

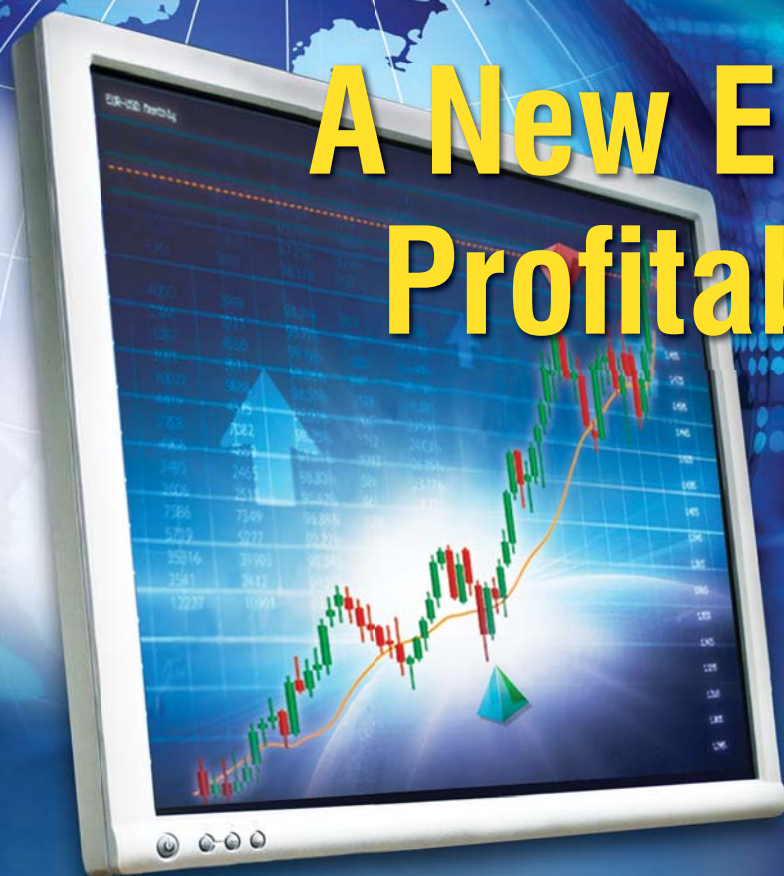
The State Of

# NIRVANA

Winter 2010

# *OmniTrader 2011*

## A New Era of Profitable Trading



Discover the Power of  
Dynamic Optimization! p4

Also New in OmniTrader:

- Dynamic Weekly Confirmation
- Enhanced Focus List
- All Sessions in REAL TIME
- Improved Drawing Tools

Introducing:  
**The Dynamic  
Profit Module**

Maximize the Profit of Every  
Trade You Take p6

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## “My original vision for OmniTrader has finally been realized.”

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Ed Downs  
CEO and Founder,  
Nirvana Systems, Inc.

2011 is not just the start of a new decade—it's the start of a new era for OmniTrader. When I created OmniTrader, I based it on something I call the Personality of Markets theory—the notion that markets change over time, and as they do, systems must adapt in order to be profitable.

One good way to achieve this is to use optimization—finding the parameters for each System that worked in the past, and continue using them in the future. In fact, OmniTrader is the only program that can do this job on each individual symbol.

But classic optimization has limitations. As soon as you re-optimize, your historical Signals will change. You can establish a “Forward Test” but then you end up trading signals that were generated far from where the Systems were optimized, yielding less than optimal results.

This year we focused on finding a way to overcome the limitations of classic optimization. The result of our efforts was a breakthrough more profound than anything we had ever imagined. We are now able to create Strategies that automatically adapt to changing markets without the limitations of classic optimization.

**We're calling the new approach Dynamic Optimization. It's yielding the best Signals we've ever seen in OmniTrader, and frankly, the best Signals of any software in the world.** Also, we dramatically improved Weekly Confirmation.

With better Entries in the bag, we asked, “Was there something we could do to also improve our Exits?” And there was!

Exits are similar in complexity to Entries. Every chart is different, so the exit parameters should not be fixed either. The best exit technique to use on each symbol depends on the personality of the chart!

Enter the **Dynamic Profit Module**. Using recent price history to identify the optimal profit and stop-loss targets, **this new module shows you how to maximize the profit of every trade you take!** You can also use Dynamic Targets in Trade Plans so you can test the method on historical data.

This is the software I've always wanted to build for our customers. And it's just in time too. It has never been more important to adjust to the market, as it takes us through periods of extreme volatility, followed by trending periods and back to volatile again.

