

**Note: The indicator definitions for YOM and AVYOM are corrected versions of the ones that appear in the May 2005 issue of Technical Analysis of Stocks & Commodities.**

## NeuroShell Trader

Stuart Belknap's Universal Cycle Index (UCI) can be easily implemented in the NeuroShell Trader by combining a few of the NeuroShell Trader's over 800 indicators. To implement the UCI indicators, select 'New Indicator ...' from the 'Insert' menu and use the Indicator Wizard to create the following indicators:

### Volatility (Sigom %)

YOM: Multiply( 100, Subtract( Divide( Close, Lag(MovAvg(Close,25),12) ), 1))  
AVYOM: Divide ( Sum ( YOM, 50 ), 50 )  
VARYOM: Subtract( Divide( Add2( Multiply2(YOM,YOM), 50 ), 50 ), Multiply2(AVYOM,AVYOM))  
SOM: Lag( Sqrt( VARYOM ), 12 )  
SIGOM: MovAvg( SOM, 25 )

### Cycle Index \*\*\*

YE: Multiply2( 100, Subtract( Divide( MovAvg(Close,x), MovAvg(Close,y) ), 1 ) )  
YES: LinTimeRegPredVal( YE, x, 1 )  
YESN: Multiply( 100, Divide( YES, SIGOM ) )

### Centered Cycle Index\*\*\*

YC: Multiply2( 100, Subtract( Divide( Lead(MovAvg(Close,y),x), Lead(MovAvg(Close,z),y) ), 1 ) )  
YCN: Multiply( 100, Divide( YC, SIGOM ) )

\*\*\* For Minor Cycle Index use parameters x=6, y=12, z=25; for Secondary Cycle Index use parameters x=12, y=25, z=50; and for Intermediate Cycle Index use parameters x=25, y=50, z=100.

### Real-Time Channel Lines

ARM: MovAvg(Close,25)  
UPPERLINE: Multiply2 ( Add2( 1, Multiply2( 2, Divide(SIGOM,100) ) ), ARM )  
LOWERLINE: Multiply2 ( Subtract( 1, Multiply2( 2, Divide(SIGOM,100) ) ), ARM )

### Centered Channel Lines

CARM: Lead( MovAvg(Close,25), 12 )  
CUPPERLINE: Multiply2 ( Add2( 1, Multiply2( 2, Divide(SIGOM,100) ) ), ARM )  
CLOWERLINE: Multiply2 ( Subtract( 1, Multiply2( 2, Divide(SIGOM,100) ) ), ARM )

To create a UCI trading 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:  
CrossAbove ( YESN, LOWERLINE )

Generate a sell long **MARKET** order if **1** of the following are true:  
CrossBelow ( YESN, UPPERLINE )  
A<B( Close, Subtract( EntryPrice(Trading Strategy), SIGOM ) )

Generate a sell short **MARKET** order if **ALL** of the following are true:  
CrossBelow ( YESN, UPPERLINE )

Generate a cover short **MARKET** order if **1** of the following are true:  
CrossAbove ( YESN, LOWERLINE )

A>B( Close, Add2( EntryPrice(Trading Strategy), SIGOM ) )

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 UCI system.

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Figure A: NeuroShell Trader Universal Cycle Index Chart

