Larry Williams Indicators

A) Larry Williams Set Up Tools

These tools are the cornerstone of how I find what I call setup markets. I use these indicators on stocks and commodities. All of these indicators were personally created by me.

These are the indicators my current Larry TV subscribers and of course students have seen me use in "today's" market situations. This package includes all of the following indicators.

NOTE: **All COT Indicators require you use the continuous contracts**. Use @ in front of your futures symbol. There is no COT data for stocks. Depending on where you are in the world, you may need to adjust your time zone from local to exchange (for example if you are in Japan or Australia). This is done through the format symbol (TS 9.5) or customize symbol window (TS 10). Otherwise, the COT indicators may not appear on your chart.

Williams COT NetPositions OI

As I see it, this is the KEY set of data to predict when there will be large market moves. It all begins with the weekly Commitment of Trader (COT) report data. I started following this report in the very early 70's. Very, very few have more experience with this data.

Each week I look at the total net positions of the Commercials, Large Traders, and Small Speculators relative to total Combined Open Interest.

To display this relationship, add both my Williams COT NetPositions OI and Williams COT Open Interest to your chart. Then select Open Interest by left clicking directly on the indicator line, hold the left button down, drag and drop the open interest indicator onto the same pane as the COT Net Positions OI.

Copper: Williams COT NetPositions OI with Williams Open Interest

It is the *relationship* of the three parties to Open Interest that matters. We have also scaled the Open Interest and Small Traders so visually you can see in a quick glance what is taking place in the markets. For me, this is where setup market evaluation all begins.
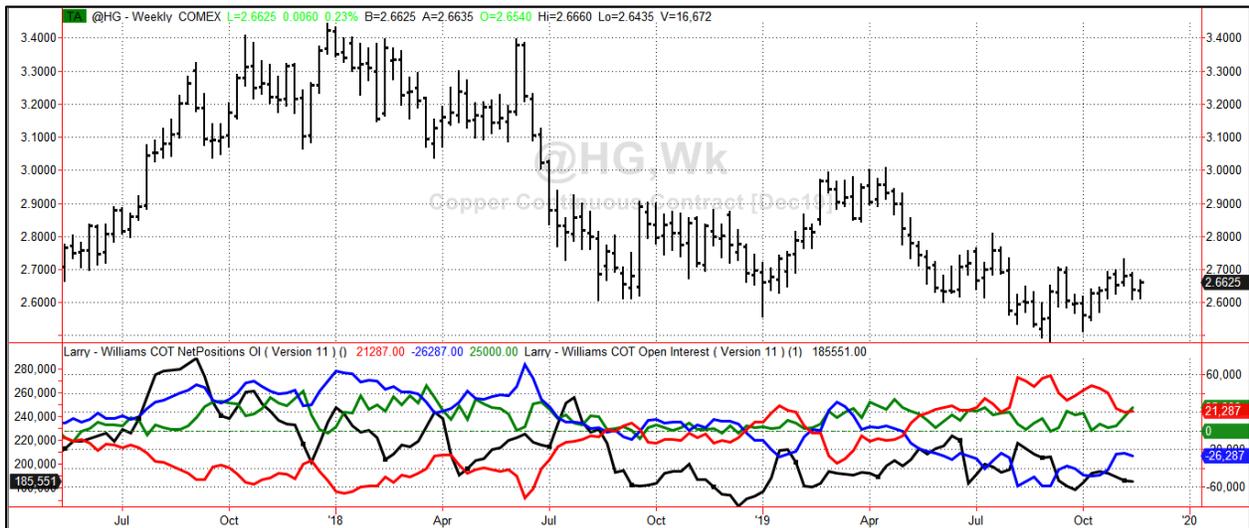
Copper: Williams COT NetPositions OI

You can of course also just display each indicator in its own pane, i.e. the large spec net positions, the small spec net positions, the commercial net positions, or open interest.

To get a thorough understanding of my COT tools and why they are so different from what you find on the internet, you can refer to my book (Wiley, 2005) *Trading with the Insiders, Secrets of the COT Report*. My online futures course takes a deeper dive into these tools than my book.

Williams COT Comm Index

COT, again, is short for Commitments of Traders and Comm is short for Commercials. The COT Comm Index is my proprietary index to determine when the Commercials (hedgers) are significantly long or short a market based on the data released by the CFTC each week.

My students will immediately recognize this index. Do not confuse it with the general, run of the mill COT indicators you see on the web; mine is different. I taught this index to my students before Google existed.

I personally use this index every week and now so can you. Generally speaking when it is high expect rallies; low expect declines.

Copper: Williams COT Commercial Index

Williams COT LrgSpec Index

LrgSpec is short for Large Speculators. While most people focus only on the Commercials, I have found it is very helpful to know what the Large Speculators are doing in the marketplace.

These days, for the most part, the Large Speculators are commodity funds. I use this indicator to see when they are heavily long or short using the government supplied COT data.

It is hard to see the nuances of their action in the raw data so I have created this unique proprietary index.

When it is high they are fully invested and declines are not far away; when low they are heavily short, there is a rally coming.

Copper: Williams COT Large Speculator Index

Williams COT SmlSpec Index

Hardly anyone pays attention to the Small Speculators. I do. SmlSpec is short for Small Speculators... these are public traders who, as you have probably heard, lose about 90% of the time.

This is a measure of public sentiment, as it represents small traders as defined by the CFTC. I use this index to get a sense of what the public trader is doing, and look for times when the CFTC report shows they have more longs than shorts (to set up shorts) or vice versa. These guys are usually losers, so I want to do the opposite of what they do.

Wheat: Williams COT Small Speculator Index

Williams WILLCO

This indicator shows the total Commercial Net Position as a percentage of Open Interest. This helps you understand just how much of the Open Interest the Commercials have; how intense their buying or selling has been.

