

# User Manual

Auto Anchored VWAP Guide

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# Introduction

## 1.1 What is Anchored VWAP?

The Volume Weighted Average Price (VWAP) is a key trading indicator that calculates the average price of an asset, weighted by volume, over a specified period. Unlike the standard VWAP, which resets daily, an Anchored VWAP allows traders to set a custom starting point—such as a significant high or low—to analyse price action from a specific market event. This provides a more contextual view of support, resistance, and trend behaviour.

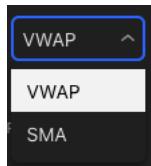
## 1.2 Brian Shannon's Anchored VWAP Methodology

Brian Shannon, a respected trader and author of *Technical Analysis Using Multiple Timeframes*, advocates using Anchored VWAP to identify critical price levels based on significant pivots. By anchoring the VWAP to key highs or lows—often marked by high volume or trend reversals—traders can assess institutional activity, confirm trends, and pinpoint potential entry or exit points. Shannon's approach emphasizes its utility across multiple timeframes, making it a versatile tool for both day traders and swing traders.

# Indicator Settings

## 2.1 Type Options

### 2.1.1 Type Dropdown:



Select the band calculation type as either VWAP (default, uses volume-weighted data) or SMA (Simple Moving Average, for instruments without volume data). Experiment with SMA to suit your trading style.

### 2.1.2 Band Type Dropdown:



Select the band width to display. The system uses two source calculations from anchor points and displays them as bands

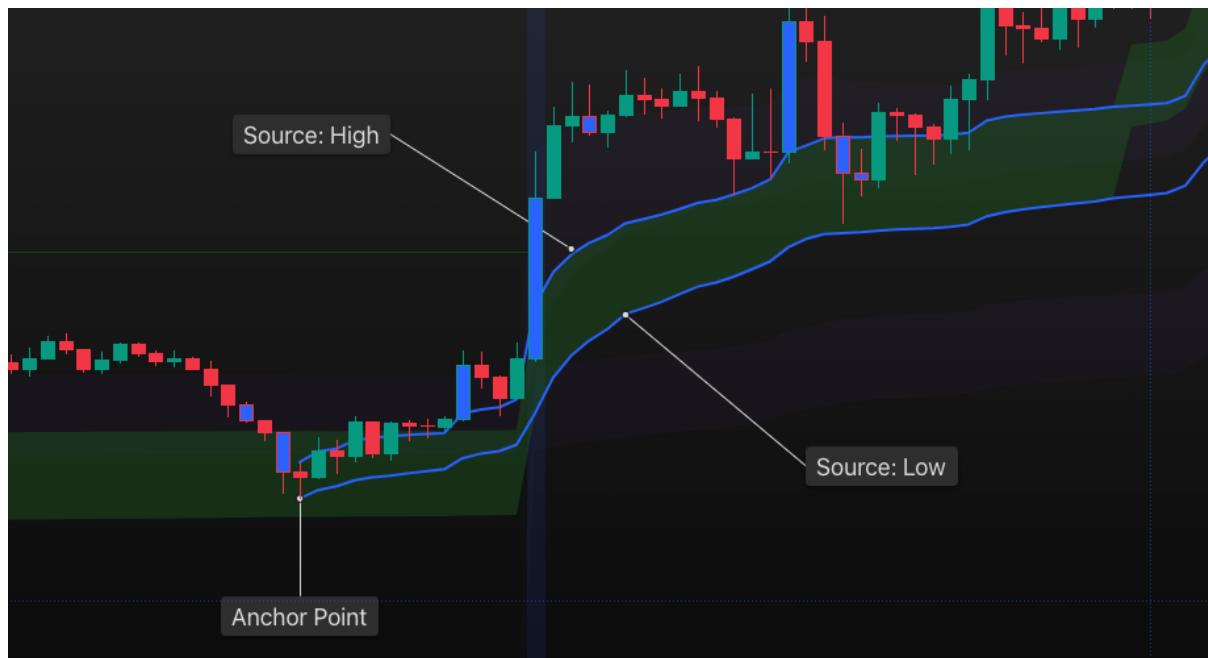
- **OHLC4:** The two sources for this type are:

- **Bullish:** OHLC4 and Low
- **Bearish:** OHLC4 and high



*Example: The upper part of the band is OHLC4 and lower part is LOW from the auto identified anchor point*

- **HIGH-LOW:** Uses High and Low sources, regardless of market sentiment



- **Lines:** only OHLC4 lines will be displayed. No bands.



