NeuroShell Trader

John Ehlers' Fractal Dimension indicator can be easily implemented in the NeuroShell Trader using the NeuroShell Trader's ability to call external programs. The Fractal Dimension indicator can be written in C, C++, Power Basic or Delphi.

After moving the easy language code given in the article to your preferred compiler and creating the Fractal Dimension indicator, you can insert the resulting indicators as follows:
1. Select '**New Indicator …**' from the '**Insert**' menu.
2. Choose the **External Program & Library Calls** category.
3. Select the appropriate **External DLL Call** indicator.
4. Setup the parameters to match your DLL.
5. Select the **Finished** button.

We think neural networks and genetic algorithms can play an important part in building trading strategies using the Fractal Dimension indicator as an input. In two quickly built genetically optimized nets, we also input a regression slope to determine which way the trend was going. The first net was trained on MSFT from 2003, producing a 37.1% annualized return through April 6, 2010. In the second, we held out a year, training only to April 3, 2009, and producing an annualized 30.3% return. More importantly, the second net persisted, showing a 24.2% return in the last held out year.

Users of NeuroShell Trader can go to the STOCKS & COMMODITIES section of the NeuroShell Trader free technical support Website to download a copy of any of the traders' tips.

Marge Sherald, Ward Systems Group, Inc
301 662 7950, E-mail sales@wardsystems.com
http://www.neuroshell.com

Figure 1: A NeuroShell Trader Chart displays the Fractal Dimension Indicator, along with the two neural network trading systems described in the tip.