

VWAP



TRADING TERMINAL.com
FROM BEAR BULL TRADERS

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Volume-weighted average price (VWAP)

Volume-weighted average price (VWAP) is a very commonly used indicator that is calculated from a ratio of the average share price for a stock compared to the total volume of shares traded over a particular time frame.

The **VWAP** uses intraday data.

Some traders use the **VWAP** to indicate the timing of entry and exit trades for intraday trading, or even to decide if stock price is **bullish** (above VWAP) or **bearish** (below VWAP).



Is this price bullish or bearish after 10:30AM?



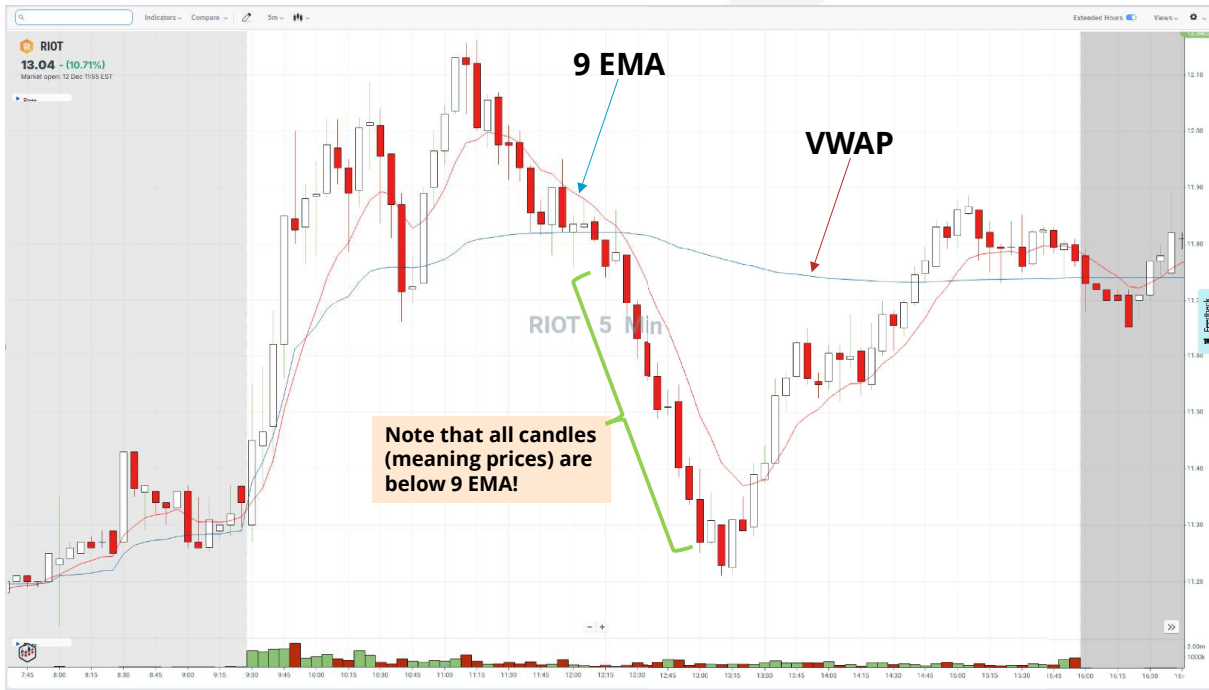
Is this price bullish or bearish after 12:15 PM?



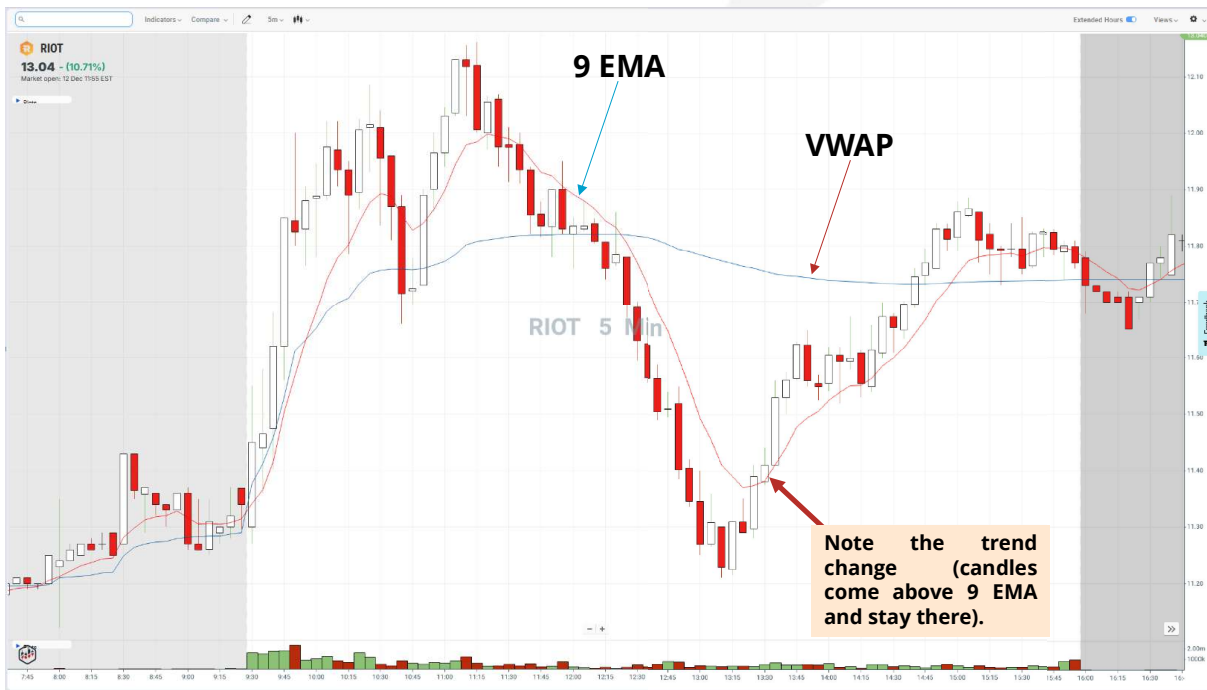
Is it more obvious if we add 9 EMA?



Is it more obvious if we add 9 EMA?



Is it more obvious if we add 9 EMA?



Practice

- Go to www.tradingterminal.com and add VWAP and 9 EMA indicators to your charts.
- Go over at least 20 stocks on daily time frames and try to focus your attention on relationship between 9 EMA and VWAP, and what happens to the price trend when 9 EMA crosses VWAP in either direction.
- Identify uptrend, downtrend, and trend turns.
- Repeat the same with 20 EMA and 50 SMA as these are most commonly used ones.
- Do you see any differences between these?

