VWAP Indicators For Intra-Day TSLA Trading

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Strategy Overview

VWAP: Volume weighted average price, an intra-day trading indicator that shows the average price of an asset weighted by the volume of trades at each price level over a certain time period.

- How is VWAP used in trading?
- What asset is being traded? When?
- What indicators constitute a long or short signal?
- How is risk being managed?

Backtested Results & Performance

Performance Summary:

- Total trades: 98
- Win Rate: 37.76% (37W, 61L)
- Average win: $1, 956.55
- Average loss: -$1,069.39
- PnL: $7,159.86

➔ Starting Capital: $100,000
➔ Final Capital: $107,159.86 (7.2% return)

Key Observations:

- Average winner ($1,957) vs. average loser (-$1,069) captures 2:1 risk/reward ratio
- Strategy generates profit while losing 62% of trades
- 98 trades provides valid sample size & sufficient data to analyze strategy

Future improvements

- Identify optimal trading windows, possibly avoid first/last hour of trading day (increased volatility)

- Backtest further (past 2 months), cross validation on other high volume stocks

- ML integration (LSTM neural networks, social media sentiment analysis)