It is fully explained in my book, *Trade Stocks & Commodities with the Insiders, Secrets of the COT Report.* Published by Wiley in 2005, it was the first book ever devoted to the COT Report.
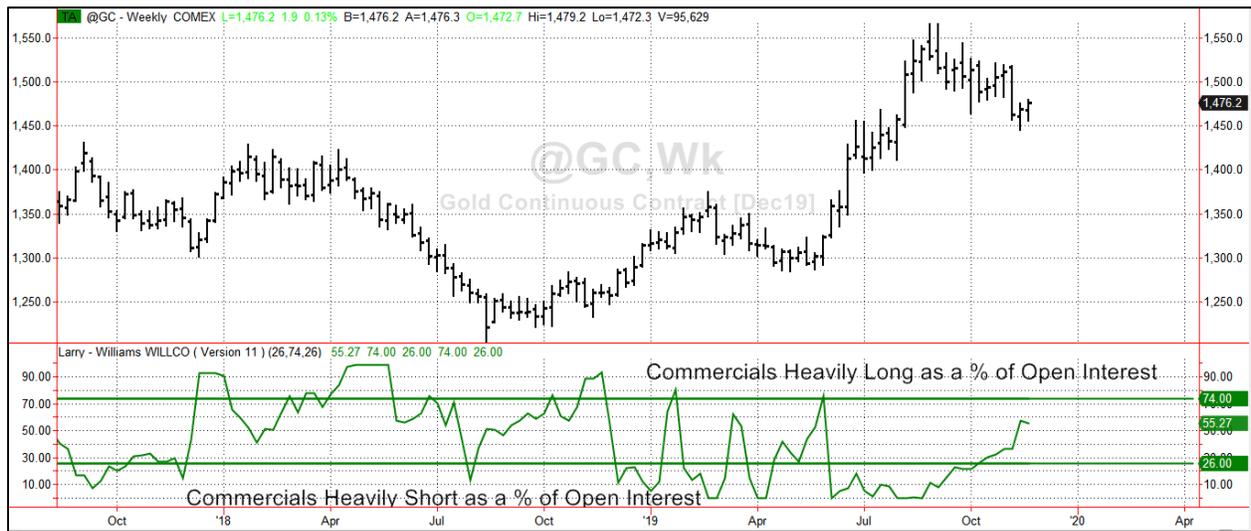
Gold: Williams WILLCO

Crude Oil: Williams WILLCO

Williams POIV

I fully explained this indicator in a Futures Magazine's issue (link at end of section). I've always liked the idea of On Balance Volume (popularized by my friend Joe Granville). This takes it to another level; as we combine price, open interest and volume all into one measure of accumulation.
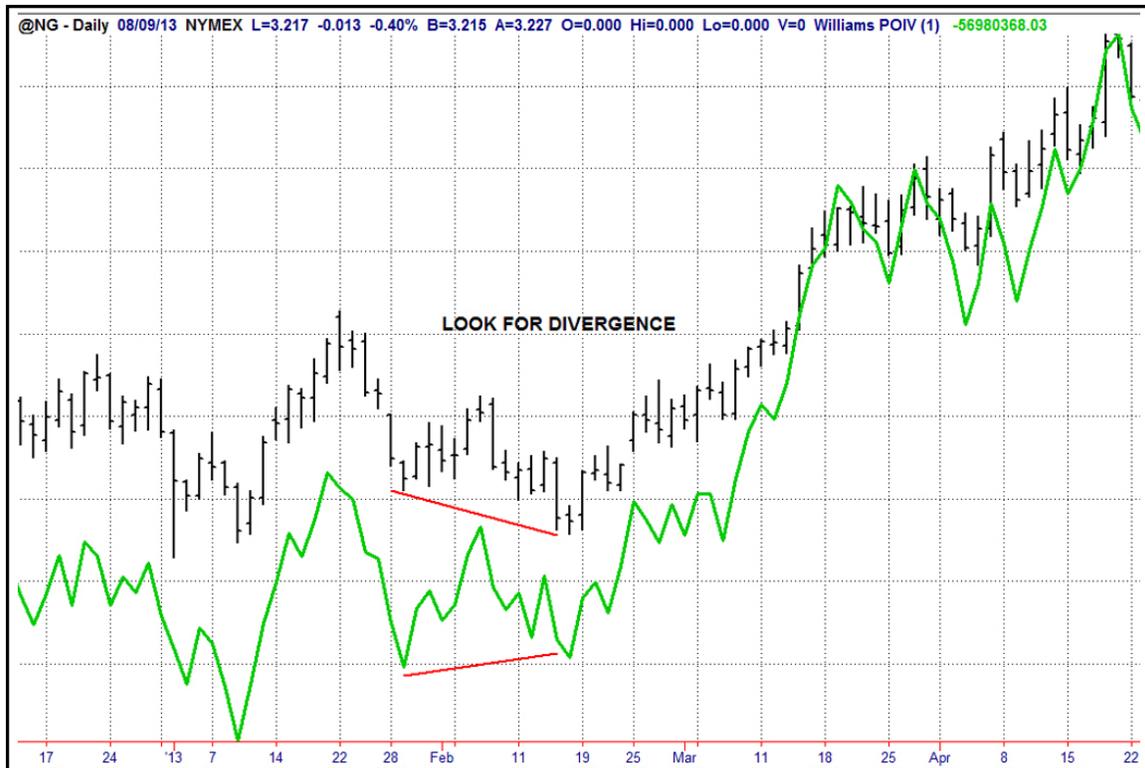
Natural Gas: Williams POIV

Read my detailed article on the Williams POIV published in Futures magazine:
http://www.ireallytrade.com/newsletters/POIV.pdf

Williams Insider Accumulation Index

Commodity traders will use my POIV index to detect accumulation distribution in their markets. Stock traders have a disadvantage. Since there is no Open Interest for stocks, they need a tool as powerful as POIV.

To that end, I have created my Insider Accumulation Index. It works for stocks, as well as commodities. However, it has been developed primarily for stocks. I have tested and traded it on markets throughout the world.

What you will be looking for, as you can see from the following example, is divergence between price action and the index.

Apple: Williams Insider Accumulation

Williams Sentiment Index

I first featured my own advisory sentiment index in the 1999 book for Bloomberg entitled *New Thinking in Technical Analysis: Trading Models from the Masters*.

After more than a decade of real time experience with that index, I developed a better formula and index to measure this part of market sentiment. It is now my favorite tool to visually show me advisors sentiment. Sells come when the index shows too much bullishness and buys when low indicating no one is bullish. We provide this tool for Stocks and Commodities (Futures).

Microsoft: Williams Sentiment Index

S&P E-Minis: Williams Sentiment Index

B) Larry Williams Timing Tools

Next are my favorite market timing tools. They have been used by traders throughout the world (my books have been published in 10 languages). I have used many of these for over half of a century; they are time tested!

Williams Ultimate Oscillator

This tool combines three time periods, which you can vary if you choose, into one index. Now you can see the effect of short, intermediate and long-term influences in one oscillator.