## 2.2 Anchor Options

### 2.2.1 Anchor Period:



Anchor Period is used to:

#### - **Determine Breach Points for Bias:**

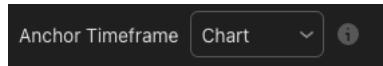
The system detects a shift in bias when price hits "Breach Point" levels, calculated using the **highest** and **lowest** of:

- Current Session VWAP
- Previous Session VWAP
- Previous Session Highest High VWAP
- Previous Session Lowest Low VWAP



- **Display Session Based VWAPs/SMAs:** covered in section 2.4

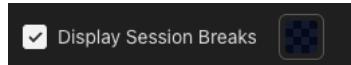
## 2.2.2 Anchor Timeframe:



Anchor points and breach levels can vary based on the chart timeframe you are on. For example, if your Anchor Period is 1 Week, then it may display differently on the H1. To mitigate this, you can select a specific chart timeframe to anchor to ensure consistency across all timeframes.

This is designed to be used for drilling down to lower timeframes while anchoring to a higher timeframe. Example, anchor to the H1 and view on the m5.

## 2.2.3 Display Session Breaks:



Enable this to display a vertical line identifying the start of a new session (Anchor Period)

## 2.3 Auto Anchor and Handoffs

### 2.3.1 First Anchor

First Anchor i

Enable this to display the initial anchor after a shift in bias up until the point of an opposite shift in bias



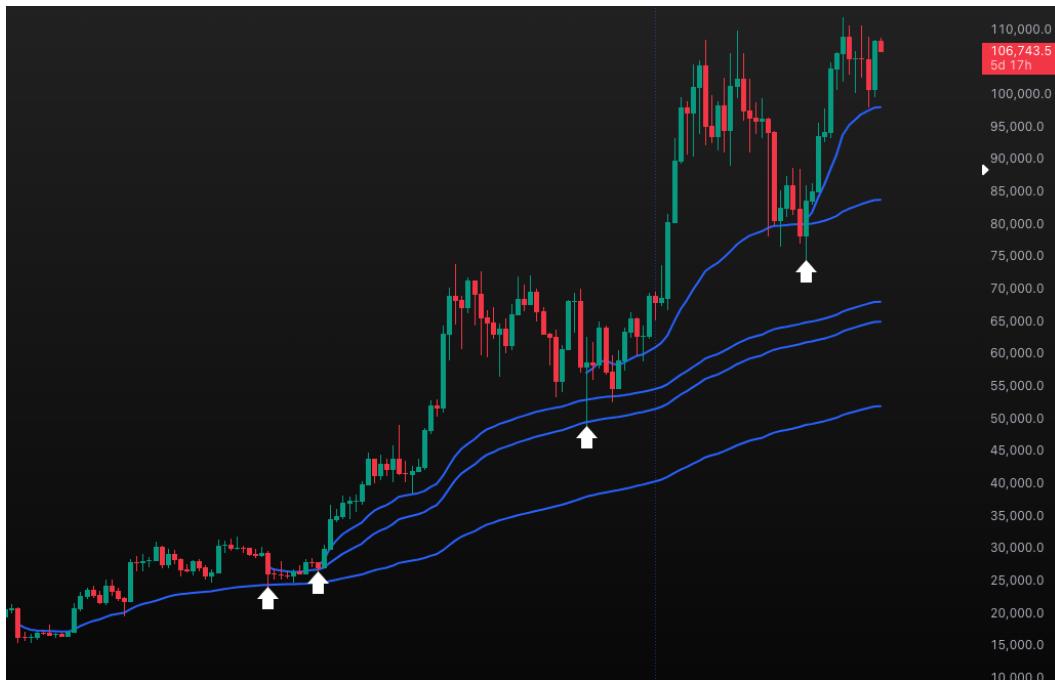
### 2.3.2 Handoff Anchors



Select this option to display Handoff Anchors.

