Ultimate Pivot Points™
UPP™
User Guide

Fibozachi
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The Ultimate Pivot Points™ Indicator Package is the most advanced and extensive “Pivot Points” indicator to date. Most traders are only familiar with the default “Floor Trader’s Pivots” found in most trading platforms. However, there are several other effective “Pivot Point” methods used for calculating support and resistance levels. The Ultimate Pivot Points™ Indicators include each and every one of these unique “Pivot Point” methods, making it one of the most complete support/resistance indicators available to traders.

The UPP™ Indicator Package includes the following:

- Ultimate Pivot Points (UPP)
- UPP Market Analyzer (NT Users)
- UPP PaintBar
- UPP RadarScreen (TS Users)
- UPP Market Scanner (MC Users)
The Ultimate Pivot Points™ Indicator was initially created as an improvement upon the extremely popular and effective “Floor Trader’s Pivots”, which uses the previous day’s high, low and close to determine what the key intra-day support and resistance levels are for any given symbol. Our goal was to develop a complete and all-encompassing solution for pivot point trading and have therefore added the following pivot point methods and advanced features:

- Floor Trader’s Pivot Points (Advanced Version)
- Woodie’s Pivot Points
- Camarilla Pivot Points
- Demark Pivot Points
- Fibonacci Pivot Points
- Additional Support/Resistance Levels of S4 and R4
- Option to Display Half-Pivots (S/R 0.5, S/R 1.5, S/R 2.5, S/R 3.5)
- Option to Display Yesterday’s: Open, High, Low, Close (OHLC)
- Option to Display Current Day’s: Open, High, Low, Close (OHLC)
- Text Labels are Plotted Adjacent to Each Level for Quick Identification
- Visual and Audio Alerts for when Price Crosses any of the S/R Levels
- Complete Customization Process Allows Users to Personalize UPP™
A value that is known as the daily “Pivot Point” (PP) is obtained by averaging the previous trading session’s high, low and close. By applying a set of formulas to the Pivot Point, additional levels of both support and resistance are calculated. These levels are commonly known amongst traders as R1, R2, R3 and S1, S2, S3.

The “Pivot Point” (PP) level is recognized as the intra-day point of equilibrium between the bulls and bears, and is usually where the largest amount of trading volume takes place. The reason is because the floor-traders and market-makers for each specific market are using the PP as the “baseline” level of the day and order and balance is usually maintained by keeping price between the Pivot Point (PP) and the first levels of support (S1) and resistance (R1). Unless new traders/investors come into the specific market, the floor-traders and market-makers usually just play amongst themselves and price is contained within the levels of R1 and S1.

When new traders/investors do come into the specific market, price will often exceed the first levels of support (S1) and resistance (R1) and will move on to test the second and third levels (S2, S3 & R2, R3).

When the market exceeds each level of support and resistance, it often has profound implications for the rest of the trading day. The reason is that the floor-traders and market-makers temporarily adjust their intra-day valuations of the stock, which has a pronounced effect on when and where both rallies and pullbacks will end.
**Consider the Following Scenario:**

GOOG has fluctuated between the PP and R1 for most of the trading day and then suddenly news is released that sends shares soaring up past the resistance levels of R1 and R2. Price now sits between the R2 and R3 levels …

With only a few hours remaining in the trading session, the floor-traders and market-makers have now shifted their focus on the levels of R2 (as support) and R3 (as the next upside target).

If price should continue to rally, then the R3 level is going to see profit-taking by many of the “big players”.

If price should reverse and a pullback ensues, then the R2 level is likely to provide support since the “big players” will step in and start buying again.

The main reason why the Pivot Point Methods work so well is because so many traders are watching the various levels and executing their orders together when price approaches each specific level. This fact has led many traders to come to the realization that …

"If all of the floor-traders and market-makers are honing in on the same levels, then I should just join their game and focus on the same levels as the “big players” so that I can trade in ‘good company’.”

The result is that an overwhelming amount of traders are trading ‘together’ in a sense, which simplifies their entire trading process and gives them a small edge over those who are unaware of the various Pivot Points. In theory, it becomes a game with two sides; “The Herd” vs. Individual Traders … trust us, you do not want to go against the herd when price approaches one of these key levels of support or resistance.
Floor Trader’s Pivot Points have been around for several decades and are considered to be the classic or traditional way of calculating support and resistance levels. This method calculates the main pivot point (PP) level by averaging the previous period’s High, Low, and Close. The support and resistance levels are then calculated using the main pivot point (PP) level and the previous period’s high and low. Floor Trader’s Pivot Points are still the most popular amongst traders and as a result, its support and resistance levels may have more predictive value than any other pivot point method.
Woodie’s Pivot Points differs from the other methods by using the current session’s opening price to calculate the main pivot point (PP) level. The formula ignores the closing price of the previous period and instead applies more weight to the opening price of the current period. This gives the most recent price more emphasis when calculating the main pivot point (PP) level. The support and resistance levels are calculated the same as the Floor Trader’s Method, however the levels differ since they are based on the main pivot point (PP) level.
Camarilla Pivot Points were developed in 1989 by a successful bond trader known as Nick Stott. While the pivot point (PP) level is calculated using the same formula as the Floor Trader’s Pivots, the support and resistance levels are calculated differently; using the closing price and the trading range of the previous period.