IBM Williams Ultimate Oscillator

To get a full understanding of this tool, read my detailed article on the Williams Ultimate Oscillator published in Stocks & Commodities Magazine:
http://www.ireallytrade.com/newsletters/ULTI.pdf

Williams VIX FIX

The VIX Index has become a very popular trading vehicle as well as market indicator. My version of it, fully explained in an Active Trader magazine article (see link at end of section), can be applied to any market. Since the VIX Index only goes back a few years, my proxy version (VIX FIX) of this index can be taken back to the beginning of trading for any stock, market average, or commodity. This will help you understand the actual VIX relationships better.
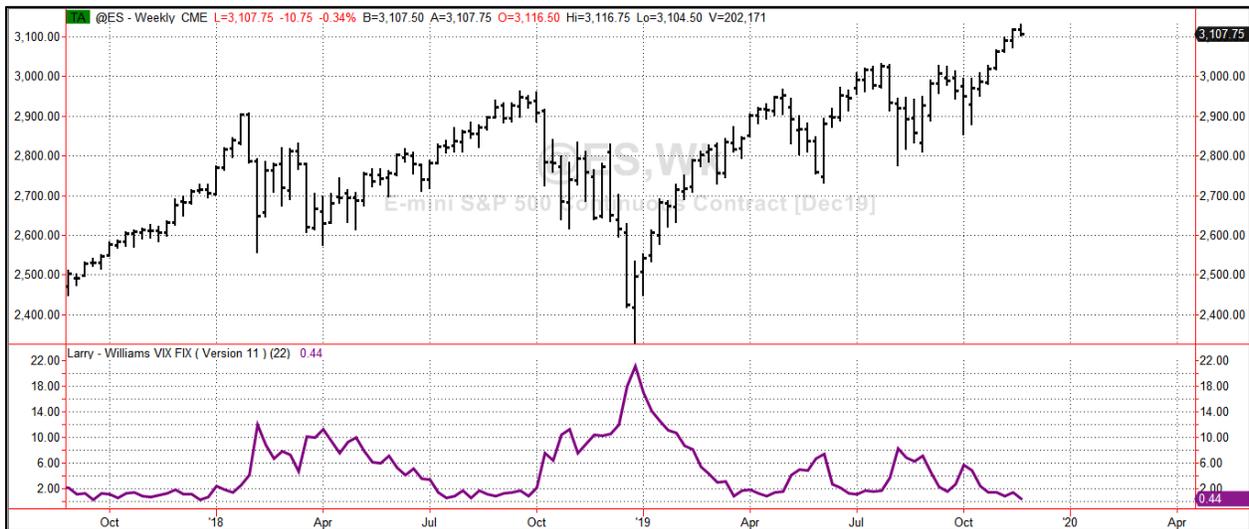
S&P E-Minis: Williams VIX FIX

Gold: Williams VIX FIX

Read my detailed article on the Williams VIX FIX published in Active Trader magazine:
http://www.ireallytrade.com/newsletters/VIXFix.pdf

Williams Volatility Trend Stop

Want to be in phase with the trend? This unique guide identifies trend changes for you. It compares favorably with expensive trend systems and strategies.
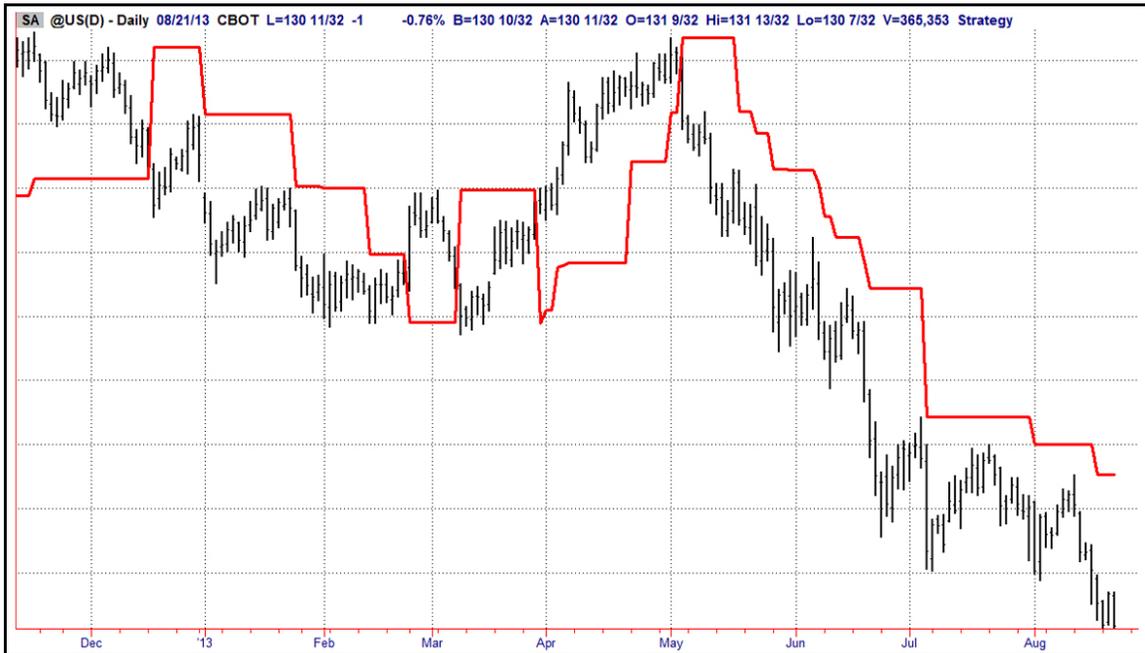
Bonds Williams Volatility Stop
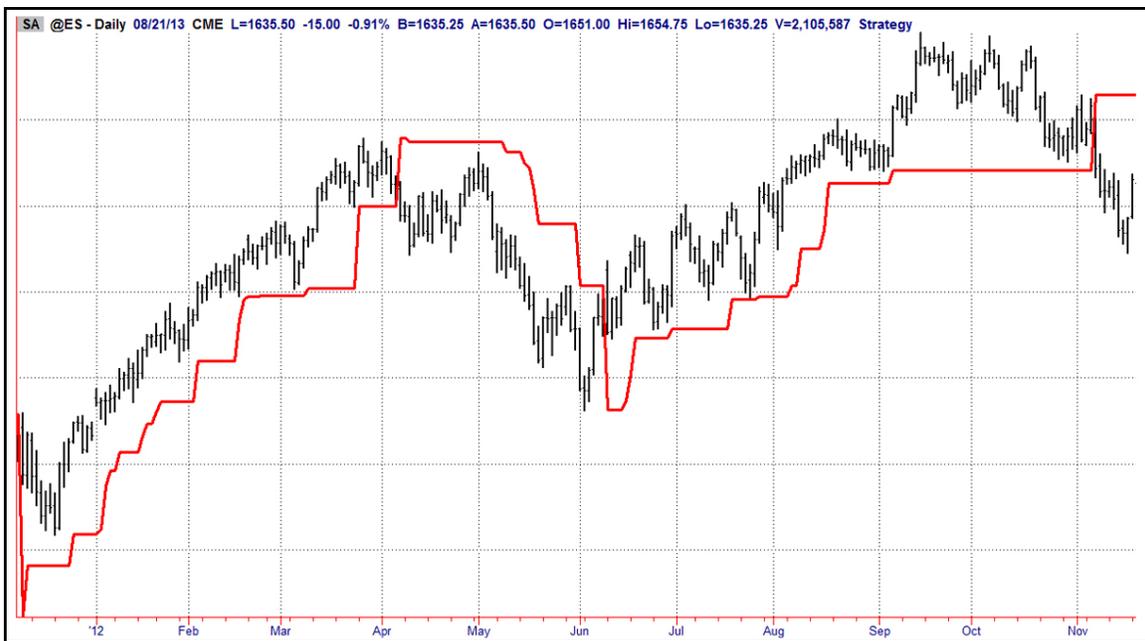
S&P E-Minis Williams Volatility Stop

Williams True Seasonal Index

My True Seasonal Index gives you the *true* seasonal pattern for any market, be it a stock or commodity. Most stocks and commodities do have seasonal influences. Traders should learn to take advantage of these patterns.

