

NeuroShell Trader

The Penny Stock Breakout system described by Markos Katsanos can be easily implemented in the NeuroShell Trader by combining a few of the NeuroShell Trader's over 800 indicators. To create the breakout system, select 'New Trading Strategy ...' from the 'Insert' menu and enter the following entry and exit conditions in the appropriate locations of the Trading Strategy Wizard:

Generate a buy long **MARKET** order if **ALL** of the following are true:

A>B (FVE(High, Low, Close, Volume, 14) , -1)
A<B<C (-0.35, Multiply(Divide(LinRegSlope(Close,35), Lag(Close,35)), 100), 0.4)
A<B<C (-0.4, Multiply(Divide(LinRegSlope(Close,70), Lag(Close,70)), 100), 0.4)
A>B (Multiply(Divide(LinRegSlope(Close,170), Lag(Close,170)), 100), -0.02)
A>B (ExpAvgOffset(MACD(Close, 12, 26), 9), -.003)
A<B (SimpleStochastic%K(SDC, 150), 20)
A>B (Close, ExpAvg(Close,10))
A<B (Multiply(SDC , ADX(High, Low, Close, 20, 20)), 1.3)
A>B (Stochastic%D(High, Low, Close, 10, 3), 30)

Generate a sell long **MARKET** order if **ONE** of the following is true:

A<B (Close, Multiply (0.82, Maximum(Close,2)))
BarsSinceFilled>=X(Trading Strategy, 71)

Note: that the FVE indicator is a custom indicator, which is described in the Trader's Tip section of the September 2003 issue of TECHNICAL ANALYSIS OF STOCKS & COMMODITIES.

If you have the NeuroShell Trader Professional, you can also choose whether or not the system 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 Penny Stock Breakout trading system.

Users of NeuroShell Trader can go to the STOCKS & COMMODITIES section of the NeuroShell Trader free technical support website to download a sample chart which includes the Penny Stock Breakout trading system.

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Figure A: NeuroShell Trend Penny Stock Breakout system

