

NeuroShell Trader

The Directional Movement clusters and corresponding signals described by B. C. Low can be easily implemented with a few of NeuroShell Trader's over 800 indicators and Advanced Indicator Set #2. Simply select '**New Indicator ...**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicators:

Triple ADX Cluster (ADX3, ADX4 & ADX5):

ADX(High, Low, Close, 3, 3)

ADX(High, Low, Close, 4, 4)

ADX(High, Low, Close, 5, 5)

Triple +DI Cluster (+DI5, +DI8 & +DI14):

PlusDI(High, Low, Close, 5)

PlusDI(High, Low, Close, 8)

PlusDI(High, Low, Close, 14)

Triple -DI Cluster (-DI5, -DI8, -DI14):

MinusDI(High, Low, Close, 5)

MinusDI(High, Low, Close, 8)

MinusDI(High, Low, Close, 14)

Signal 1: Start of a trend when 3x ADX cluster converges below 30:

And3(A<B(Lag(Max3(ADX3, ADX4, ADX5), 1), 30),
A<B(Lag(Sub(Max3(ADX3, ADX4, ADX5), Min3(ADX3, ADX4, ADX5)),1), 5),
A>B(Min3(Change(ADX3,1), Change(ADX4,1), Change(ADX5,1)), 0))

Signal 2: End of a move when 3x ADX cluster turns down above 70

And2(A>B(Lag(ADX3, 1), 70),
A<B(Max3(Change(ADX3,1), Change(ADX4,1), Change(ADX5,1)), 0))

Signal 3: Signaling market bottom with +DI at Level 5

And2(A<=B(Lag(+DI5, 1), 5),
A>B(Min3(Change(+DI5,1), Change(+DI8,1), Change(+DI14,1)), 0))

Signal 3b: Signaling market bottom by combining 3x +DI cluster with 3x ADX cluster

And4(A>=B(Lag(ADX3, 1), 90),
A<B(Max3(Change(ADX3,1), Change(ADX4,1), Change(ADX5,1)), 0),
A<=B(Lag(+DI3, 1), 5),
A>B(Min3(Change(+DI5,1), Change(+DI8,1), Change(+DI14,1)), 0))

Signal 4: Signaling market top with -DI at level 5

And2(A<=B(Lag(-DI5, 1), 5),
A>B(Min3(Change(-DI5,1), Change(-DI8,1), Change(-DI14,1)), 0))

Signal 4b: Signaling market top by combining -3x ADX cluster with 3x ADX cluster

And4(A>=B(Lag(ADX3, 1), 90),
A<B(Max3(Change(ADX3,1), Change(ADX4,1), Change(ADX5,1)), 0),
A<=B(Lag(-DI5, 1), 5),
A>B(Min3(Change(-DI5,1), Change(-DI8,1), Change(-DI14,1)), 0))

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.

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Figure 1: A NeuroShell Trader Chart that shows the DMI clusters and signals.

