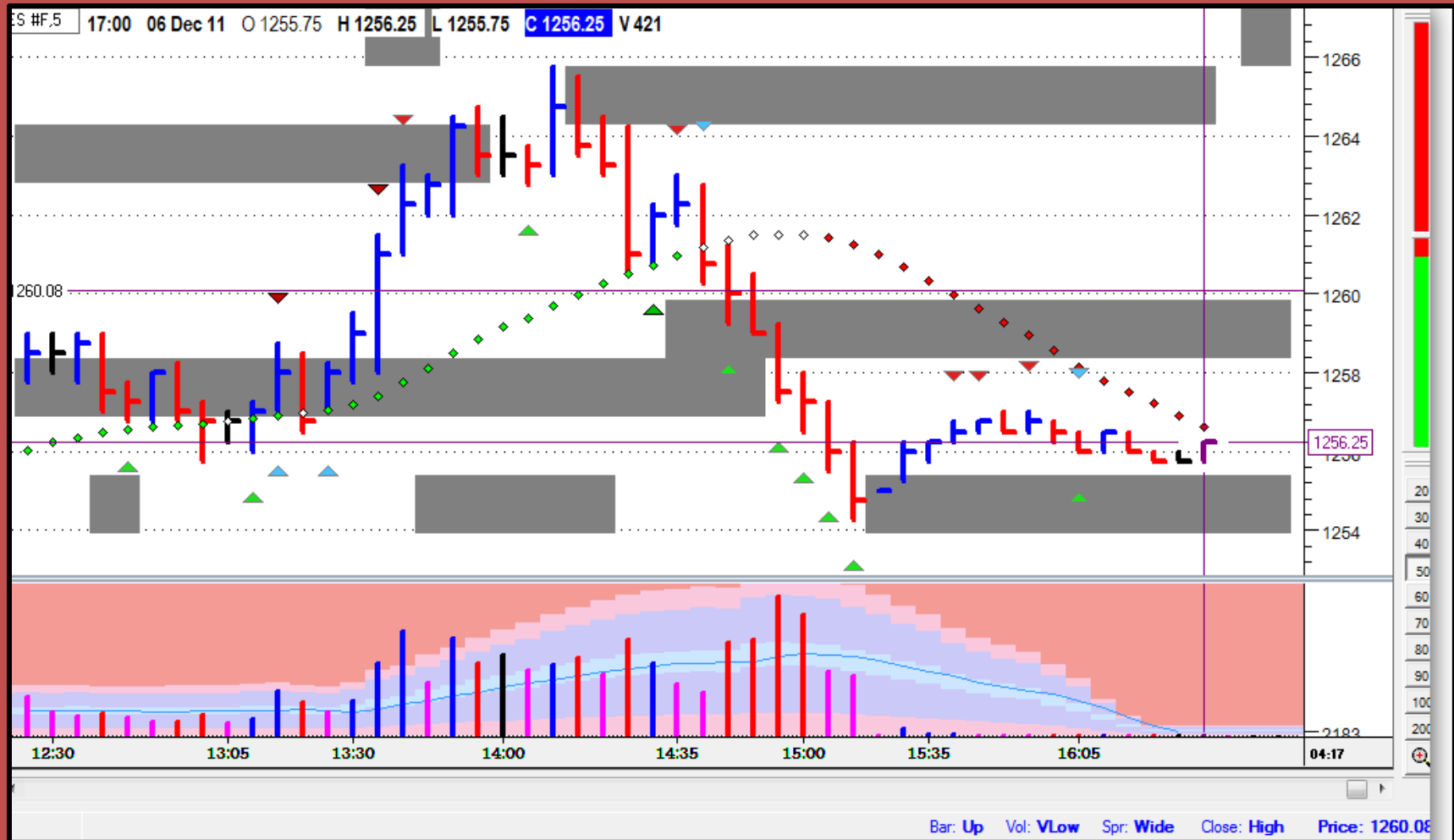
Advisory Capacity



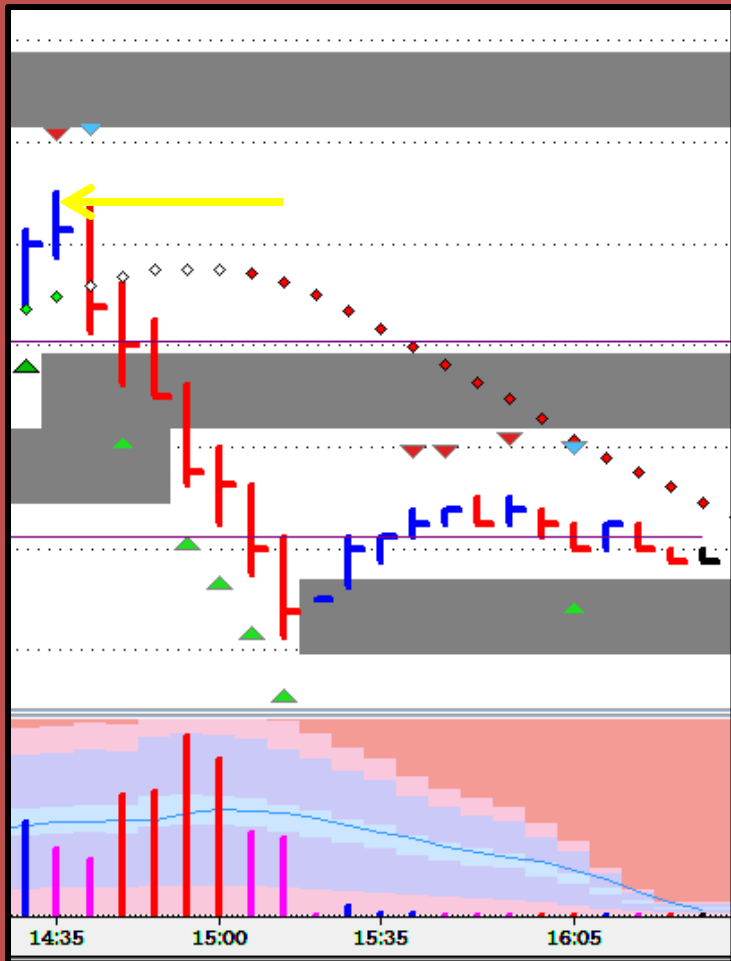
This is to help you move your stops up or down once you are in a trade

