

FreeStockCharts.com Chart Set-up

Note: Thanks to Alan Profitt, a member of MHT, for providing the text for this paper.

FSC offers PVT and MFI indicators along with a beautiful chart to help you in MHT. SAY AGAIN?

Freestockcharts.com (FSC) by Worden offers, not only a beautiful chart with very good indicators (almost more than you can comprehend), but it really is free. In the Morning Hours Trading (MHT) chat room you will hear many refer to an indicator only on FSC. It is Price Volume Trend (PVT). Money Flow Index (MFI) is a more common indicator available on many other sites. This discussion is to help you set up FSC and become familiar with how to use PVT and MFI.

After logging in to Freestockcharts.com, you will see a very nice chart. Something like this.



Please note the arrow pointing to “settings” (#1). By clicking on it, you can change plot styles, color, etc. I have set candlesticks red and green. Many other options are available for whatever your desires. The arrow pointing to “Price History” (#2) allows you to adjust the price presentation on the chart. Just above the stock symbol and “Add Indicator” (#3) buttons is a button called “Draw” (#4). By clicking on it you can add many favorite trader activities such as Fibonacci lines, pivot points etc. to the main chart. You will notice the yellow horizontal line (#5) on the chart which is yesterday’s closing price.

Just to the left of “settings”, on the same line you will see a small down arrow which you can click to change time frame of the chart, i.e., 1 min 5 min etc. (#6).



On the same line again left of the time frame selector is the “Add Indicator” button (#7). Here is where you add what I feel is the best part of FSC. You will find Price Volume Trend listed alphabetically on the drop

down list.



Clicking on it adds the new chart as shown below with MFI added. On this chart you will see that it is the yellow line. (To change colors click on the words "Price Volume Trend" within the chart, "Edit", and change the plot color.) Also, as you see above, you can add the "Money Flow Index" by again clicking on PVT and instead of editing go to "Add Indicator", scroll down to MFI. The purpose of adding the MFI to the PVT chart is to get the top green and bottom red lines.





The numbers to the far right don't mean anything for our purposes here. You can change them to generally go from 0 -100 by repeatedly clicking on the carrot symbol on the bottom outside of the numbers (#9). In the background on this chart, notice faint white lines. These are important because they indicate when the time has come to execute the trade. We are not talking about the brighter white line just above times. The very bottom time line is adjusted by the slider (#10). Most of the time I have seven hours set.

The best part of the PVT, MFI chart is, what I feel is the quicker indication than RSI and MA crossing for signals when to buy or sell a stock. You absolutely need to verify with your other favorite indications for picking the time to execute a trade as discussed by Bob's must read. Many in our chat room only use this though and you will hear a "PVT setup" referenced.

At 2:45 on the above chart, you'll see a PVT indication to buy as it touched the bottom faint white line (#11). Folks, that's it! PVT hits the bottom buy, set your stops, target gain, etc. If you are trending when it hits the top, then sell or go short if you're not in already.

I've provided a second example below. This is from 11-16-09 at about 12:15. I've added RSI with a tight setting of 7 and then added a moving average onto the RSI indicator. This creates a moving average of RSI and allows you to see cross over patterns. You can see the crossover pattern that occurred with RSI at the

same time that PVT touched the bottom white line, giving a confirmation signal. While this is not necessary, it is sometimes good to have several indicators confirming your decision to enter a trade.

