

NeuroShell Trader

The Gap Reversal trading system described by Ken Calhoun can be easily implemented with a few of NeuroShell Trader's over 800 indicators. Simply select '**New Trading Strategy ...**' from the '**Insert**' menu and enter the following in the appropriate locations of the Trading Strategy Wizard:

BUY LONG CONDITIONS: [All of which must be true]

$A \leq B \leq C(20, \text{Close}, 70)$

$A > B(\text{DayRange}(\text{Date}, \text{High}, \text{Low}, 1), 1.0)$

$A > B(\text{Volume}, 15000)$

$A \leq B(\text{Divide}(\text{DayOpen}(\text{Date}, \text{Open}, 0), \text{DayClose}(\text{Date}, \text{Close}, 1)), 0.9)$

$A < B(\text{DayHigh}(\text{Date}, \text{Sub}(\text{High}, \text{DayLow}(\text{Date}, \text{Low}, 0)), 0), 0.5)$

BUY STOP PRICE: $\text{Add2}(\text{DayLow}(\text{Date}, \text{Low}, 0), 0.5)$

LONG TRAILING STOP PRICES:

$\text{TrailPricePnts}(\text{Gap Reversal Trading Strategy}, 0.4)$

If you have the NeuroShell Trader Professional, you can also choose whether or not the parameters should be optimized. After backtesting the trading strategy, use the 'Detailed Analysis ...' button to view the backtest and trade by trade statistics for the strategy.

Users of NeuroShell Trader can go to the STOCKS & COMMODITIES section of the NeuroShell Trader free technical support Website to download a copy of any of the traders' tips.

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Figure 1: A NeuroShell Trader Chart that shows the Gap Reversal trading strategy.