

TRADE SUN MOON FOOD USING DARVAS BOX

By Daryl Guppy

The Darvas box method is working successfully so we have added a new example. Plotting Darvas boxes in Metastock uses the rectangle tool. The user must decide the starting point and identify the top and the bottom of the box using the rules noted below.

Stock code	SUN MOON FOOD
Total investment pool money in account	100,000
Your investment risk for this trade	2,000
Average entry price	0.11
Stop loss	0.10
Cost of trade	20,000.00
Number of shares buy	190,476
Loss if sell at stop loss	952.38
Risk % of total investment pool money	0.95%
Planned Profit exit price	0.130
Profit	4,761.90
Trade profit %	23.81%

DARVAS BOX TRADING ADDED

The Darvas Box method is delivering some good trade results with more effective management of trades. We add Sun Mood Food as another example of this trading approach.



Stop loss is at the lower edge of the Darvas box. Entry is near \$0.105 for a total of 190,476 shares. Stop loss is at \$0.10 and this puts \$952.38 at risk, or less than 1% of total trading capital.