This is not to advise you on trade entries

Great Trade Set Up



No Demand in a Downtrend



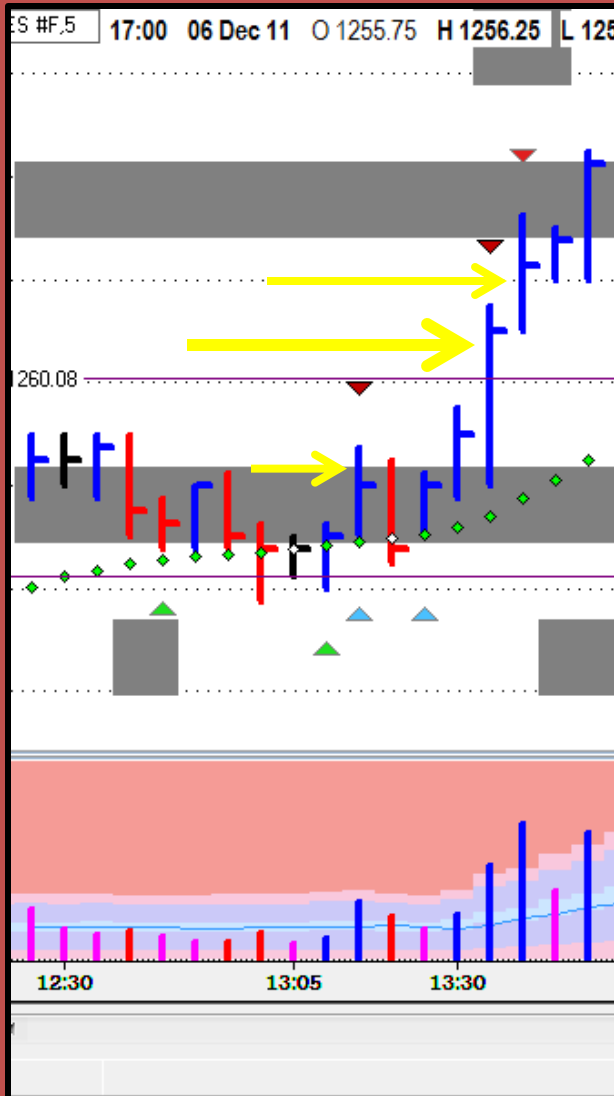
**UP Bar – Volume Lower
than prior 2 bars**

