

NeuroShell Trader

The Trendline Breaks strategy described by Sylvain Vervoort can be easily implemented in the NeuroShell Trader by combining a few of the NeuroShell Trader's over 800 indicators in a trading strategy. To create the strategy, 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:

$A > B(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), \text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 1))$

$A > B(\text{Close}, \text{Multiply2}(\text{SelectiveMovAvg}(\text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 1), \text{And2}(A < B(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), \text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 1)) , A > B(\text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 1), \text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 2))) , 1), 1.05))$

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

$A < B(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), \text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 1))$

$A < B(\text{Close}, \text{Multiply2}(\text{SelectiveMovAvg}(\text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 1), \text{And2}(A > B(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), \text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 1)) , A < B(\text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 1), \text{Lag}(\text{ZigZag\%Plot}(\text{High}, \text{Low}, 7), 2))) , 1), 0.95))$

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 Trendline Breaks strategy.

Note that the strategy described above is based upon the ZigZag indicator, which is a custom indicator NeuroShell Trader users can download for free at www.ward.net. Because, as the author stated in his article, the ZigZag indicator looks into the future, this system is not tradable into the future. Additionally, historical backtest results based upon the ZigZag indicator should be viewed as unrealistic.

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Figure A: NeuroShell Trendline Break strategy chart.

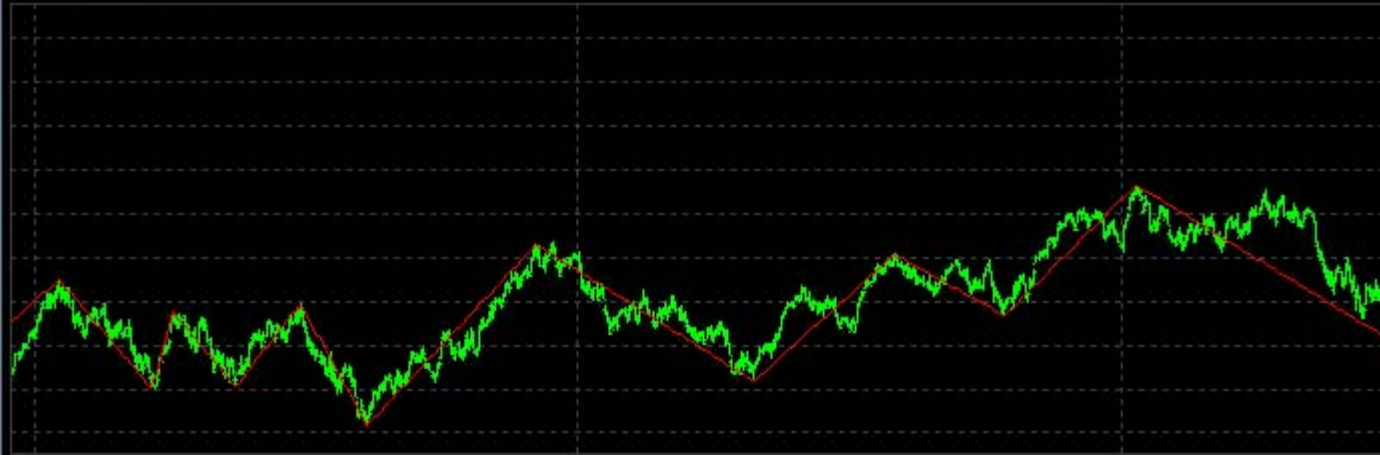
Trading Trendline Breaks.cht

Symbol **QQQQ**

Name **Nasdaq-100 Index Tracking Stock**

Frequency **D**

Close ZigZag% Plot (Do not use for Trading)(High,Lo...



Trading Strategy



2004

2005

2006

