

NeuroShell Trader

The Average True Range Trailing Stops described by Sylvain Vervoort can be implemented in NeuroShell Trader by combining a few of the NeuroShell Trader's over 800 indicators and NeuroShell Trader's trading strategy wizard. To create Wilder's exponential average based Average True Range indicator, select '**New Indicator ...**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicator:

Wilder Average True Range

$$\text{ExpAvg}(\text{Subtract}(\text{Max2}(\text{High}, \text{Lag}(\text{Close}, 1)), \text{Min2}(\text{Low}, \text{Lag}(\text{Close}, 1))), 9)$$

To create the Average True Range trailing stop reversal system, select '**New Trading Strategy ...**' from the '**Insert**' menu and enter the following in the appropriate locations of the Trading Strategy Wizard:

Long Protective Stop:

$$\text{Subtract}(\text{MaxValueSinceEntryFilled}(\text{TradingStrategy}, \text{High}, 1), \text{Multiply2}(3.5, \text{WilderAverageTrueRange}))$$

Short Protective Stop:

$$\text{Add2}(\text{MinValueSinceEntryFilled}(\text{TradingStrategy}, \text{Low}, 1), \text{Multiply2}(3.5, \text{WilderAverageTrueRange}))$$

If you wish to create an Average True Range trailing stop system using your own trading system's entry rules, simply combine the trailing stops above with your own entry/exit conditions.

To create the Modified Average True Range indicator, select '**New Indicator ...**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicators:

HiLo

$$\text{Min2}(\text{Subtract}(\text{High}, \text{Low}), \text{MovAvg}(\text{Subtract}(\text{High}, \text{Low}), 5))$$

Href

$$\text{Subtract}(\text{Subtract}(\text{High}, \text{Lag}(\text{Close}, 1)), \text{IfThenElse}(\text{A} \leq \text{B}(\text{Low}, \text{Lag}(\text{High}, 1)), 0, \text{Divide}(\text{Subtract}(\text{Low}, \text{Lag}(\text{High}, 1)), 2)))$$

Lref

$$\text{Subtract}(\text{Subtract}(\text{Lag}(\text{Close}, 1), \text{Low}), \text{IfThenElse}(\text{A} \geq \text{B}(\text{High}, \text{Lag}(\text{Low}, 1)), 0, \text{Divide}(\text{Subtract}(\text{Lag}(\text{Low}, 1), \text{High}), 2)))$$

Modified Average True Range

$$\text{ExpAvg}(\text{Max3}(\text{HiLo}, \text{Href}, \text{Lref}), 9)$$

To create a Modified Average True Range trailing stop reversal system, enter the following in the appropriate locations of the Trading Strategy Wizard:

Long Protective Stop:

Subtract(MaxValueSinceEntryFilled(TradingStrategy #2, High, 1), Multiply2(3.5, ModifiedAverageTrueRange))

Short Protective Stop:

Add2(MinValueSinceEntryFilled(TradingStrategy #2, Low, 1), Multiply2(3.5, ModifiedAverageTrueRange))

If you wish to create a Modified Average True Range trailing stop system using your own trading system's entry rules, simply combine the Modified Average True Range Trailing Stops above with your own entry/exit conditions.

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

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Figure A: NeuroShell Trader Average True Range Trailing Stop Systems.