OmniTrader has a money back guarantee—so you can easily verify what I'm saying at no risk. You will quickly see for yourself that OmniTrader 2011 is generating better Signals, better Exits, and bigger and more consistent Profits.

We've also made a number of additional enhancements, including an All Sessions toggle and a new Enhanced Focus List. This is the trading software you need to win in 2011 and beyond. Order your package today and prepare to be as amazed and thrilled as I am.

Sincerely,



Ed Downs  
CEO and Founder,  
Nirvana Systems, Inc.





# OmniTrader 2011

## A New Era of Profitable Trading

### A Dynamo is Born

Today's changing markets call for more adaptable trading software. And that's precisely how we approached this landmark version of OmniTrader.

As a result of this work, OmniTrader 2011 has new features that have dramatically improved the profitability of OmniTrader's Strategies.

This is the OmniTrader I envisioned when I first created it. Here's a quick synopsis of this *dynamic* new software:

### Dynamic Optimization

With Dynamic Optimization, all areas of OmniTrader can be optimized: Systems, Filters, Confirmers, and Exits—without ANY of the drawbacks of classic optimization!

This elegant and powerful implementation of the Adaptive Reasoning Model on which OmniTrader is based improves the profitability of virtually any optimized Strategy. Plus, optimization can now be used without the Signals changing.

### Dynamic Weekly Confirmation

Weekly Confirmation has been one of the hottest topics in our forums. By creating multiple sets of weekly bars that are aligned with the Daily Signals, we can now confirm a Daily Signal against the week that ends precisely on that day—a feature our customers have long been asking for!



One of the most visible improvements in OmniTrader 2011 is the Enhanced Focus List. But the *really exciting* news is OmniTrader's improved profitability.

### Dynamic Profit Module

The perfect companion for Dynamic Optimization and Weekly Confirmation is—Dynamic Exits!

The new Dynamic Profit Module will adjust its Profit and Loss Targets based on recent chart behavior, and they're completely automatic.

This breakthrough in trading technology is generating incredible performance gains. By adding Dynamic Targets, we have seen dramatic increases in profitability!

**PLUS** More Great Features our Users have asked for:

- Enhanced Focus List
- All Sessions Toggle in Real Time
- Global Drawing Tools

Read about them on page 9!

*"This is the OmniTrader I originally envisioned!"*

— Ed Downs

# HARNESS THE POWER of Dynamic Optimization

## Pure Profit Power

Optimization is the process of finding the best parameters for a System or other component through Back Tests.

Typically, a Forward Test is used to determine the profitability of the Strategy. But in order to get meaningful Forward Test statistics, a reasonable number of bars must be used in that period. Forward Tests are typically created one year in length or longer.

With a one-year Forward Test, we can't see the true profitability of the Strategy because the market on which the parameters were based could be as much as a YEAR BEHIND the Signals. Markets can change a LOT in a year.

In the example to the right, we tested a very simple Strategy based on RSI-C. In the Forward Test period, SNDK changed from Trading Range to Trending personality. But the Strategy was unable to adjust.

Dynamic Optimization is the elegant answer to this problem. Rather than have one Back Test and one Forward Test, we break up the data into many smaller Back Tests and Forward Tests, and then connect the Signals from the Forward Tests.

In the same example, the Signals dramatically improved through Dynamic Optimization. The advantages are numerous:

- Optimization occurs very close in time to the Signals, which makes them more accurate.
- Signals will never change.
- Results can be superior to those from Mechanical Strategies.

As we use Dynamic Optimization on our Strategies, we are seeing higher profitability than on many of our best non-optimized Strategies. This is a significant improvement to all prior methods of Strategy optimization.

## Tomorrow's Profitable Signals Today!



**Classic Optimization:** With classic optimization, Strategies can't adapt to the market quickly. In this chart for SNDK the optimized Strategy is firing against the trend from March through April.



**Dynamic Optimization:** By generating multiple Back Test /Forward Test pairs, we can connect the Forward Tests together. This results in much greater accuracy in the Signals!

# Significant Breakthroughs in Technical Analysis

Dynamic Optimization works well End-of-Day, but it works especially well in Real Time. To the right is a 5-minute chart for the current Crude Oil contract. Using a simple RSI Crossover Strategy, we set optimization to occur every 60 minutes.

For comparison purposes, we ran a Non-Optimized, Classic, and Dynamic test on Crude Oil (CL) and the S&P eMini (ES) using this same System. Here are the results:

Approach	Contract	HR%	Profit%
NON Opt	CL	68%	+10%
	ES	62%	-24%
Classic Opt	CL	71%	+41%
	ES	68%	-5%
Dynamic Opt	CL	73%	+65%
	ES	76%	+22%

Dynamic Optimization on CL yielded a Hit Rate of 73% and a profit of 65%.



