NeuroShell Trader

The Darvas formulas described by Daryl Guppy can be easily implemented in the NeuroShell Trader by combining a few of the NeuroShell Trader's over 800 indicators. To implement the Darvas formulas, select '**New Indicator …**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicators:

DHCOND:
    AND2(A>=B(Lag(High,3), Lag(HighPrice(High,*PERIODS*),4), A>B(Lag(High,3), HighPrice(High,3))

DARVAS HIGH:
    SelectiveMovAvg(Lag(High,3), *DHCOND*, 1)

DLPOSS:
    AND2(A<B(Lag(Low,3), LowPrice(Low,3)), A<B(HighPrice(High,3), *DARVASHIGH*))

DLCOND*:
    AND2(*DLPOSS*, BarsSince(*DHCOND)* < Lag(BarsSince(*DLPOSS*))

DARVAS LOW:
    SelectiveAvg(Lag(Low,3), *DLCOND*)

DARVAS BOX ACTIVE*:
    A<B(BarsSince(DLCOND), BarsSince(CrossBelow(Low, DARVASLOW))

DARVAS BOX HIGH:
    If (*DARVASBOXACTIVE*, SelectiveAvg(*DARVASHIGH, DLCOND,1)*, *)

DARVAS BOX LOW:
    If (*DARVASBOXACTIVE*, *DARVASLOW*, *)

*Note: the BarsSince(COND) indicator is created as follows:
    Subtract(CumulativeSum(Add2(1,0),0), SelectiveAvg(CumulativeSum(Add2(1,0),0), *COND*, 1))

To create a Darvis 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 (*DARVIS BOX HIGH*)

  Generate a Trailing Stop Order at the following price level:
    DARVIS BOX LOW

If you have the NeuroShell Trader Professional, you can also choose whether or not the Darvis *PERIODS* should be optimized. After backtesting the trading strategy, use the '**Detailed Analysis …**' button to view the backtest and trade-by-trade statistics for the Darvis trading system.

<div align="right">Marge Sherald, Ward Systems Group, Inc</div>

Figure A: NeuroShell Darvis Trading System