#### Handoff Anchors:

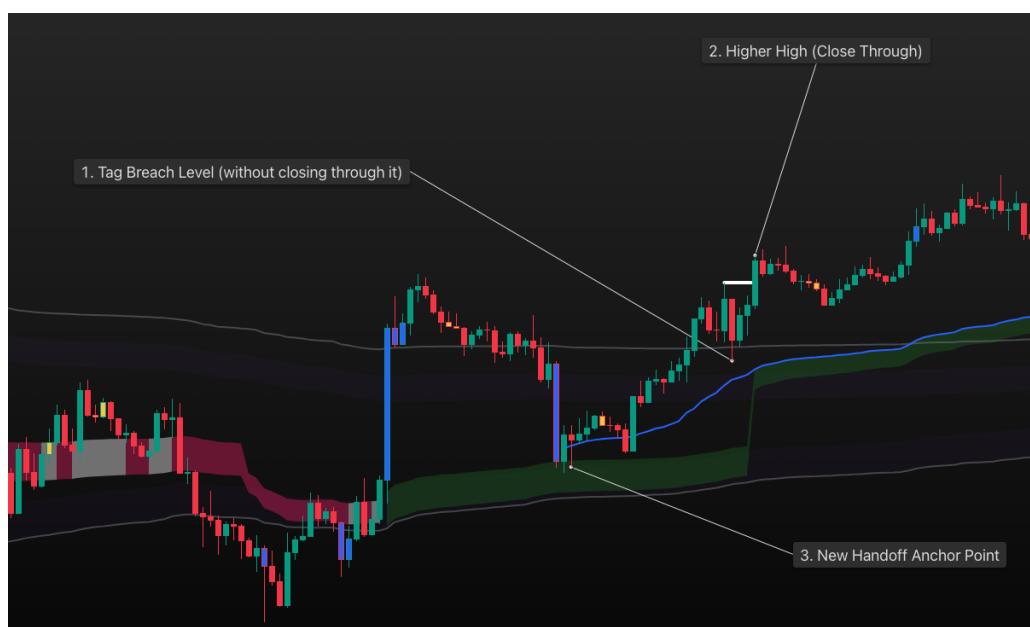
When price tags a VWAP level and moves significantly away from it, adding a fresh anchor to the last time price tagged VWAP is a Handoff Anchor. White arrows are handoff points in the BTC Weekly example below:



There are two methods this indicator uses to determine handoffs.

#### **Option 1: Using Breach Levels**

1. Price tags a [breach level](#) (without closing through it)
2. Makes a close through Higher High (if bullish)



## Option 2: Using VWAP Levels

This option is enabled by default. To use option 1, disable '[Require Anchor Tag and Breach for Handoffs](#)'

1. Tag a VWAP Level (Either First or an existing handoff)
2. Close through the highest high that caused price to tag the VWAP level



### 2.3.3 Handoff Sensitivity

Handoff Sensitivity  ⓘ

This option allows you to select between OHLC4 and High-Low bands to determine handoff points. High-Low is more sensitive / aggressive as the band width is wider, resulting in more aggressive handoffs

### 2.3.4 Anchor Tag and Breach for Handoffs

Require Anchor Tag and Breach for Handoffs ⓘ

See [Option 2 in section 2.3.2](#)

### 2.3.5 Display Handoff Breach Lines

Display Handoff Breach Lines ⓘ

Enable this option to display the breach lines for a handoff to occur using **Option 2**. i.e. the highest high that caused price to tag VWAP (if bullish) or the lowest low that caused price to tag VWAP (if bearish)