Dynamic Optimization is the way to go in Real Time, because your Signals continually adjust to the current market.

## PLUS Dynamic Weekly Confirmation!

I am quite sure a large number of our customers are going to JUMP to the offer page when they read this article. This feature is one folks have been asking for forever!

Weekly Confirmation is the concept of confirming a Daily Signal with a Weekly Signal firing at the same time. The problem is which week do you confirm against—the current or prior week?

If you confirm against the currently-forming week, your Signals have knowledge of the future. If you confirm against the prior week, they are too late. What is needed is a way to confirm on a Dynamic Week, ending on the day of the Signal. In other words, a Tuesday Signal would be confirmed by a Signal in the Weekly chart with weeks that end on Tuesday.

Now, your Daily and Weekly Signals are going to be perfectly aligned. More importantly, they will be more profitable.



Daily Signals confirmed with MAC-M Weekly. You can see that Weekly Confirmation allowed the best Daily Signals (Vote1) to emerge to the Vote Line.





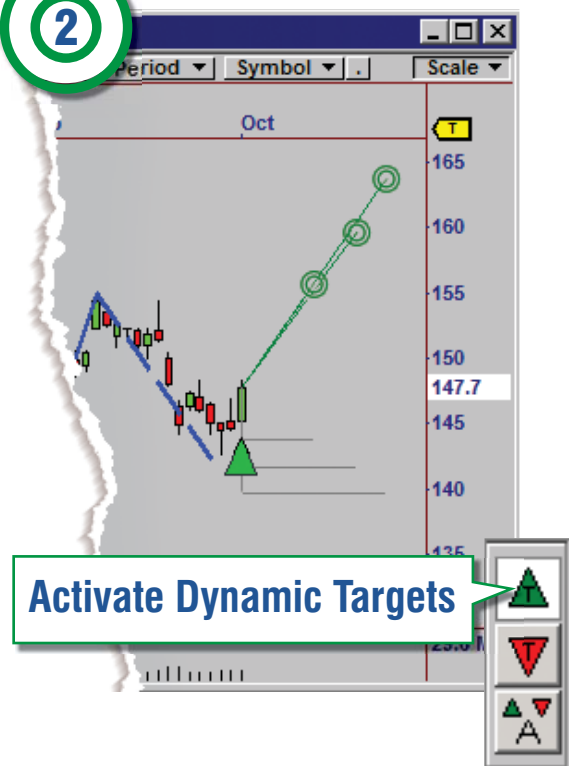
# The **DYNAMIC PROFIT** Module

## Automatic Profit and Loss Targets

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## Maximize the Profit of Every Trade You Take

Using the new optimization features in OmniTrader 2011, both the accuracy and profitability of our Entry Signals have been dramatically improved. This led us to ask the question: “Is there a *dynamic* way to manage Exits as well?” Indeed there is!

Stocks and futures move in *cycles*. That is, they form successive highs and lows as a result of the ebb and flow between supply and demand. What if we could accurately predict the next high or low before it occurs? Wouldn't Exits that adapt to the chart be better than fixed Exits?

The first step was to identify the cycles, and to do that we examine the turns in the chart or pivots. By measuring the size of the moves and the time between turns, we were able to predict the next cycle high or low.

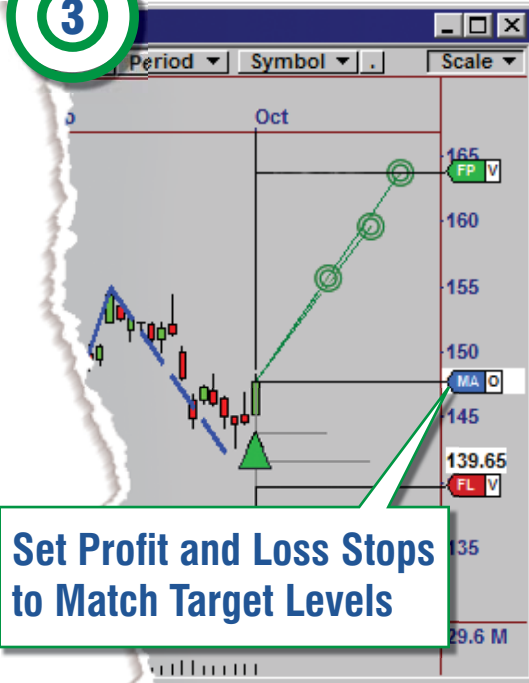
Having accurate cycle projections has enabled us to create the **Dynamic Profit Module**. When activated, it plots the next most likely cycle high or low on the chart. This helps us know the best time to enter a trade on a new Signal. It also enables us to determine the best point to take profits!