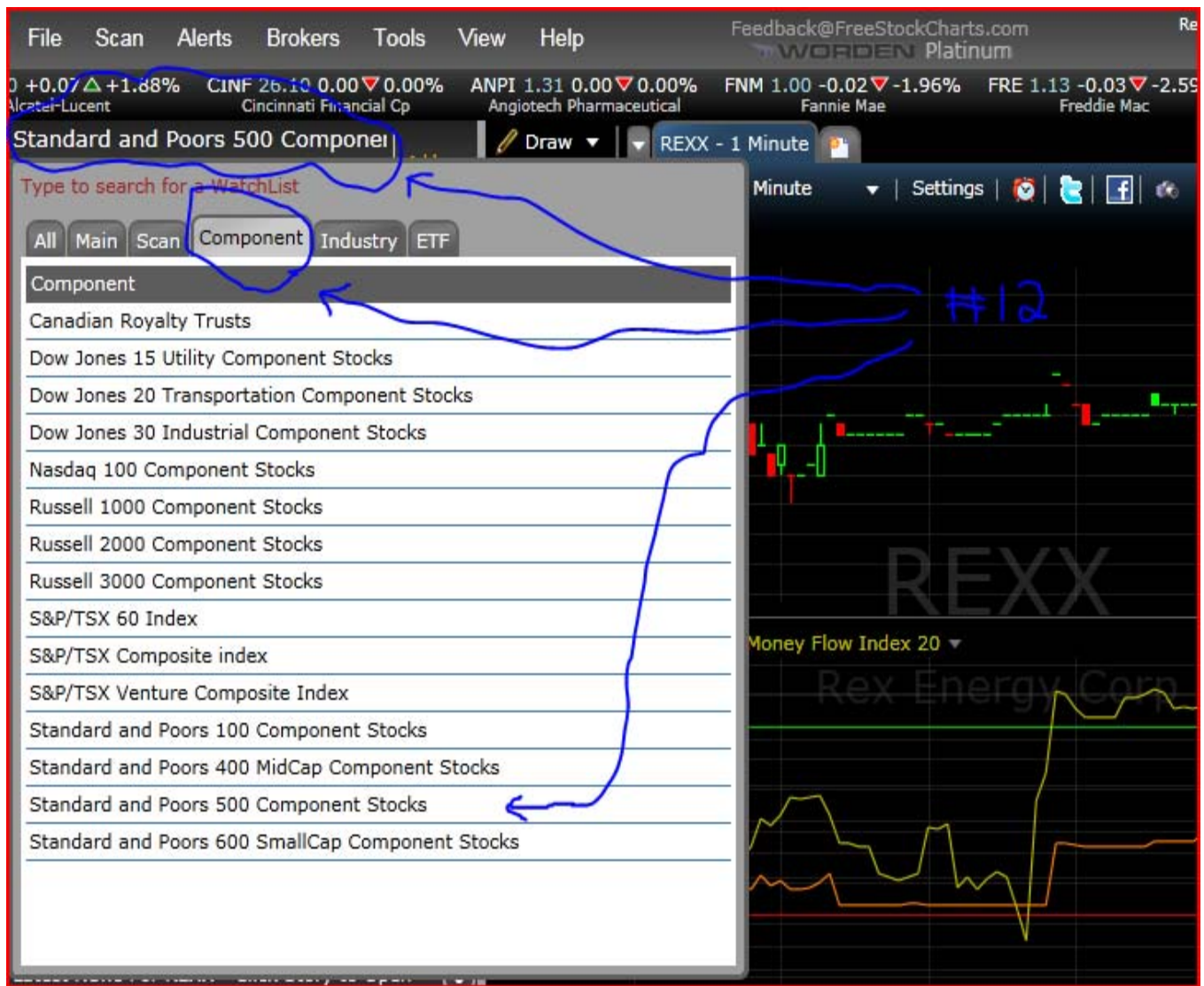


The next example is of a short trade. In the chart below (also taken from 11-16-09), you can see how PVT hits the top line and, at the same time, RSI makes a quick downward crossover of its moving average.



Another great feature of FSC is the Watch lists. While it is a great feature, it is a little difficult to understand the setup. So, here it goes.

The #12 indicates where you click to bring up various Watch Lists.



You will see “All, Main, Scan, Component, etc.” Click on Component, and most of us use either S & P 500 Component Stocks or Russell 2 or 3000 component stocks. THESE ARE THE ONES YOU USE ON YOUR OWN TO PICK GAP UPS OR DOWNS AFTER BOB’S PICKS. Needless to say you will get MANY stocks and to eliminate penny stocks you might want to use a smaller population. Try them all out to find your own grazing area.

In order to sort your list, click on “add column”. Shown here in orange (#13).

File Scan Alerts Brokers Tools View Help Feedback@FreeStockCharts.com WORDEN Platinum

.77 +0.03 ▲ +4.05% LCC 3.22 +0.07 ▲ +2.22% DXO 4.35 0.00 ▼ 0.00% ALU 3.80 +0.07 ▲ +1.88% CINF 26.10 0.00

Standard and Poors 500 Component

82109pennygapdown X 101909

Add Symbols Rename Add Column Price History

Symbol	Entry Price	Shares	Pos-%
KFN KKR Financial Corp	2.97	100	
ZZ Sealy Corp	2.53	100	
C Citigroup	4.48	100	
Q Qwest Cmmnctns Intl I	3.76	100	
ESLR Evergreen Solar Inc	1.95	100	
SQNM Sequenom Inc	5.06	100	
CERS Cerus Corporation	2.10	100	
CTIC Cell Therapeutics Inc	1.65	100	