This is one of the only accurate seasonal indexes available to traders. Why? Because all other seasonal studies "run the numbers" then curve fit them to the past! The seasonal pattern they show for 2010 includes data from 2011, 2012, 2013, etc... My "True Seasonal" uses only data known up to the current time and then is pushed forward on charts for the next year.

This tool is not just restricted to weekly data. You can use this indicator on daily bars as well.

Setting Up Your Chart For Williams True Seasonal

To draw a seasonal into the future, TradeStation needs enough bar spacing on the right side of the chart. If you add the indicator to a chart that has not been set up properly, the status is turned off and you will get the error message below.

You will get an error if you do not have enough Spaces to the Right to draw the seasonal.
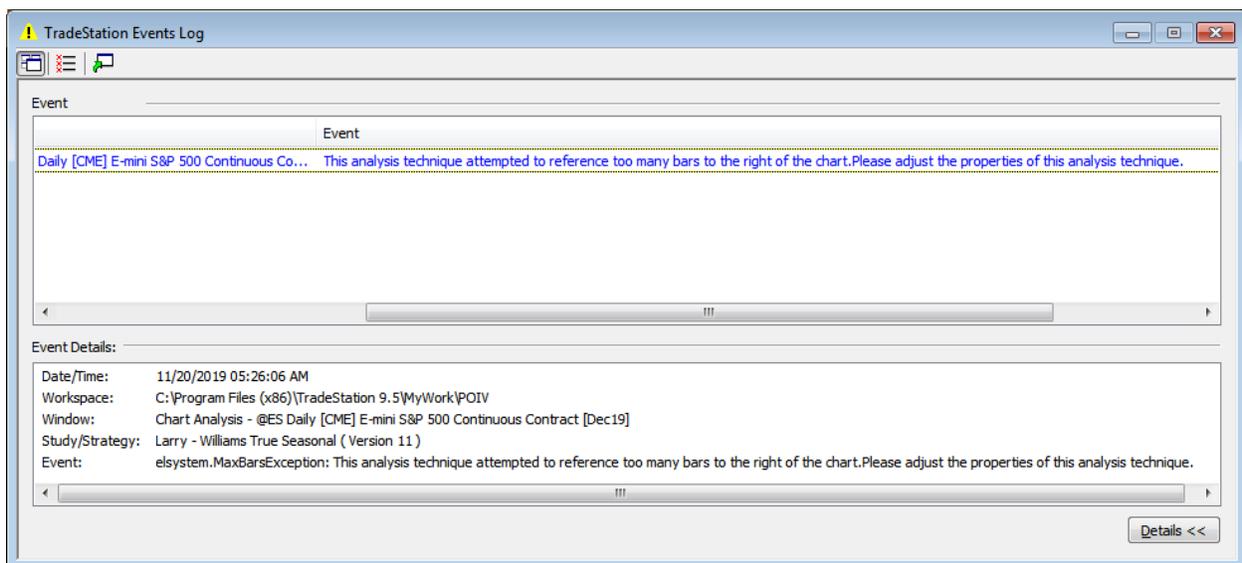
To get the space required, right click on your chart. Select "Format Window" (Customize Window in TradeStation 10). Then change the Space to the Right to 253 bars for a daily chart and 56 for a weekly chart.
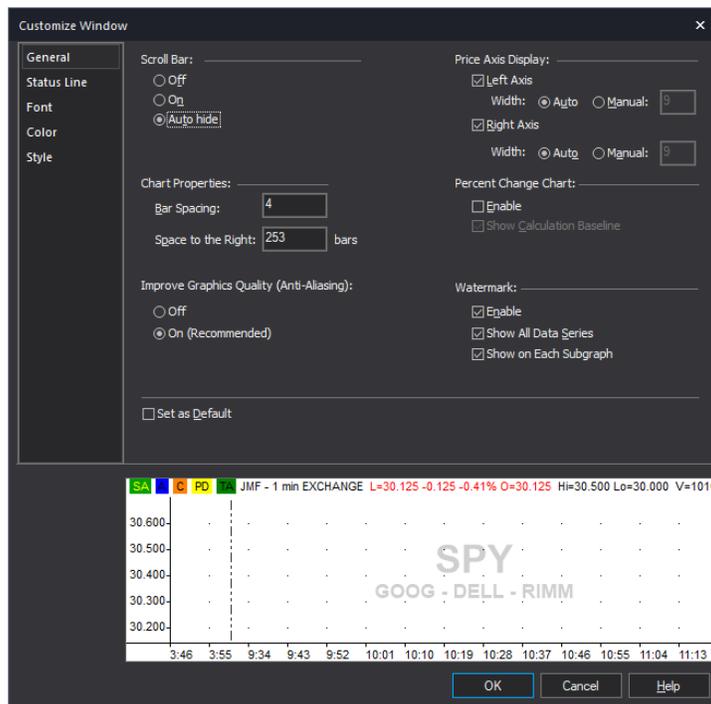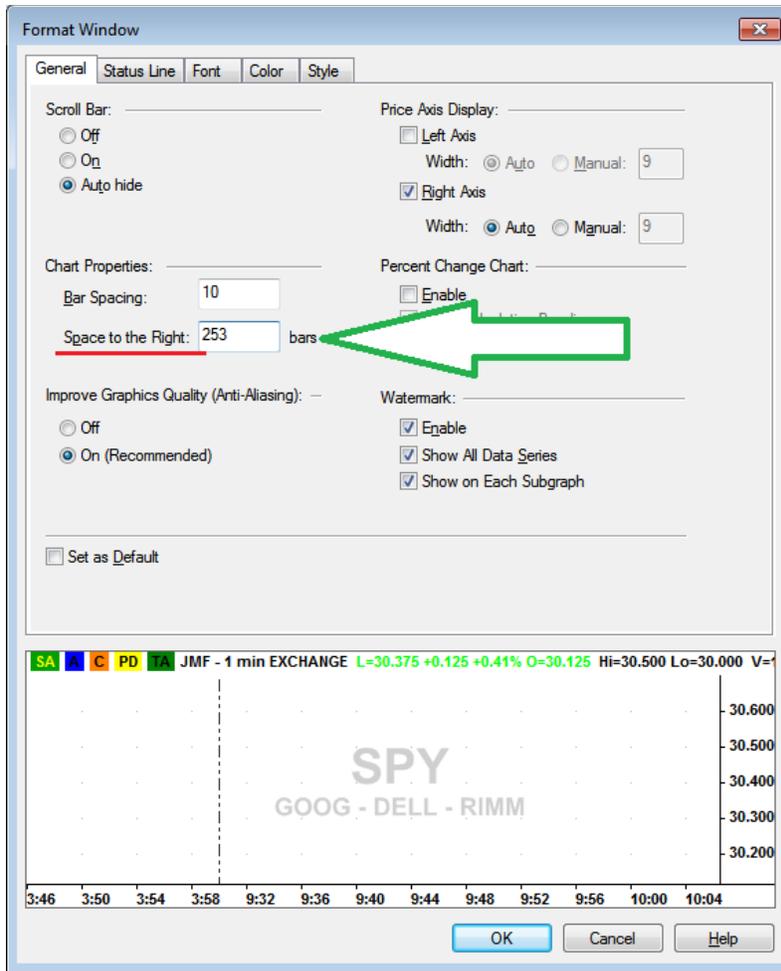
You also need to make sure you have enough data to draw a reliable seasonal. If you only have 4 years of data, the calculation for each point in time only has 4 data points. We like to use as much data as possible (assuming the data is good – please see the note at the bottom of this section). Use the continuous contract, such as @ES when drawing a seasonal on a futures product. If you want to use a specific futures contract, use the @ symbol with your market symbol so that it merges with the previous contracts, otherwise you won't have enough data.