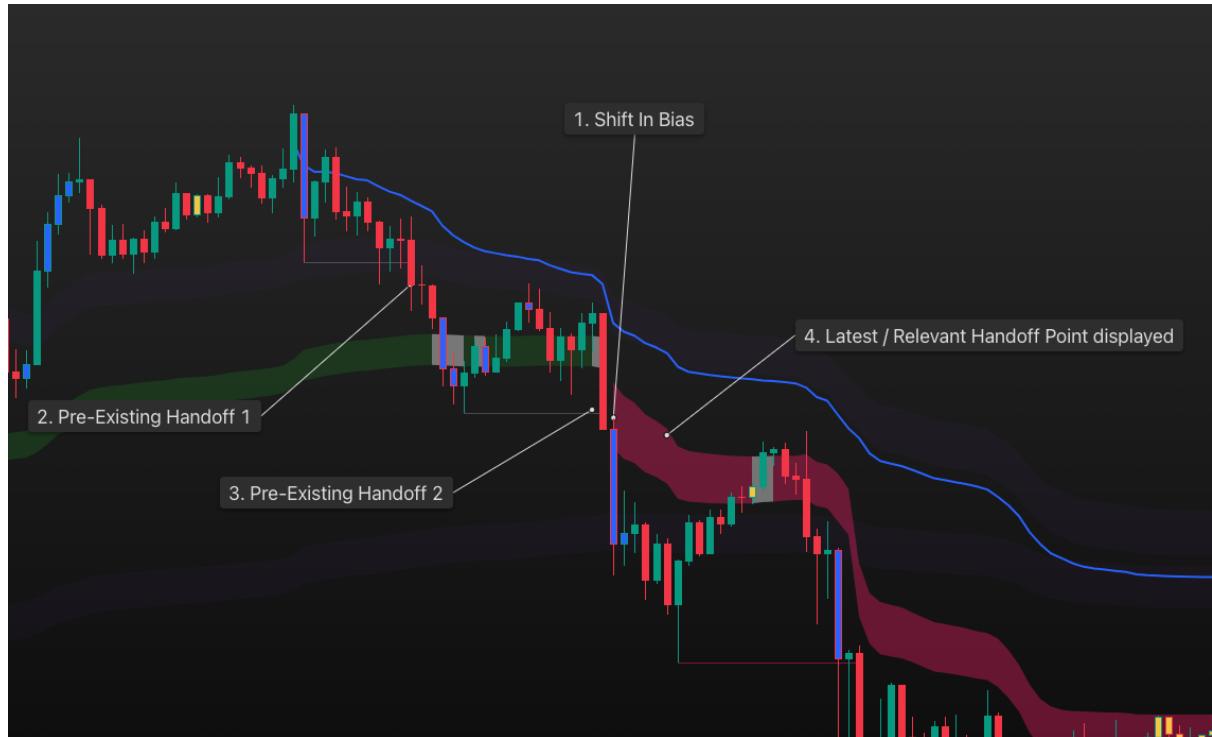
Lines will only display once they have been breached

### 2.3.6 Enable Pre-Existing Handoffs

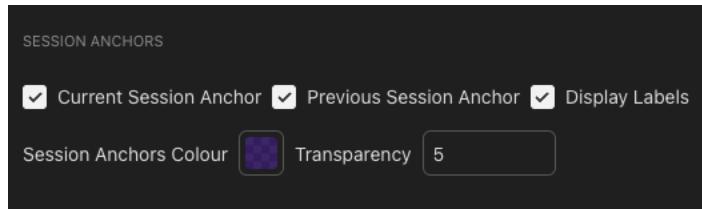
 Enable Pre-Existing Handoffs i

Enabling this option will get the system to calculate if there were already any handoffs prior to a shift in bias, displaying the most current and relevant VWAP handoff as soon as a shift in bias occurs. This only works with [Option 2](#).

In the example below, two handoffs had already occurred before a shift in bias. With this option enabled, the system was able to display the latest and most relevant VWAP band. With this option disabled, the blue line would be the level displayed, resulting in a missed opportunity.



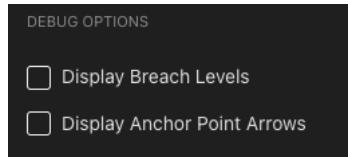
## 2.4 Session Anchors



Use these options to display the current and previous session anchors based on the selected [Anchor Period](#)

NB: Use the transparency input to adjust brightness. The slider in the colour picker is disabled.

## 2.5 Debug Options



These options will display the Bias shift Breach levels and the anchor points for First Anchor and subsequent Handoffs