NeuroShell Trader

The Australian Dollar Intermarket Bollinger Band Divergence System described by Markos Katsanos can be implemented in the NeuroShell Trader by combining a few of the NeuroShell Trader's over 800 indicators. To create the Bollinger Band Divergence indictor described in the article, select '**New Indicator …**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicators:

SECBOL: Add2(1, Divide(Sub(Close, BBLow(Close, 30, 2)), Add2(Sub(BBHigh(Close, 30, 2), BBLow(Close, 30, 2)), 0.0001)))

DIVERG: Multiply2(Divide(Sub(SECBOL(XAU,30,2), SECBOL(Close, 30, 2)), SECBOL(Close, 30, 2)), 100)

Also use the Indicator Wizard to create the following intermediate indicators that will be used in the trading system:

DIV2: DIVERG(XAU, Close, 30, 2)

DIV3: DIVERG(CRB, Close, 30, 2)

DIV1MAX: Max2(DIV1, DIV2)

DIV1MIN: Min2(DIV1, DIV2)

To create the Australian Dollar Intermarket Bollinger Band Divergence System described in the article, select '**New Trading Strategy …**' from the '**Insert**' menu and enter the following in the appropriate locations of the Trading Strategy Wizard:

Buy Long when ONE of the following conditions is true:

```
And2( And4( A>B( Maximum(DIV1MAX, 3), 10),
A<B( DIV1MAX, Lag(DIV1MAX, 1)),
A>B( %Change( Close, 2), 0),
A>B( Close, Multiply2( 1.007, Minimum( Low, 4)))),
Or2( A>B( Momentum( MovAvg( Sub(100,YTCc1), 40), 1), 0),
A>B( Momentum( MovAvg( Sub(100,YBAc1), 40), 1), 0)))

And2( And4( A>B( DIV1MAX, 40),
A>B( Add2( DIV2, DIV3), 80),
A<B( DIV1MAX,Lag( DIV1MAX, 1)),
A>B( Close, Lag( Close, 1)))
A>B( Close, Multiply2( 1.007, Minimum( Low, 4))))

And2 ( CrossAbove ( MovAvg( Close, 15), MovAvg( Close, 50) ),
A>B( Momentum( MovAvg( Sub(100,YBAc1), 40), 1), 0 ))
```

Sell Long when ONE of the following conditions is true:

```
And2( CrossAbove( MACDSignal( Close, 9, 12, 26), MACD( Close, 12, 26) ),
A>B( Maximum( MACD( Close, 12, 26), 5), Lag(Maximum(MACD( Close, 12, 26), 50),
5)))

And3( A<B( DIV1MIN, -30 ),
Or2 ( A<B( %Change(XAU,1), -0.5 ),
A<B( %Change(CRB,1),-0.5 ))
A<B( Close, Multiply2( 1.007, Maximum(High,4))))

And4( A<B( DIV1MIN, 0 ),
A<B( %Change( EURJPY, 2), -1 ),
A<B( Close, Multiply2( 1.007, Maximum(High,4))),
A<B( Momentum( MovAvg( EURJPY, 40), 1), 0) )
```

Sell Short when ONE of the following conditions is true:

```
And2( And4( A<B( Minimum(DIV1MAX, 3), -10),
A>B( DIV1MAX, Lag(DIV1MAX, 1)),
A<B( %Change( Close, 2), 0),
A<B( Close, Multiply2( 1.007, Maximum( High, 4)))),
Or2( A<B( Momentum( MovAvg( Sub(100,YTCc1), 40), 1), 0),
A<B( Momentum( MovAvg( Sub(100,YBAc1), 40), 1), 0)))

And2( And4( A<B( DIV1MAX, -20),
A<B( Add2( DIV2, DIV3), -40),
A>B( DIV1MAX,Lag( DIV1MAX, 1)),
A<B( Close, Lag( Close, 1)))
A<B( Close, Multiply2( 1.007, Maximum( High, 4))))

And2( CrossBelow ( MovAvg( Close, 15), MovAvg( Close, 50) ),
A<B( Momentum( MovAvg( Sub(100,YBAc1), 40), 1), 0 ))
```

Cover Short when ONE of the following conditions is true:

```
And2( CrossBelow( MACDSignal( Close, 9, 12, 26), MACD( Close, 12, 26) ),
A<B( Minimum( MACD( Close, 12, 26), 5), Lag(Minimum(MACD( Close, 12, 26), 50), -
5)))

And3(  A>B( DIV1MAX, 30 ),
Or2( A>B( %Change(XAU,1), 0.5 ),
A>B( %Change(CRB,1), 0.5 ))
A>B( Close, Multiply2( 1.007, Maximum(High,4))))
```

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 strategy.

Marge Sherald, Ward Systems Group, Inc
301 662 7950, E-mail sales@wardsystems.com
http://www.neuroshell.com

Figure A: NeuroShell AUD Intermarket BB Divergence System.