

NeuroShell Trader

The Zero Lag Exponential Moving Average, Short-Term Volume and Price Oscillator and Trailing Stop Reversal Systems described by Sylvain Vervoort in the Trading Divergences article can be easily implemented in the NeuroShell Trader by combining a few of the NeuroShell Trader's over 800 indicators.

Select 'New Indicator ...' from the 'Insert' menu and use the Indicator Wizard to create the following indicators:

Zero-Lagging Exponential Moving Average:

```
Add2( ExpAvg( Close, Period ), Subtract( ExpAvg( Close, period ), ExpAvg( ExpAvg( Close, period ) ) ) )
```

SVAPO Price Only:

```
haC = Tema( HeikinAshiClose( Open, High, Low, Close ), 5 )
vave = Lag( MovAvg( Close, 40 ), 1 )
vtr = Tema( LinRegSlope( Close, 8 ), 8 )
vcutoff = IfThenElseIfThen( And2( A>B( %Change(haC, 1 ), cutoff ), A>=B( vtr, Lag( vtr, 1 ) ) ), Close, And2( A<B( %Change(haC, 1 ), Negative(cutoff) ), A>B( vtr, Lag(vtr,1) ) ), Neg(Close), 0 )
SVAPO = Tema( Divide( Sum( vcutoff, 8), Add2( vave, 1 ) ), 8)
StdDevHigh = BollingerBandHigh ( SVAPO, stdevper, devH )
StdDevLow = BollingerBandLow ( SVAPO, stdevper, devL )
```

Note: The SVAPO oscillator is based upon the HeikinAshiClose and Tema custom indicators, which NeuroShell Trader users can download for free at www.ward.net.

To create the 2% trailing stop reversal trading strategy, select 'New Trading Strategy ...' from the 'Insert' menu and enter the following in the appropriate locations of the Trading Strategy Wizard:

Long Protective Stop:

```
Trailing Price % ( Trading Strategy, 2 )
```

Short Protective:

```
Trailing Price % ( Trading Strategy, 2 )
```

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 trailing reversal strategy.

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Figure A: NeuroShell Trading Divergences chart for S&P 500.