**Stronger Signal when in a
Downtrend**

**No Demands are
CONFIRMING signals**

**You need Major Weakness
in the Background**

Major Weakness in Background



Supply Coming In

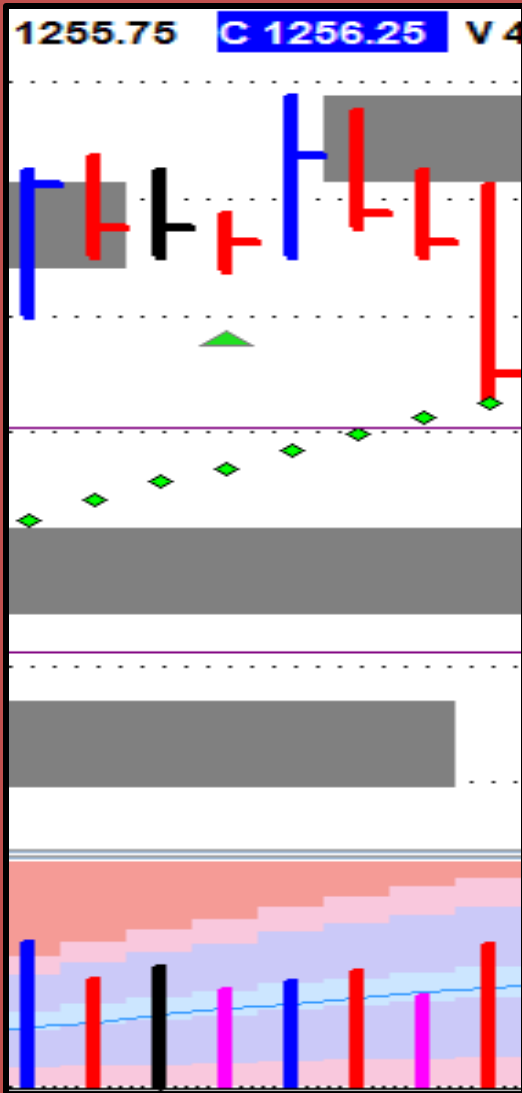
Up Bars in a Rising Market

Ultra High Volume

Wide Spread Bars

Distribution/Selling Phase by Smart Money

Failed Test



A Test is a down bar, usually on lower volume

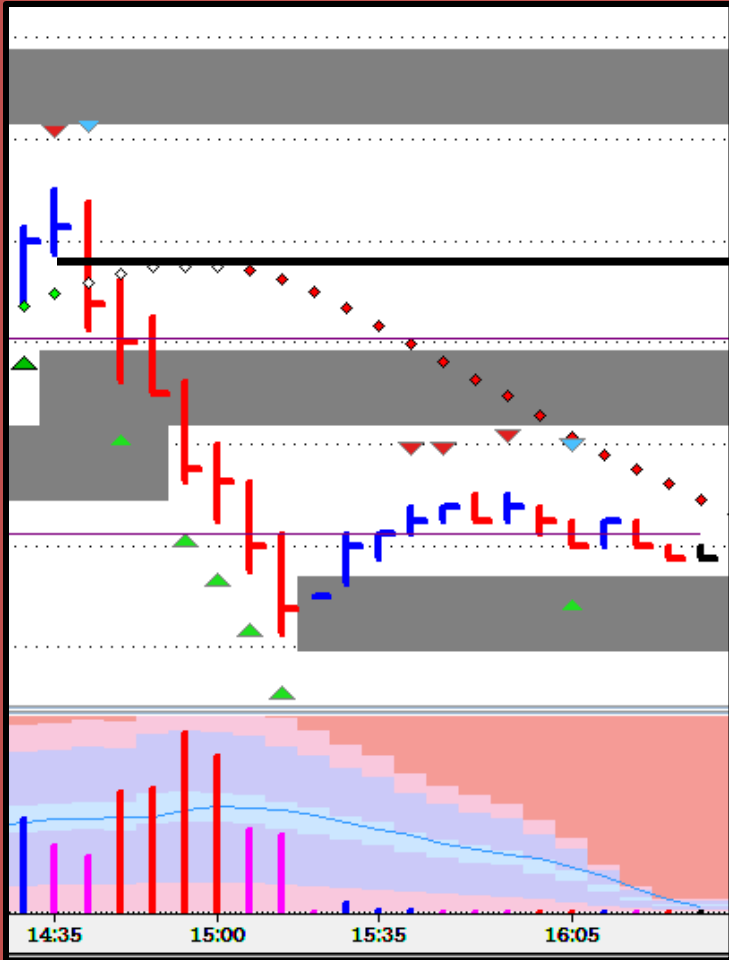
**Next bar up to confirm – we have that
BUT**