Right click on your chart and select "Format Symbol" (Customize Symbol in TradeStation 10). In the settings tab, change the years back to a very high number so that TradeStation will give you all the data it has for your market. Something high, like 20 years will work well or even 90 (TradeStation won't give you 90 years, but you will get all that they have).
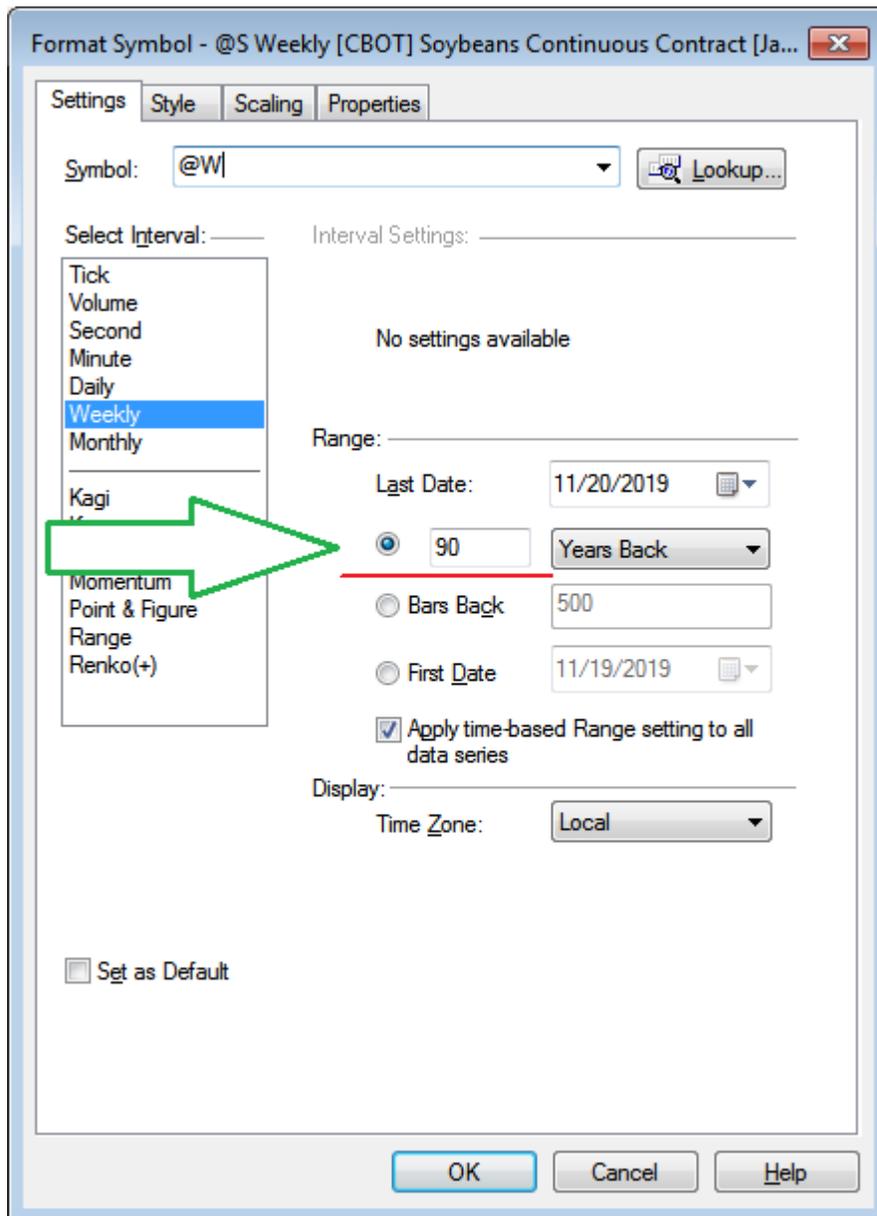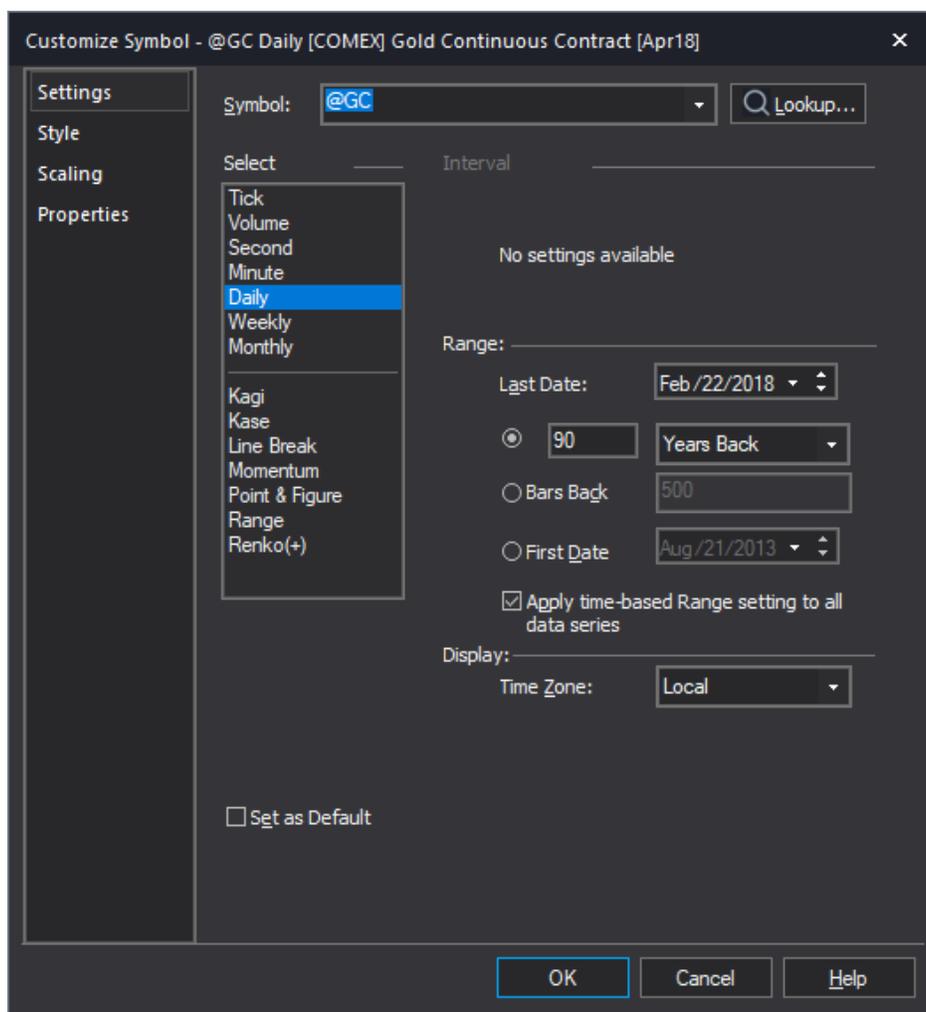
If you add the indicator first and then make the adjustments, you will need to turn the status of the indicator back on again or add the indicator to the chart again. That should be all you need to get the seasonal drawn on your chart. Make sure you scroll back in time because when the seasonal draws, your chart will be out one year into the future. This is a TradeStation limitation and not something we can control. But, we are very happy they allow projections into the future. Most software programs do not allow this.

