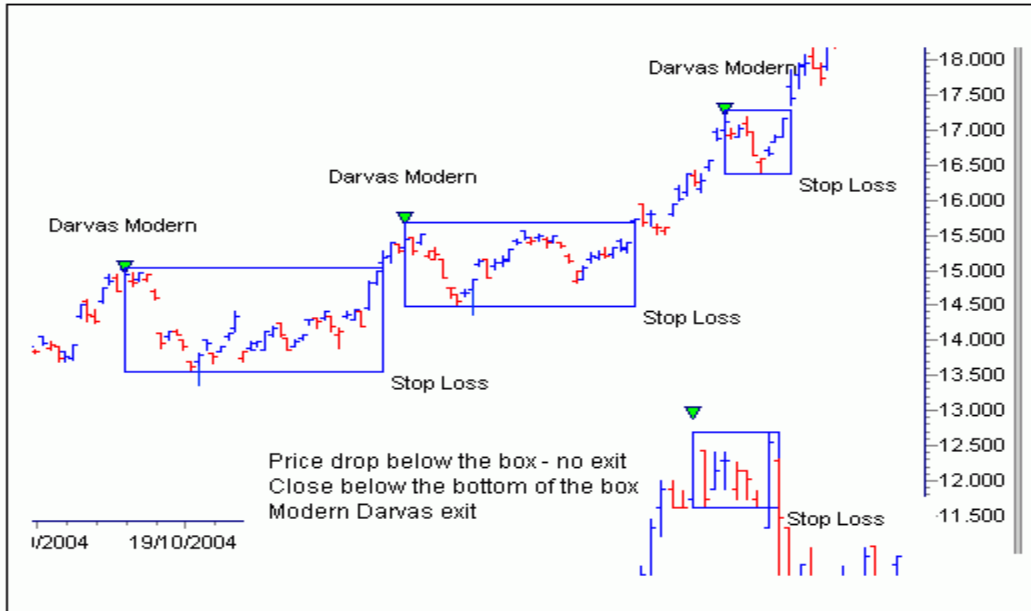


DARVAS BOX TRADING MANAGEMENT

Price moves within the confines of the Darvas Box. The stop loss is adjusted to the lower edge of the new Darvas box. This is below the upper edge of the previous box, but in this situation the integrity of the Darvas method is more important so the lower stop is acceptable. We add \$800 Super as an example of Darvas Box trading. The stop loss is at the lower level of the box. \$800 Super has shown a consistent Darvas Box trend.



The user selects the high to be used as the potential starting point for the Darvas box. The GTE Darvas tool will automatically plot lower and upper box lines. When a breakout from the box occurs, the box will be automatically closed. This is a stand-alone indicator that is not combined with any other methods.



TACTICS

- Breakouts above the Darvas box confirm trend continuation. Traders can buy breakouts.
- Aggressive traders buy while prices are within the confines of the box in anticipation of a breakout.
- Breakouts below the box suggest trend collapse. This is a stop loss signal, and an exit is taken.

RULES

- Sell when price closes below the bottom of the Darvas box
- Breaks above the upper edge of the box signal trend continuation
- Buy bullish breakouts to new highs

Stock code	\$800 SUPER
Total investment pool money in account	100,000
Your investment risk for this trade	2,000
Average entry price	0.99
Stop loss	0.97
Cost of trade	20,000.00
Number of shares buy	20,202
Loss if sell at stop loss	505.05
Risk % of total investment pool money	0.51%
Planned Profit exit price	1.090
Profit	2,020.20
Trade profit %	10.10%

The trade is entered at \$0.99 with the stop loss at \$0.965. This adds 20,202 shares with a risk of \$505.05 or 0.5% of total trading capital.