NeuroShell Trader

The Bollinger Band Divergence Indicator described by Markos Katsanos 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 indicator:

BBDIV
Multiply2(100, Divide(Sub(BB%B(Crude Oil Close,20,2), BB%B(Close,20,2)), Add2(100, BB%B(Close,20,2))))

To implement the Canadian Loonie and Crude Oil divergence trading system, simply select 'New Trading Strategy …' from the 'Insert' menu and enter the following in the appropriate locations of the Trading Strategy Wizard:

BUY LONG CONDITIONS: [All of which must be true]
    A>B(Max(BBDIV(Close,Crude Oil Close,20,2),3),20)
    A<B(Momentum(BBDIV(Close,Crude Oil Close,20,2),1),0)
    A>B(%Change(Close,2),0)
    A>B(Momentum(Avg(Crude Oil Close,40),2),0)
    A>B(LinXYReg r(Close,Crude Oil Close,20),-0.4)

SELL LONG CONDITIONS: [1 of which must be true]
    And2(CrossAbove(MACD Signal(Close,9,12,26), MACD(Close,12,26)), A>B(Stoch%D(High, Low, Close,
        30, 3), 85))
    And2(A<B(Min(BBDIV(Close,Crude Oil Close,20,2),3),-20), A<B(%Change(Close,3),-3))
    And2(A<B(Close,Lag(PriceLow(Low,15),1)),A<B(LinXYReg r(Close,Crude Oil Close,20), -0.4))

SELL SHORT CONDITIONS: [All of which must be true]
    A<B(Min(BBDIV(Close,Crude Oil Close,20,2),3),-20)
    A>B(Momentum(BBDIV(Close,Crude Oil Close,20,2),1),0)
    A<B(%Change(Close,2),0)
    A<B(Momentum(Avg(Crude Oil Close,40),2),0)
    A>B(LinXYReg r(Close,Crude Oil Close,20),-0.4)

COVER SHORT CONDITIONS: [1 of which must be true]
    And3(CrossBelow(MACD Signal(Close,9,12,26), MACD(Close,12,26)), A<B(Stoch%D(High, Low, Close,
        30, 3), 25), A>=B(Crude Oil Close, Add2(1, Mul2(0.04, Min(Crude Oil Close,4)))))
    And2(A>B(Max(BBDIV(Close,Crude Oil Close,20,2),3),20), A>B(%Change(Close,3),4.5))
    And2(A>B(Close,Lag(PriceHigh(High,15),1)),A<B(LinXYReg r(Close,Crude Oil Close,20),-0.4))

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 Canadian Loonie and Crude Oil Bollinger Band Divergence System.