NOTE: There are a couple markets where TradeStation data is back adjusted incorrectly. For whatever reason, they are unwilling to correct their backadjusting calculation. Soybean Meal and Soybeans prices go negative as we move back in time. Currently around November 2009 for Soybean Meal and November 2006 for Soybeans, prices go below zero which of course never happened and cannot happen. This impacts our True Seasonal. You will need to make sure the data range does not go back before the time when prices go negative. Scroll back in time on your chart to see where prices go below zero.
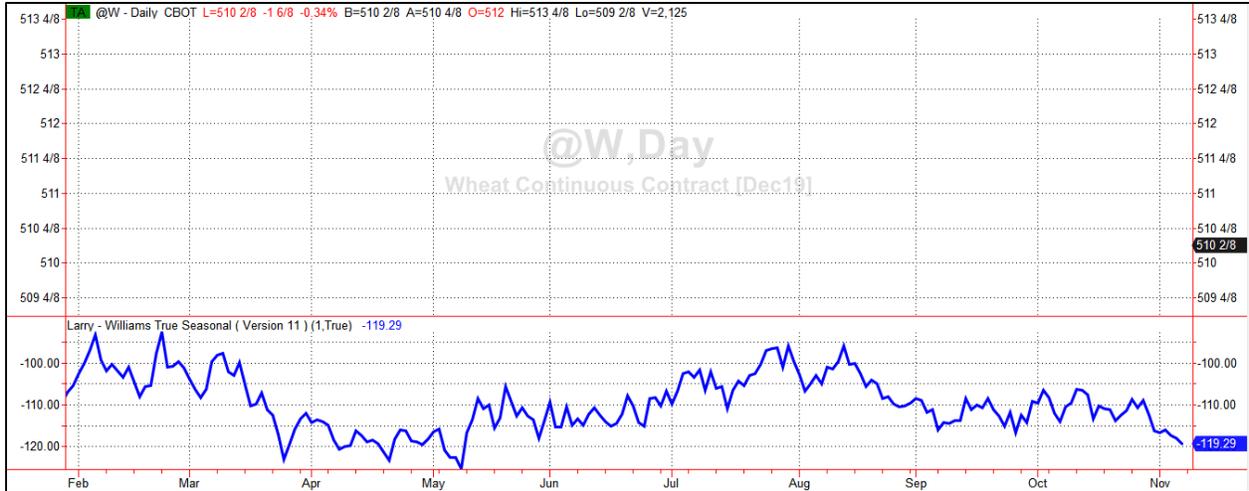
Wheat Williams True Seasonal

Coffee Williams True Seasonal

Williams Cycle Forecast

Williams Cycle Forecast takes the 3 most current dominant cycles and blends them into one forecast. It shows when tops and bottoms (reversals) should take place and what the trend should be.

You are given a 3 month in advance projection of what price should do.

Study the charts below to see the power of this approach for yourself. The objective is to give us a sense of the intermediate term moves.

I use this tool on **daily charts**.

Since this indicator projects into the future, you need to **follow the same steps as my Williams True Seasonal (see above section for the true seasonal)**.

TradeStation does not automatically adjust the spaces to the right to accommodate a projection. You have to format your window to allow for more spaces to the right. For this indicator you need at least 66 bar spaces to the right.
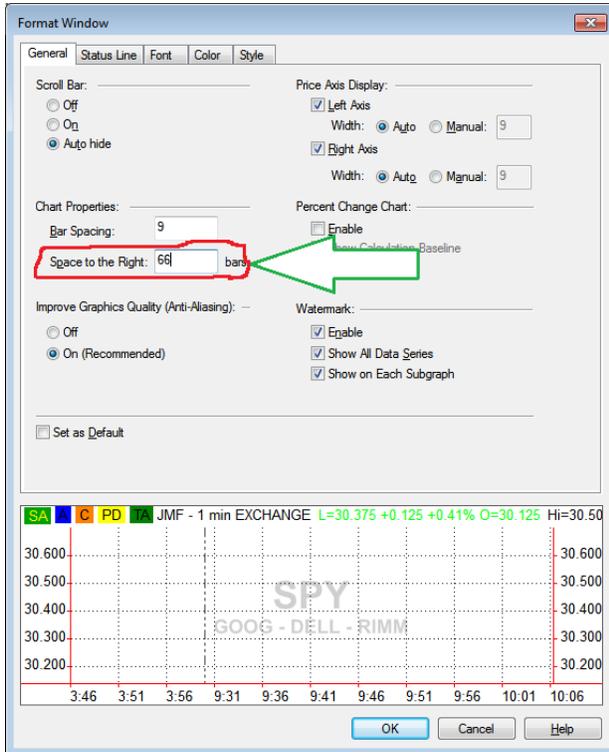
Bonds Williams Cycle Forecast

