More About OmniTrader

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Introduction

I started my life in technical analysis with a program called OmniTrader. This is a brilliant piece of engineering, and the strategy is to look for the best in the best with the best tools available. That might sound a little far-fetched but in reality it seems to come very close to the mark! Here is a quick rundown on how I think it works:

For a start, every technical analysis program needs an historical database of the shares that it is to analyse and in this case OmniTrader uses the industry standard MetaStock database. This is good if you have other analysis programs that can access the same data

Source, as this means that you only need to pay for one data source. The process here is to create a "Focus List" and in this case this is done by opening the Data screen and physically choosing the securities to be analysed.

This can take up to an hour the first time around, and then every four weeks or so the list needs to be physically updated to include all the new company names.

What has to be realised here is that this program is USA based and it is fairly common knowledge that most people in the USA consider the term "World" means the world to them which is unfortunately just the USA and not the World in which the USA is but one country of several hundred!
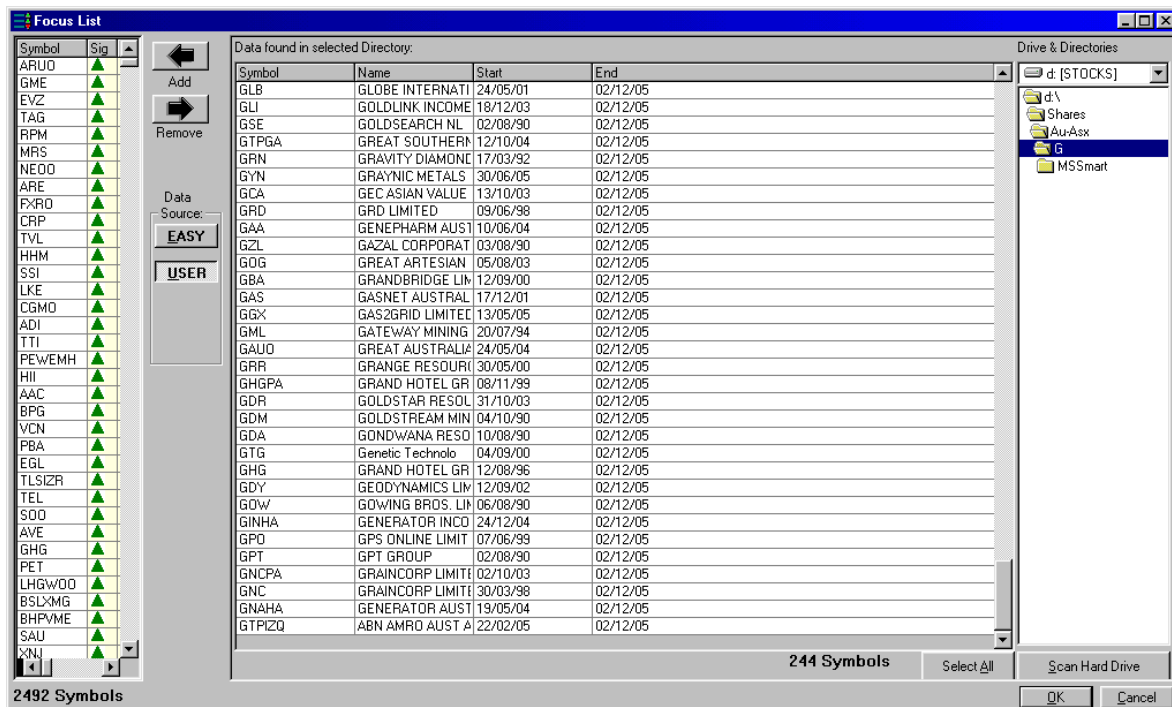
This is a typical screenshot of the User Data interface screen. On the right is the source for the data and in the centre is the contents of the highlighted folder, and on the left is the linked "Focus List". No real explanation necessary!

There are two main choices for the data management area and these choices are "Easy" and "User", where the former refers to the USA stock market and the latter refers to anywhere else in the 'World'!

More recently Nirvana[1] (the owners and developers of OmniTrader) have come up with a 'new powerful interface' that seems to load the 'Easy' Focus List automatically. There is a nasty quirk with adding data to the User list and it goes like this:

If the number of securities listed in the current subdirectory is less than the number of securities listed in the previous subdirectory (for example less in the "U" subdirectory than in the "D" subdirectory) then the User screen will be greyed out. The workaround is to close OmniTrader then reopen it then go to the data source subdirectories in ascending order. With the securities now loaded in the Focus List, the program comes alive!