Unlike other pivot point methods, the Camarilla Method puts more emphasis on the 3rd and 4th levels of support and resistance (S3, S4, R3, R4). Typically, traders will look for price to stay within the S3 - R3 range throughout the duration of the session, while expecting price reversals to frequently occur at the S3 and R3 levels. The S4 and R4 levels are intended to provide strong support and resistance, however if price moves beyond these levels it is often indicative of a strong breakout and price may move significantly higher or lower.
Demark Pivot Points are unique in that there is only one level of support/resistance, known as S1 and R1. The main pivot point (PP) is not an official Demark value; however we have included it as a point of reference.

When using Demark Pivot Points, the calculations for the S1 and R1 levels differ quite a bit from day to day, depending on whether the previous period’s close was higher, lower, or equal to the previous period’s open.

If Close > Open = High given more weight
If Close < Open = Low given more weight
If Close = Open = Close given more weight
Fibonacci Pivot Points use the same formula as the Floor Trader’s Pivots to obtain the Pivot Point (PP) level, however the various support and resistance levels are calculated by using Fibonacci retracement and extension levels of the previous session’s trading range.

It should come as no surprise, but we at Fibozachi prefer to trade using the support and resistance levels of the Fibonacci Pivot Points. Since these levels are based on Fibonacci retracements and extensions of the previous day’s range, we believe that they have more predictive value than most of the other methods.
The UPP™ Indicator’s various input settings allow you to personalize its appearance and functionality to suit your own specific needs. You have full control over which of the various support/resistance levels are plotted, the colors and plot style of each of the levels, and the ability to activate or deactivate alerts for crossovers of any of the levels. The following is an overview of the various input settings;

*** All plot colors and styles can be customized in the indicator’s properties window

**Floor Traders Pivot Points**: Set to “TRUE” to use Floor Trader’s Pivots

**Woodie’s Pivot Points**: Set to “TRUE” to use Woodie’s Pivots

**Demark Pivot Points**: Set to “TRUE” to use Demark Pivots

**Camarilla Pivot Points**: Set to “TRUE” to use Camarilla Pivots

**Fibonacci Pivot Points**: Set to “TRUE” to use Fibonacci Pivots

**Use Closing Prices for Alerts**: Set to “TRUE” to use the closing price when checking for crossovers and crossunders of the various S/R levels.

**Use High Low Prices for Alerts**: Set to “TRUE” to use the high/low price when checking for crossovers and crossunders of the various S/R levels.
**Show Full Pivots:** Set to “TRUE” to display R1-R4 and S1-S4

**Show Half Pivots:** Set to “TRUE” to display R0.5-R3.5 and S0.5 – S3.5

**Show Todays OHLC:** Set to “TRUE” to display Today’s open, high, and low

**Show Yesterdays OHLC:** Set to “TRUE” to display Yesterday’s open, high, low, close

**Resistance CrossOver Alerts:** Set to “TRUE” to generate alerts when price crosses above R1, R2, R3 or R4.

**Resistance Half Pivot CrossOver Alerts:** Set to “TRUE” to generate alerts when price crosses above R0.5, R1.5, R2.5 or R3.5.

**Support CrossOver Alerts:** Set to “TRUE” to generate alerts when price crosses above S1, S2, S3 or S4.

**Support Half Pivot CrossOver Alerts:** Set to “TRUE” to generate alerts when price crosses above S0.5, S1.5, S2.5 or S3.5.

**Today’s OHLC CrossOver Alerts:** Set to “TRUE” to generate alerts when price crosses above Today’s Open, High or Low.

**Yesterday’s OHLC CrossOver Alerts:** Set to “TRUE” to generate alerts when price crosses above Yesterday’s Close, High or Low.

**PP CrossOver Alerts:** Set to “TRUE” to generate alerts when price crosses above the Center Pivot Point (PP).
**Resistance CrossUnder Alerts:** Set to “TRUE” to generate alerts when price crosses below R1, R2, R3 or R4.

**Resistance Half Pivot CrossUnder Alerts:** Set to “TRUE” to generate alerts when price crosses below R0.5, R1.5, R2.5 or R3.5.

**Support CrossUnder Alerts:** Set to “TRUE” to generate alerts when price crosses below S1, S2, S3 or S4.

**Support Half Pivot CrossUnder Alerts:** Set to “TRUE” to generate alerts when price crosses below S0.5, S1.5, S2.5 or S3.5.