Apple: Williams Cycle Forecast
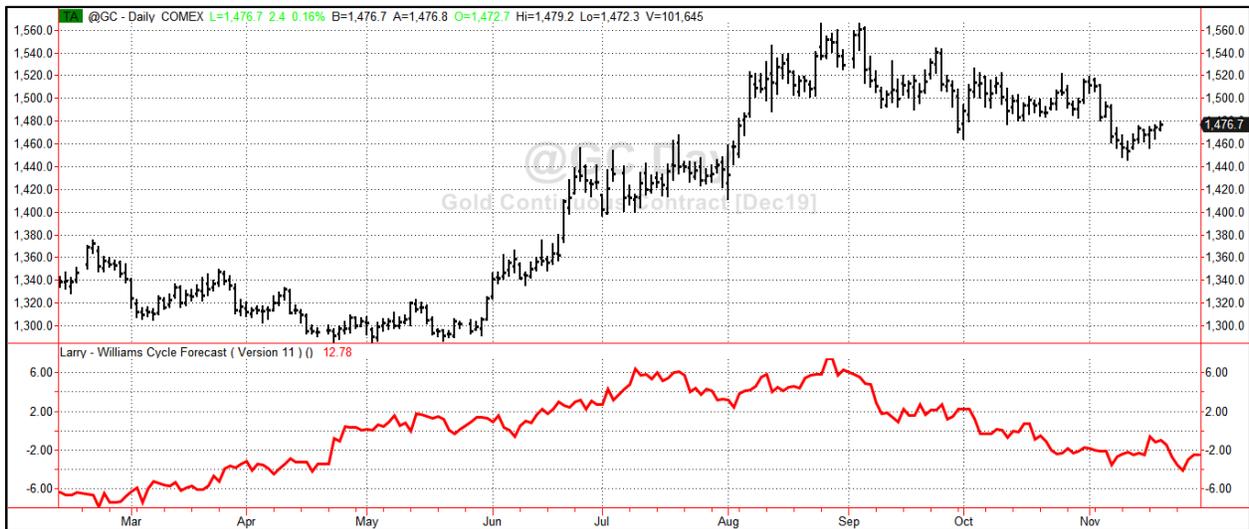
Gold: Williams Cycle Forecast

Williams %R

I developed this indicator in 1966 --- half a century ago --- this is my favorite short term and intra-day indicator. Many people refer to my indicator as %R or % Range. My book "How I Made One Million Dollars Last Year... Trading Commodities" (Windsor Books, 1967) fully explains Williams %R. You can vary the length setting to trigger signals more or less frequently (longer bar setting like 14 will not trigger as often as a 4 Bar Percent R).
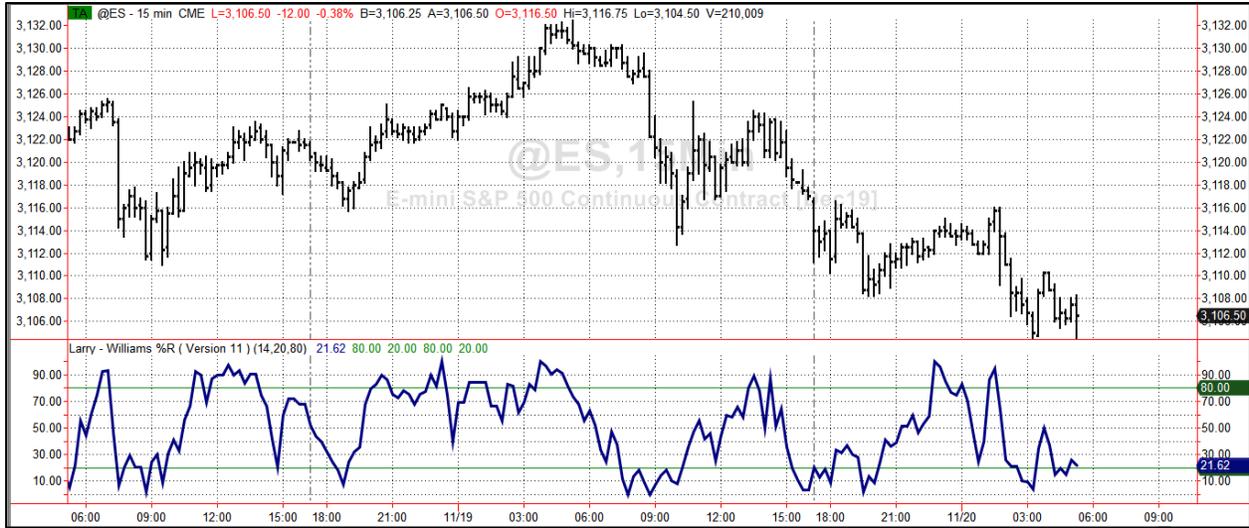
S&P E-Minis Williams %R

Gold Williams %R

Williams Advance Decline Line

This is the cumulative line of advances minus declines on a daily or weekly basis. I've looked at this every day since the mid 1960's! I like this as a general measure of what is really happening in the stock market. Use this on the E-minis or your favorite stocks.
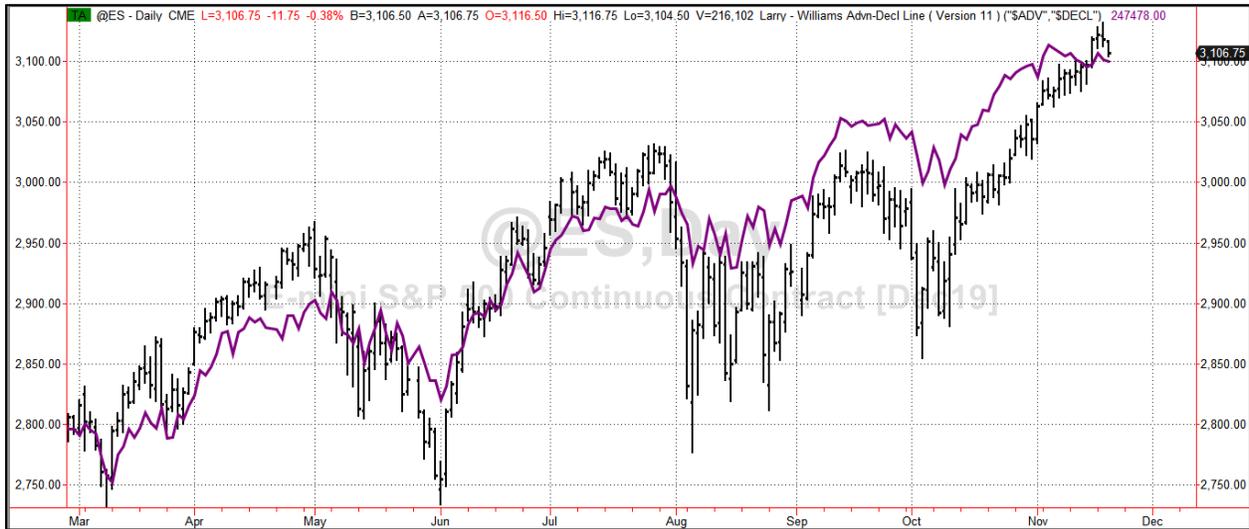
S&P E-minis: Williams Advance Decline Line

Google: Williams Advance Decline Line

C) Larry Williams Traders Tools

These tools will be helpful when managing your positions.

