

NeuroShell Trader

The trading system described in the article “Harnessing the (Mis)Behavior of Markets” by Rick Martinelli can be easily implemented in the NeuroShell Trader by combining a few of the NeuroShell Trader’s over 800 indicators. To create the 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:

$A > B$ (Divide (LinTimeReg PredChange(Close,3,1), StdDev(Momentum(Close,1),7)), 1.04)

Generate a sell long MARKET CLOSE order if ALL of the following are true:

$A = B$ (Close, Close)

Generate a sell short MARKET order if ALL of the following are true:

$A < B$ (Divide (LinTimeReg PredChange(Close,3,1), StdDev(Momentum(Close,1),7)), -1.04)

Generate a cover short MARKET CLOSE order if ALL of the following are true:

$A = B$ (Close, Close)

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 trading system.

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Figure A: This NeuroShell Trader chart displays the trading signals generated by Rick Martinelli’s alpha indicator.