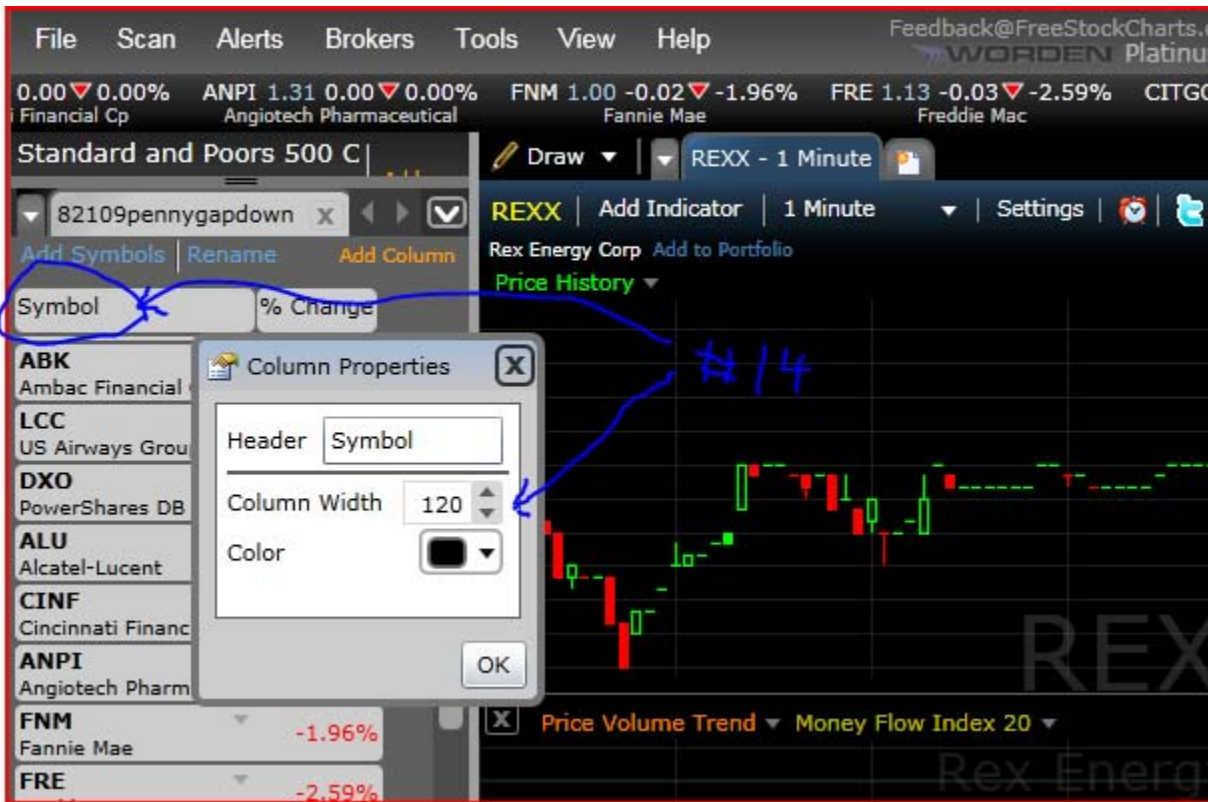
Type to search

Criteria

- Symbol Column ←
- Price
- Todays Volume
- Todays % ←
- Todays Net
- Today's Volume Buzz
- Entry Price
- Entry Date
- Position % Change
- Position Net
- Position Shares