Williams Dollar Risk

These next two tools are Larry Trader's Tools.

Is there anything more critical in trading than money management? In my opinion, no there is not. That's why I feel that it is paramount that you can quickly and easily determine how much money you may make or lose in a trade.

I have developed a tool that will let you see exactly how many dollars per contract you can profit or lose. Use this for your money management and position sizing. Managing your risk is so crucial for all traders. Let this tool do all the work for you.

Using the trendline drawing tool, draw a trendline on your chart from any two price points. In the right panel, click on the "recalculate" button, and in a fraction of a second you'll have the dollar difference between those two points.

Williams Dollar Risk - Sell Example

Williams Dollar Risk - Buy Example

Williams FND

Do you know when First Notice Day is for your current trades? Has TradeStation ever kicked you out of your contract on first notice day?

You really need to know when that is coming, so you can either exit as you choose or roll into the next month correctly. I have a tool that will help you stay one step ahead.

The First Notice Date indicator shows the most active contract, and when its first notice date is. This tool shows you when to roll your positions into the next contract (from the active one that's shown in the text).

Refer to the next chart to see an example of this tool.

Williams FND - First Notice Day

Williams Last Trading Day Radar Screen

We have also included a radar screen that will help you with the active contract and which months the commodity trades. Just add this to any existing radar screen or create a new one.

We have included the radar screen below in the workspace that downloads when you launch these indicators in the TradesStation platform.

	Symbol	Exch	Description	Williams LTD RS					
				CurMonSym	CurMonLTD	FrntMonSymOI	FrntMonLTD	TrdMonths	LTD=
1	Indexes								
2	@ES	CME	E-mini S&P 500 Continuous Contract [Dec19]	ESZ19	12/20/2019	ESZ19	12/20/2019	H,M,U,Z	EXP
3	@YM	CBOT	E-mini Dow Futures ($5) Continuous Contract [Dec19]	YMZ19	12/20/2019	YMZ19	12/20/2019	H,M,U,Z	EXP
4	@TF(D)	ICEUS	mini Russell 2000 Continuous Contract [Jun18]						
5	Energies								
6	@CL	NYMEX	Crude Oil Continuous Contract [Jan20]	CLF20	12/19/2019	CLF20	12/19/2019	H,J,K,M,N,Q,U,V	EXP
7	@HO	NYMEX	Heating Oil Continuous Contract [Dec19]	HOZ19	11/29/2019	HOF20	12/31/2019	H,J,K,M,N,Q,U,V	EXP
8	@NG	NYMEX	Natural Gas Continuous Contract [Dec19]	NGZ19	11/26/2019	NGF20	12/27/2019	H,J,K,M,N,Q,U,V	EXP
9	@RB	NYMEX	NYHarborBlendstock RBOB Continuous Contract [Dec19]	RBZ19	11/29/2019	RBF20	12/31/2019	H,J,K,M,N,Q,U,V	EXP
10	Interest Rates								
11	@US	CBOT	30 Yr U.S.Treasury Bonds Continuous Contract [Dec19]	USZ19	11/29/2019	USZ19	11/29/2019	H,M,U,Z	FND
12	@TY	CBOT	10 Yr U.S. Treasury Notes Continuous Contract [Dec19]	TYZ19	11/29/2019	TYZ19	11/29/2019	H,M,U,Z	FND
13	@FV	CBOT	5 Yr U.S.Treasury Notes Continuous Contract [Dec19]	FVZ19	11/29/2019	FVZ19	11/29/2019	H,M,U,Z	FND
14	@TU	CBOT	2 Year U.S. Treasury Notes Continuous Contract [Dec19]	TUZ19	11/29/2019	TUZ19	11/29/2019	H,M,U,Z	FND
15	Softs								
16	@SB(D)	ICEUS	Sugar No. 11 Continuous Contract [Mar20]	SBH20	2/28/2020	SBH20	2/28/2020	H,K,N,V	EXP
17	@CT(D)	ICEUS	Cotton No. 2 Continuous Contract [Mar20]	CTZ19	12/6/2019	CTH20	3/9/2020	H,K,N,V,Z	EXP
18	@CC(D)	ICEUS	Cocoa Continuous Contract [Mar20]	CCZ19	12/13/2019	CCH20	3/16/2020	H,K,N,U,Z	EXP
19	@KC(D)	ICEUS	Coffee C Continuous Contract [Mar20]	KCZ19	12/18/2019	KCH20	3/19/2020	H,K,N,U,Z	EXP
20	Grains								
21	@S	CBOT	Soybeans Continuous Contract [Jan20]	SF20	12/31/2019	SF20	12/31/2019	F,H,K,N,Q,U,X	FND
22	@SM	CBOT	Soybean Meal Continuous Contract [Dec19]	SMZ19	11/29/2019	SMF20	12/31/2019	F,H,K,N,Q,U,V,Z	FND
23	@BO	CBOT	Soybean Oil Continuous Contract [Dec19]	BOZ19	11/29/2019	BOF20	12/31/2019	F,H,K,N,Q,U,V,Z	FND
24	@W	CBOT	Wheat Continuous Contract [Dec19]	WZ19	11/29/2019	WH20		H,K,N,U,Z	FND
25	@C	CBOT	Corn Continuous Contract [Dec19]	CZ19	11/29/2019	CH20		H,K,N,U,Z	FND
26	@RR	CBOT	Rough Rice Continuous Contract [Jan20]	error		RRF20		F,H,K,N,U,X	FND
27	Currencies								
28	@DX(D)	ICEUS	U.S. Dollar Index Continuous Contract [Dec19]	DXZ19	12/16/2019	DXZ19	12/16/2019	H,M,U,Z	EXP
29	@JY	CME	Japanese Yen Continuous Contract [Dec19]	JYZ19	12/16/2019	JYZ19	12/16/2019	H,M,U,Z	EXP
30	@AD	CME	Australian Dollar Continuous Contract [Dec19]	ADZ19	12/16/2019	ADZ19	12/16/2019	H,M,U,Z	EXP

Special Instructional Videos

We have posted special instructional videos on the following web page - please take a moment to go there to learn more about this tools package.

http://www.ireallytrade.com/videos/williamstimingtools.html

http://www.ireallytrade.com/videos/williamssetuptools.html

http://www.ireallytrade.com/videos/williamstradertools.html

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Larry Williams Tools Packages & Systems

You can view some of our other product offerings in TradeStation.
https://tradestation.tradingappstore.com/developers/LNLPublishing

Disclaimer

Our course(s), products, indicators, and services should be used as learning aids. If you decide to invest or trade real money, all trading decisions are your own. The risk of loss in trading stocks, futures, & commodities can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition.

Hypothetical or actual performance results have limitations as the future is never like the past. No representation is being made that any account will or is likely to achieve profit. We do our level best to teach you to trade but, as they say, results do vary.