The module uses the next projected high or low to generate three Profit Targets (Conservative, Moderate, and Aggressive). The user can place their Fixed Profit Stop at the appropriate level. It's easy to see where the Stop Loss should be placed to maintain a desired Reward:Risk ratio.

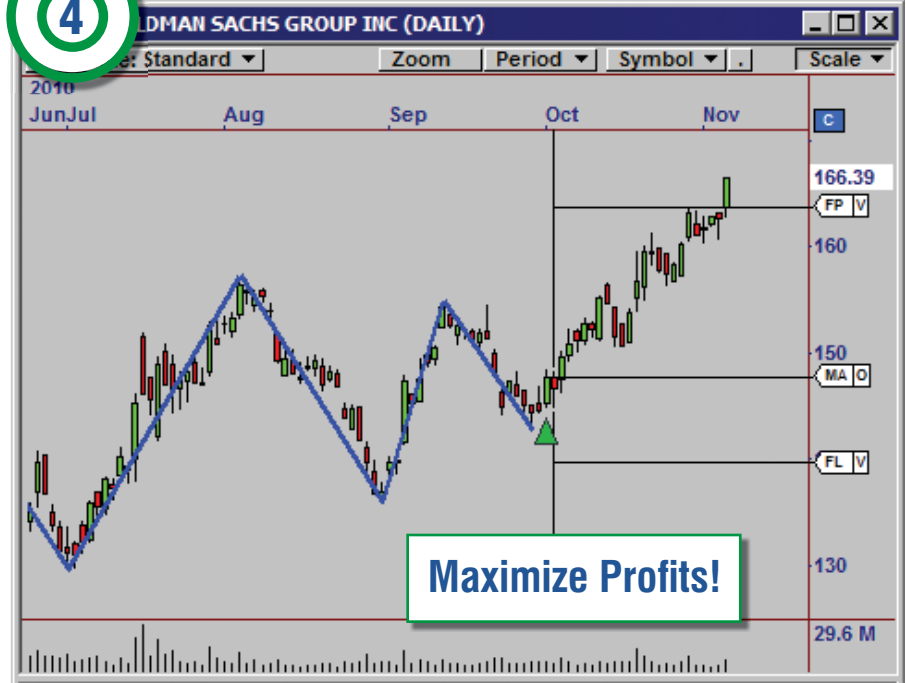
In the *The Power to Trade with Confidence* Seminar (see page 10), we show you how to select the best Target. The good news is your Strategies can use the automatic Profit and Loss Stops to maximize your profits—automatically! It's truly an amazing tool.



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4



## Automatic Profits!

The Dynamic Profit Module is not just a visual tool; it's also an **AUTOMATIC Exit**.

We deliver two automatic Stops with the Module—a Predicted Profit Stop and a Ratio Loss Stop. These Stops calculate the prior chart range and dynamically adjust for each and every Signal.

As you can see in the chart to the right, the resulting Profit and Loss Stops are far superior to the fixed Stops we normally use, capturing maximum profits while limiting Losses to a desired Profit-to-Loss ratio.

Of course, you can use these new Dynamic Stops with other Stops in Trade Plans to achieve optimal profitability.



# The NEW Eighths Tool

## The Ultimate Trailing Profit Stop

With Dynamic Profit Module, we can finally unleash the power of the Eighths Tool. The Eighths Tool is similar to a traditional Trailing Profit Stop, except it has “steps” against which Stops are adjusted behind a profitable move.

Normally, the Eighths Tool is used by stretching it across a prior range in the chart (recent high and low.) The NEW Eighths Tool automatically adjusts to the projected target, making it easy to adjust a trade visually using the levels.

Another benefit of this tool is that automated Strategies can use the NEW Eighths Tool, automatically adjusted to the projected range at each Signal!



The NEW Eighths Tool automatically projects an Eights Tool from the Signal to the right. This provides the best possible Trailing Profit Stop, as shown in this example.

## Additional Capabilities of the DYNAMIC PROFIT Module

The Dynamic Profit Module projects Targets based on Cycle Analysis. In addition to Profit Targets and the New Eighths Tool, there are additional ways the Dynamic Profit Module can be used.

Cycle Projections allow you to see how close price is to a projected major turning point. Multiple Target Methods are available, including Fibonacci Targets, Tirone Levels, and even Custom Levels.

It can also project beyond the current price range using what are called Fibonacci Extensions—very useful in certain situations.

Additional usages of the Dynamic Profit Module are explained in a special section of *The Power to Trade with Confidence* seminar (see page 10).



