

## NeuroShell Trader

The stress indicator described by Perry Kaufman can be easily implemented with a few of NeuroShell Trader's over 800 indicators. Simply select '**New Indicator ...**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicator:

Stress Indicator:  $\text{SimpleStoch\%K}(\text{Sub}(\text{Stoch\%K}(\text{High,Low,Close,60}),\text{Stoch\%K}(\text{SPDRS High,SPDRS Low,SPDRS Close,60})),60)$

To implement the stock trading pair side, 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]  
 $A < B(\text{Stress Indicator}, 10)$

LONG TRAILING STOP PRICES:  
 $\text{TrailPrice\%}(\text{Trading Strategy}, 20)$

SELL LONG CONDITIONS: [All of which must be true]  
 $A > B(\text{Stress Indicator}, 50)$

POSITION SIZING METHOD: Fixed Dollar: 5,000.00 Dollars

To implement the hedge signal and calculate the size of hedge, simply select '**New Indicator ...**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicators:

Hedge Signal:  $\text{And2}(A < B(\text{Avg}(\text{SPDRS Close}, 60), \text{Lag}(\text{Avg}(\text{SPDRS Close}, 60), 1)), \text{Or2}(A > B(\text{Long Entry Signal: Trading Strategy}, 0), A > B(\text{Position}(\text{Trading Strategy}, 0), 0)))$

Hedge Size:  $\text{Mul3}(\text{Divide}(5000, \text{Close}), 0.5, \text{Divide}(\text{StdDev}(\text{Sub}(\text{ROC}(\text{Close}, 1), 1), 60), \text{StdDev}(\text{Sub}(\text{ROC}(\text{SPDRS Close}, 1), 1), 60)))$

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 Stress Indicator and corresponding stock trades.