OmniTrader works like this: The analysis program steps through the securities in the Focus List and analyses each security individually then stores a set of ratings with that security. When all the securities have been analysed, it then can sort the ratings in virtually any order that you want (and automatically too).

Now that these are in order, it is a simple matter to chart one of these and with the "PageUp/Page down" keys, step through the charts – as they are now in a very useful ratings order. What a wonderful conception!
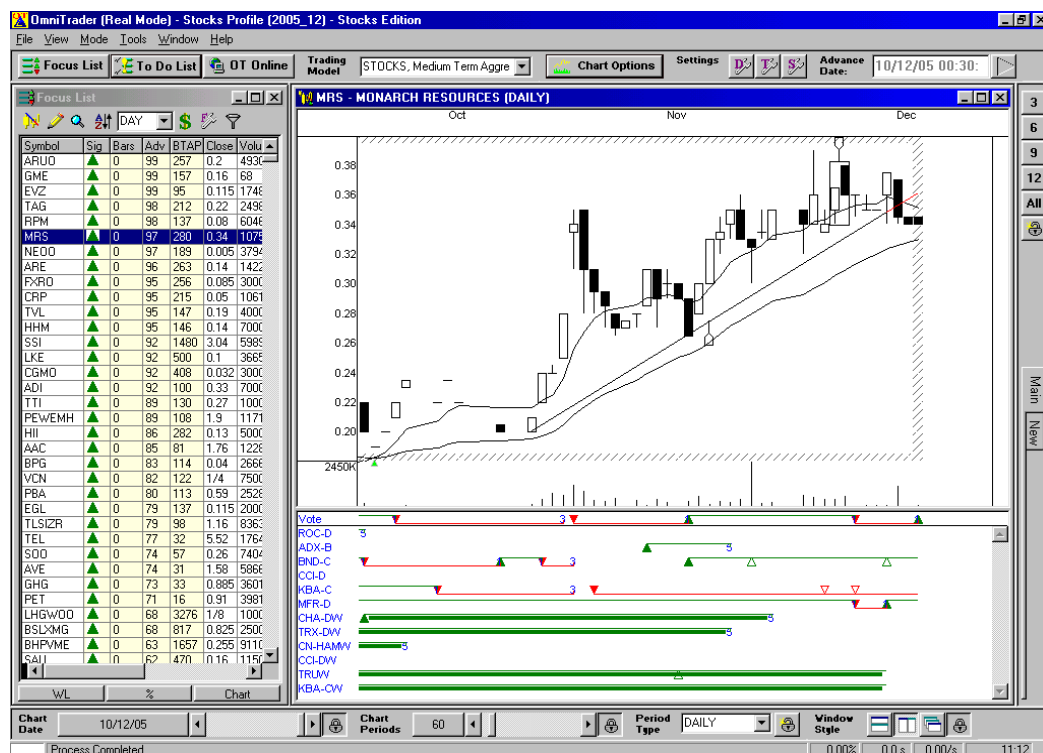
This is a screenshot of the OmniTrader 2000 Screen. On the left is the Focus List and there are green filled triangles indicating buy signals associated with these securities, then 'Bars' (days) since the notification and various advisor ratings, and the ones with a cream background have been linked.

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[1] http://www.omnitrader.com/

After new data is loaded to the database, and the data has been analysed, it automatically aligns itself in correlated order, making it almost too easy to choose potential buy and sell situations.

The centrepiece consists of a graph, which in this case has been set to 'reverse' so the candlesticks are clearly seen. OmniTrader also automatically includes trend lines, support and resistance lines, if desired and a range of other visual chart 'assists'!
Under the graph is the heart and soul of OmniTrader. This is the output from various technical indicators in rating order, and a Voting Line, which is the core of the optimised trading analysis.

OmniTrader has a wide range of standard technical analysis indicators, including Candlesticks, Moving Average, MACD, Rate of Change, Volatility Breakouts, etc, and this list is very extensive.

In most cases you can leave these with their standard settings or change these settings to what you want. If you want, you can make multiple indicators with different parameter settings and further, you can choose not to have any or most indicators out of the testing arena too.

Adjusting the settings is relatively easy too. The only thing that I could not yet do is to make my own indicators and put that into the program and I think that this might be just too much!