**Today’s OHLC CrossUnder Alerts:** Set to “TRUE” to generate alerts when price crosses below Today’s Open, High or Low.

**Yesterday’s OHLC CrossUnder Alerts:** Set to “TRUE” to generate alerts when price crosses below Yesterday’s Close, High or Low.

**PP CrossUnder Alerts:** Set to “TRUE” to generate alerts when price crosses below the Center Pivot Point (PP).
Use Support & Resistance Levels to Manage Trades

► Use the levels as guidelines for determining where to set protective stops and profit targets for your positions.

You may enter a trade using another indicator, but then decide to manage the position using the various support and resistance levels.
Use Support & Resistance Levels to Enter Trades

- Use the support and resistance levels as guidelines for determining precisely when to enter a long or short position.

**Long Trades:** You may choose to enter a long trade once price either reaches a certain support level, or once it breaks out above all the resistance levels.
**Short Trades:** You may choose to enter a short trade once price either reaches a certain resistance level, or once it breaks out below all the support levels.
Apply the UPP™ Indicator using each of the various pivot point methods and make note of the different support and resistance levels and their respective prices. Your goal is to find the specific price levels or zones where many support or resistance levels are in very close proximity. These ‘clusters’ often prove to be the strongest and most important levels of support and resistance, making them the key levels to watch during the course of the trading session.
**Ultimate Pivot Points™** also includes special “RadarScreen” and “Market Analyzer” Indicators in addition to pre-formatted workspaces for all TradeStation & NinjaTrader users. It provides a fully detailed overview of all the support and resistance levels for any list of symbols; enabling traders to properly manage their current positions, scan for symbols that are crossing above or below any of the various support & resistance levels, or just scan for symbols that are extremely oversold or overbought!

There are several ways in which you can employ the **UPP™** “RadarScreen” and “Market Analyzer” Indicators into your own trading routine. Consider the following methods:

**Scan for Extremely Overbought & Oversold Symbols**

**Identify Symbols Crossing Above or Below Any of the Support & Resistance Levels**
*** The following overview is for TradeStation & MultiCharts Only

If price is below a support level (S1, S2, S3, S4) or above a resistance level (R1, R2, R3, R4), the background color of its cell is color-coded for easy identification. If price is not above a certain support or resistance level, then the background color of its cell is not color-coded (remains black or white). You will also notice that the exact price of each support & resistance level is displayed in its corresponding cell.

If price **IS ABOVE** a resistance level, its corresponding cell is color-coded **GREEN**.

If price **IS BELOW** a support level, its corresponding cell is color-coded **RED**.

If price **CROSSES ABOVE** any support or resistance level, its cell is color-coded **CYAN**. After the crossover, the cell will return to being color-coded **RED**, **GREEN**, or blank.

If price **CROSSES BELOW** any support or resistance level, its cell is color-coded **MAGENTA**. After the crossover, the cell will return to being color-coded **RED**, **GREEN**, or blank.

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**Keep the Following Considerations in Mind:**

*** It is important to note that all of the Pivot Point Methodologies use the prior day’s trading range to calculate the various levels of support and resistance. This means that the trading range from S4 to R4 will vary from day to day and may be twice as large one day as it is the next.

*** Very rarely will stocks move past R3 or S3 without some kind of bullish or bearish news or media exposure. If this does occur, it is wise to quickly check the symbol’s headlines so that you are not trying to “fade” a stock that is rallying or crashing on important news or an earnings report.
Ultimate Pivot Points™ also includes a special pre-formatted “RadarScreen” Indicator and template for all TradeStation users. All of the columns, colors and text are completely customizable so that you can personalize it to your own preferences. As you can see from the screenshots below, using the UPP™ Indicator with the TradeStation RadarScreen allows you to quickly scan an entire list of symbols for the most important information in just seconds! You can also sort the data by any column to organize your scan results into easy-to-read lists.
Ultimate Pivot Points™ also includes a special pre-formatted “Market Scanner” Indicator and template for all MultiCharts users. All of the columns, colors and text are completely customizable so that you can personalize it to your own preferences. As you can see from the screenshots below, using the UPP™ Indicator with the MultiCharts Market Scanner allows you to quickly scan an entire list of symbols for the most important information in just seconds! You can also sort the data by any column to organize your scan results into easy-to-read lists.
Ultimate Pivot Points™ also includes a special pre-formatted “Market Analyzer” Indicator and template for all NinjaTrader users. All of the columns, colors and text are completely customizable so that you can personalize it to your own preferences. As you can see from the screenshots below, using the UPP™ Indicator with the NinjaTrader Market Analyzer allows you to quickly scan an entire list of symbols for the most important information in just seconds! You can also sort the data by any column to organize your scan results into easy-to-read lists.
Have a question about the Ultimate Pivot Points™ Indicator Package? Contact us at support@fibozachi.com. We take great pride in our customer support and are happy to help our fellow traders!
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