

## NeuroShell Trader

The Normalized Volatility system described by Rajesh Kayakkal 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 the Average True Range and NVI indicator, select '**New Indicator ...**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicators:

Wilder Average True Range:

$\text{ExpAvg}(\text{Subtract}(\text{Max2}(\text{High}, \text{Lag}(\text{Close}, 1)), \text{Min2}(\text{Low}, \text{Lag}(\text{Close}, 1))), 64)$

NVI:

$\text{Multiply2}(\text{Divide}(\text{WilderAverageTrueRange}, \text{Close}), 100)$

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

Generate a buy long market order if all of the following are true:

$A < B$  ( NVI, 1.343 )

Generate a sell short market order if all of the following are true:

$A > B$  ( NVI, 1.343 )

If you have the NeuroShell Trader Professional, you can also choose whether or not the NVI value and True Range periods 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.

Marge Sherald, Ward Systems Group, Inc  
301 662 7950, E-mail [sales@wardsystems.com](mailto:sales@wardsystems.com)  
<http://www.neuroshell.com>

Figure A: NeuroShell Trader Normalized Volatility Trading Strategy.

