NeuroShell Trader

The SVE_BB%b indicator described by Sylvain Vervoort can be easily implemented with a few of NeuroShell Trader's over 800 indicators. Select '**New Indicator** …' from the '**Insert**' menu and use the Indicator Wizard to create the following indicators.

TMA:
Tema (HeikenAshiClose(Open, High, Low, Close), 8)

ZTMA:
Tema(Add2(*TMA*, Subtract(*TMA*, Tema(*TMA*, 8))), 8)

SVE_BB%b:
Multiply2(100, Divide(Add2(*ZTMA*, Subtract(Multiply2(2, StndDev(*ZTMA*, 18)), LinWgtAvg(*ZTMA*, 18))), Multiply2(4, StndDev(*ZTMA*, 18))))

SVE_BB%b HIGH REF:
Add2(50, Multiply2(1.6, StndDev(*SVE_BB%b*, 63)))

SVE_BB%b LOW REF:
Subtract(50, Multiply2(1.6, StndDev(*SVE_BB%b*, 63)))

Note that the SVE_BB%b is based upon the HeikinAshiClose and Tema custom indicators, which are included along with indicators listed above in the chart NeuroShell Trader users may download from the tech support web site.

The chart in Figure 1 includes a neural network prediction for GAIM which generated an 87.2% annualized return in-sample (2006 -2008) and 58.3% annualized return out-of-sample (2009-March 2010). The blue triangles signify Long Entry points while the red triangles signify Short Entry points. The inputs to the network were simply the spreads between Vervoort's SVE_BB%b indicator and the high and low bands. The inputs were not optimized. Use of a neural network with Vervoort's indicators allows you to trade an analytical model rather than trying to contrive trading rules or trading the model visually.

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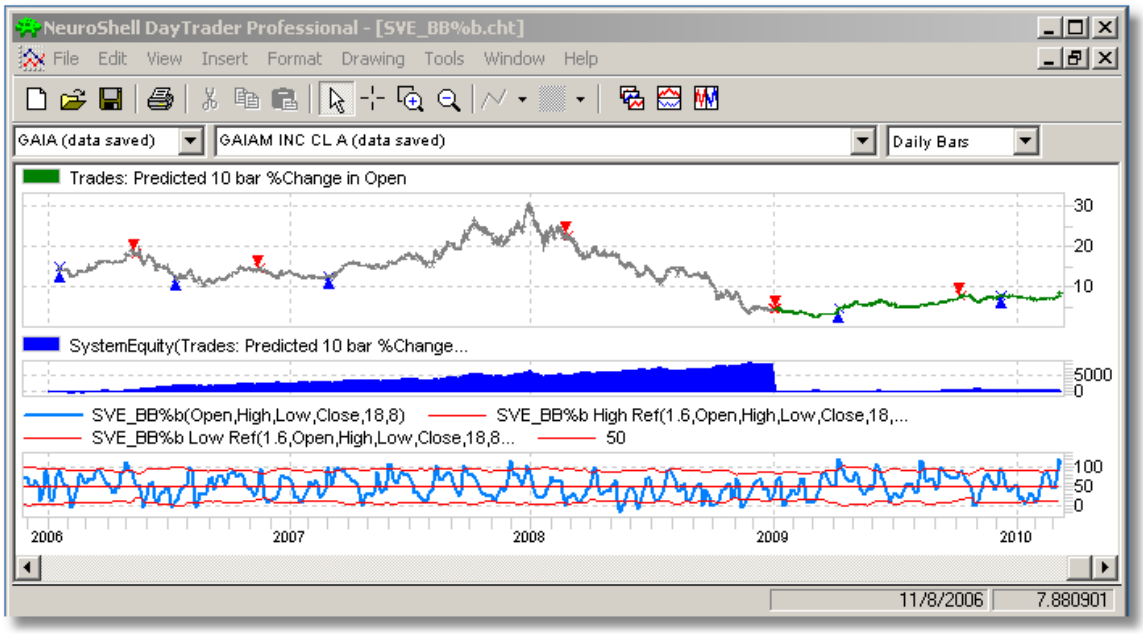
Figure 1: A NeuroShell Trader Chart that shows Bollinger Bands and the SVE_BB%b as well as a neural network trading model that uses Vervoort's indicators.


NeuroShell DayTrader Professional - [SVE_BB%b.cht]
File Edit View Insert Format Drawing Tools Window Help
GAIA (data saved)
GAIAM INC CL A (data saved)
Daily Bars
Trades: Predicted 10 bar %Change in Open
30
20
10
SystemEquity(Trades: Predicted 10 bar %Change...
5000
0
SVE_BB%b(Open,High,Low,Close,18,8)
SVE_BB%b High Ref(1.6,Open,High,Low,Close,18,...
SVE_BB%b Low Ref(1.6,Open,High,Low,Close,18,8...
50
100
50
0
2006
2007
2008
2009
2010
11/8/2006
7.880901