As it reaches a market top, it fails to push through

**Comes back down and takes out the test
3 bars later**

This confirms the Overall Weakness

Stop Placement



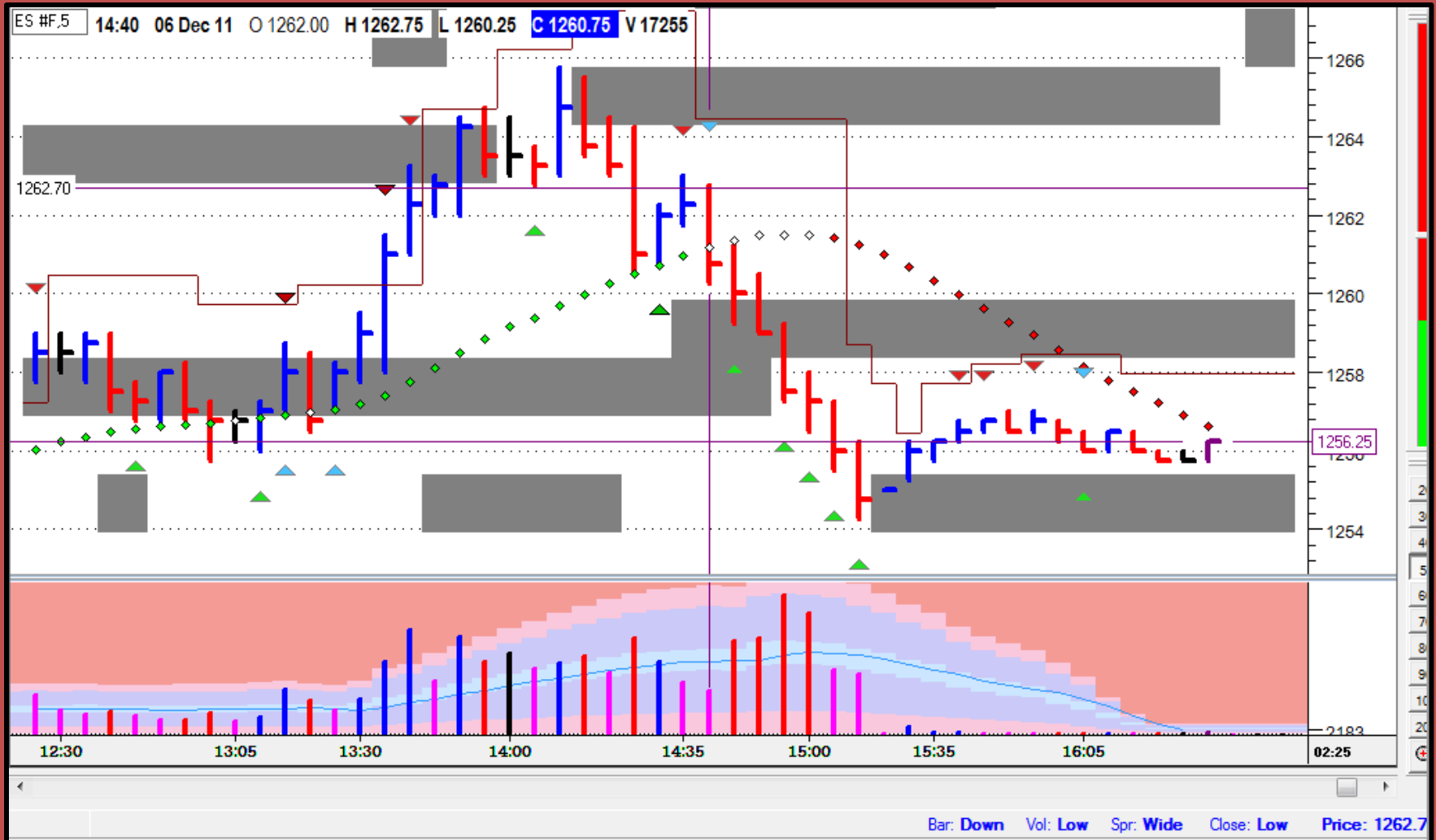
Do not sell at market

**Place a sell stop below the
bottom**

Of the NO DEMAND bar

**Use Ctrl + D to trail your stop
down**

Manage your Trade



Conclusion

- The H Stop tool can help identify an entry
- Use trailing stops to lock in profit and minimize losses
- Placing stops correctly will reduce your risk
- Speak to your broker about risk management settings already in place

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