

NeuroShell Trader

The Premier Stochastic indicator and trading system can be easily implemented in the NeuroShell Trader by combining a few of the NeuroShell Trader's over 800 indicators. To create the Premier Stochastic indicator, select '**New Indicator ...**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicators:

SmoothStoch:

ExpAvg(ExpAvg (Multiply2(0.1, Subtract(Stoch%K(High, Low, Close, 8), 50)), 5), 5)

Premier Stochastic:

Divide(Subtract(Exp(*SmoothStoch*), 1), Add2(Exp(*SmoothStoch*), 1))

To create the Premier Stochastic based trading system, select '**New Trading Strategy ...**' from the '**Insert**' menu and enter the following in the appropriate locations of the Trading Strategy Wizard:

Long Entry when 1 of the following is true:

CrossBelow (*PremierStochastic*, 0.9)

CrossBelow (*PremierStochastic*, 0.2)

Long Protective Stop:

PriceFloor% (Trading Strategy, 1%)

Long Exit:

PriceTarget% (Trading Strategy, 2%)

Short Entry when 1 of the following is true:

CrossAbove (*PremierStochastic*, -0.9)

CrossBelow (*PremierStochastic*, -0.2)

Short Protective Stop:

PriceFloor% (Trading Strategy, 1%)

Short Exit:

PriceTarget% (Trading Strategy, 2%)

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 trailing reversal strategy.

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Figure A: NeuroShell Premier Stochastic chart for the E-min Russell 2000.

