

NeuroShell Trader

The Inverse Fisher Transform Stochastic Oscillator described by Sylvain Vervoort can be easily implemented with a few of NeuroShell Trader's over 800 indicators. Simply select '**New Indicator ...**' from the '**Insert**' menu and use the Indicator Wizard to create the following indicators:

RBWStoch*

```
Multiply2(Divide2(Sum(Subtract(RainbowAvg(Close,2)-Min(RainbowAvg(Close,2),30)), 5),  
Add2(Sum(Subtract2(Max(RainbowAvg(Close,2),30)-Min(RainbowAvg(Close,2),30)),  
5),0.0001)),100)
```

SVE Stoch IFT*

```
Multiply2(Add2(Divide(Subtract(Exp(Multiply2(2, Multiply2( 0.1, Subtract(RBWStoch,50))))),1),  
Add2(Exp(Multiply2(2, Multiply2( 0.1, Subtract(RBWStoch,50))))),1)),1), 50)
```

*The above indicators use the Rainbow Avg indicator from part 2 of this article series.

To create the Inverse Fisher Transform Stochastic Oscillator based trading 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 'MarketClose (current bar)' order if all of the following are true:
A>B(SVE_Stoch_IFT, 30)

Generate a sell long 'MarketClose (current bar)' order if all of the following are true:
A<B(SVE_Stoch_IFT, 60)

Generate a sell short 'MarketClose (current bar)' order if all of the following are true:
A<B(SVE_Stoch_IFT, 60)
A<B(Close,MovAvg(Close,165))

Generate a cover short 'MarketClose (current bar)' order if all of the following are true:
A>B(SVE_Stoch_IFT, 30)

If you have the NeuroShell Trader Professional, you can also choose whether or not the 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 strategy.

The chart that includes these indicators (including the Rainbow Avg from the previous article) and trading rules is available as a download for users of NeuroShell Trader from the STOCKS & COMMODITIES section of the NeuroShell Trader free technical support web site.

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Figure 1: A NeuroShell Trader Chart that shows the Inverse Fisher Transform Stochastic Oscillator trading system and confirming put/call ratio signals.