13

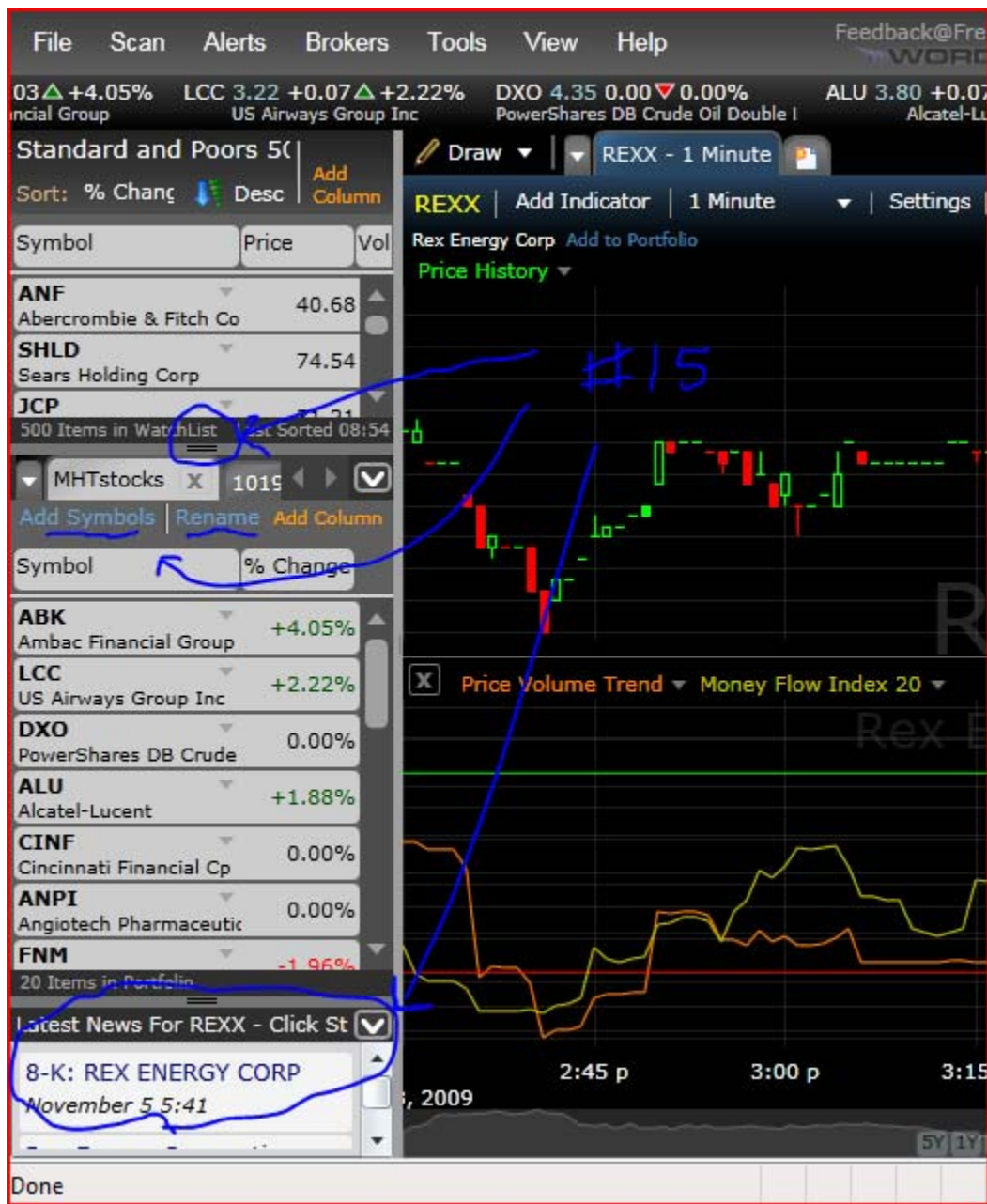
All you want to use is "Symbol and Todays %". You can delete anything else that's default.



Edit the symbol icon by clicking on it and change the column width to 60 if it's not already there (#14). Today's % shows as "% Change". Click on it and change column width to 50 colors your choice and decimal places 2.

Once the above is done you have, just to the right of sort, in orange, and % Change, a blue up or down arrow with accompanying green stairs just before "Asc or Desc". By clicking on this you change the order of the lists in your Portfolio to see the gap up or down.

The right arrow above shows a small grey border which has two small hash marks in the middle. By grabbing the hash marks you can slide your portfolio column vertically (#15).



Why is this important? Because this is the place you want to enter Bob's Gap stocks. Click on "Create Portfolio" and enter the name you want to call Bob's list. I have named mine MHT; others call it Bob's list. (I also have my own individual portfolio.) Here is where you add Bob's gap up and down picks he announces at 8:15. You can put both on one list and use the Asc/Desc, or by clicking on the % Change next to "Symbol", to get the gap ups or down. Throughout the morning, I constantly review this list for PVT setups, as well as listen for Bob's picks.

The third and bottom section of this left hand column is for current news for the stock you have picked on the main chart. Another great feature so that you don't have to leave to find out any breaking news on other programs. The height can also be adjusted by using the hash marks in the little grey border, to minimize or expand.

The use of PVT is a great addition to anyone's trading repertory, but it does have two limitations. First, it

could lag behind on thinly traded stocks because it gets data from only the BATS Exchange. It does not use all the exchanges. This normally presents little or no problems on stocks with over 500,000 shares traded daily. Secondly, when you change the time frame from 1 min to 5 or 15 min etc, you need to be aware that the time frame goes from hourly to daily or monthly. Great for investors and those wishing to view history, but of limited value to day traders I think.

Due to FSC only using the BATS exchange, it only offers indications during normal trading hours. No pre or post market.

Once you've created your portfolio of stocks (your watch list), you can click on the stock and it will populate your chart. You can also press the space bar to access each symbol's chart.

After you've created your ideal layout, you'll want to go the File menu in order to save and name your chart (#16). You can also learn to create your own scans and set up audible alerts by using the Help menu.



This presentation is strictly to demonstrate how to set up Free Stock Charts so that you can trade in Morning Hour Trading and be on the same page as most others. Please read Bob's other must read sections to become successful in our group. His advice on how and when to make trades is invaluable.