

NeuroShell Trader

We once again used the neural networks in the NeuroShell Trader to transform the visual discretionary information in the Swami charts described by John Ehlers and Ric Way into an analytical trading system. We applied the Band Pass Filter indicator described in the article to daily, weekly, and monthly timeframes of the close. (We used the NeuroShell Trader Power User version, which can incorporate different time frames in the same trading system.) We selected those three different Band Pass Filter indicators as inputs to a neural network in order to predict the 1 bar percent change in open. We then combined the trading signals from the neural network with trading rules that made sure the Market Mode Indicator was below the Upper Trend Indicator and above the Lower Trend indicator, which were described in Ehlers' March 2010 article. No scripting, coding, or programming of any kind was involved. The chart was created using the wizards in the NeuroShell Trader.

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 displays the neural network prediction which used Band Pass Filters of the close for three different timeframes as inputs to the net. The neural network trading signals were then filtered by the Market Mode Indicator to determine when to trade the cycle.