Another plus is that you can optimise each indicator for each security so that these indicators give the optimum buy and sell trigger points depending on your trading personality – oh yes it also has a range of "Trading Personalities" so that you can set OmniTrader to do the computer thinking for you.

In analysing, as I understand it, OmniTrader has the option to optimise the technical indicator settings where appropriate. This means that say for example you chose a "Two Moving Average Crossover" indicator.

The program can work between a set range of values for the moving averages, and increment these values while it repetitively does back-tests over say the last 250 trading days (which can also be preset by you) then it progressively steps to the next set of values in an incremental approach (which can also be set by you), and finds the settings that give the optimal result (and the trading parameters for that can be set by you too)!

Using this program can be a simple as clicking the "Do Now" button, or as complex as you can consider possible.
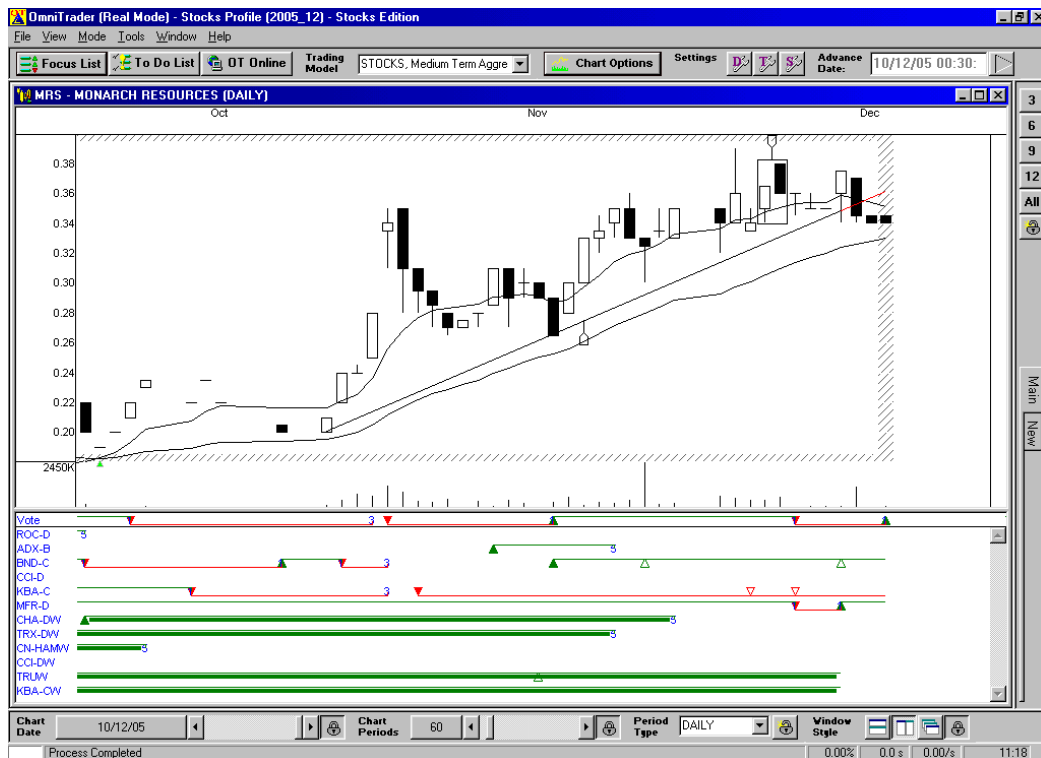
Although the blue writing in this screenshot is somewhat cryptic, this is an easy code to crack once you know a few of the more standard indicators and you read the associated manual. ROC = Rate Of Change, CCI = Chaikin Channel Indicator. The suffix "W" means weekly, and the rest is almost self explanatory.

Over the years this program had in itself developed and had a problem hurdling the year 2000 bug, and after that it has all been rather plain sailing with a series of continual developments that make it a very nice program to be involved with.

The system is a 'grey box' in that you have a limited action on the controls of the indicators – that is you really can't control exactly what you always want, but for flicking through stocks it is nothing short of brilliant and unbelievably easy to use.

The problems start with the list of stocks – which you have to put in yourself, and so any changes or new stock names will be missed. In short there is no 'pre-filter' and in my opinion this is an essential part of virtually automated stock analysis. What I would really like is to put in a few technical indicators that I have engineered - but I can't.