The Dynamic Profit Module is able to project the next cycle low or high. This helps us decide whether or not to place a trade.



# OmniTrader 2011 *New Features*

## Customizable Focus List

We've upgraded the Focus List to give it a whole new look and help facilitate viewing information in the list. A simple "layout editor" (not shown) enables you to quickly set up your Focus List precisely the way YOU want it. Just drag and drop the fields you want to see and set their font size and color.

At a glance, you can review statistics, bid-ask pricing, and other information to help you in your trading decisions. Fonts and spacing can be changed, so you can get a very large amount of information in a small space. The original column method of display is still supported.

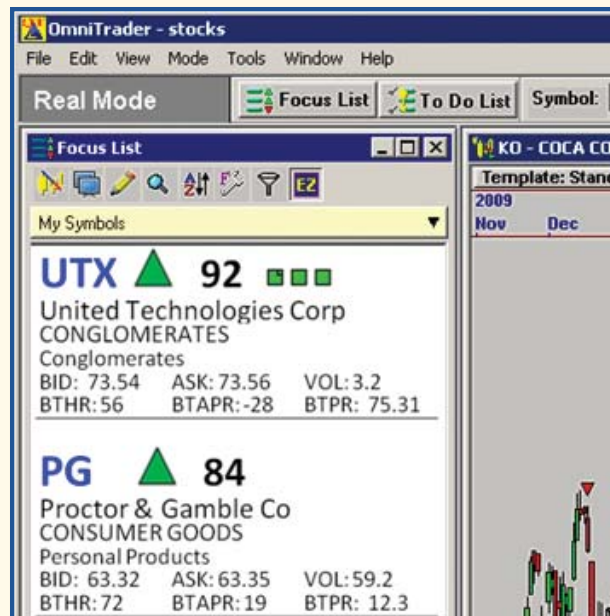
## All Sessions Toggle for Real Time!

For traders using OmniTrader in Real Time it is important to be able to view the pre-market session. Up to now, this required changing session information in the Exchange Editor. This is no longer necessary.

We now have an **All Sessions** toggle on an OmniTrader toolbar. Just click the tool and all sessions will be displayed. Analysis is available in the Pre-Market, and trades can be placed there and carried into the regular session. Back Test and Forward Test statistics automatically adjust per the viewed data.

## Global Drawing Tools

This is another feature that has been often requested—the ability to see all drawings across all timeframes. Now, you can see your trend lines, support levels and other drawing tools in all time-frames, so if you draw a line in the Daily chart (for example) you will also see it in the Weekly chart or Real Time charts, and vice versa. The feature is user-configurable.



Monthly



Weekly



Daily

# THE POWER TO TRADE WITH CONFIDENCE

## SEMINAR ON CD

### Seminar on CD with Jeff Drake and Ed Downs

After reading about OmniTrader 2011, I am quite sure you will come to the same conclusion all of us have—WOW. With an upgrade this dynamic, this powerful, and this PROFITABLE, we felt it was very important that we provide a good seminar to help our customers take full advantage of it.

In this mailer, we've briefly explained Dynamic Optimization, Dynamic Weekly Confirmation, and the new Dynamic Profit Module. On its own, each of these features has extended the profitability of OmniTrader. When used together, the power is incredible!

***This upgrade is all about CONFIDENCE—*** confidence in your Strategies, confidence in your test results, and in the end, confidence in your trading. Armed with OmniTrader 2011, you are going to engage the market more confidently than ever before.

OmniTrader 2011 is the best trading platform in the world, and we want you to succeed with it. So, we've taken space in this seminar to carefully go over each of the new features and show you the best ways to use them.

By the way, we haven't talked about what happens when you COMBINE the new features in your Strategies. We'll save that for the seminar.

OmniTrader 2011 is the trading equivalent of landing a man on the moon. Prepare to take your trading to new heights—with OmniTrader 2011 and the Dynamic Profit Module!



### Key Seminar Topics:

**The Power to Trade with Confidence:**  
Getting test results you can believe in

**Trade Management—Key to Profits:**  
Using dynamic profit targets to maximize your take-home profits

**Consistent Results in Real Time:**  
How to configure your Real Time profile

**Using the New All Sessions Feature:**  
Tips on trading the pre-Market

**The New Focus List:**  
What information is best to include?

**Combining the Tools:**  
How to get the most out of the software

**System Developers:**  
How to improve your strategy results





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# *OmniTrader 2011*

## **The Dynamic Profit Module**

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Every Trade You Take p6

Discover the Power of  
Dynamic Optimization! p4

**Breakthrough Signal Generation**

