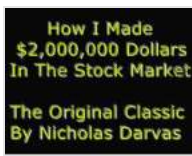


# How I Made Million Dollars In The Stock Market: The Original Stock Trading Classic

In the realm of finance, there are few books that have had the same lasting impact as "How I Made Million Dollars in the Stock Market" by Nicolas Darvas. Published in 1960, this classic work has guided countless investors to financial success, and its principles remain as relevant today as they were over half a century ago.

## The Darvas Method

At the heart of Darvas's approach is the concept of "box trading." This technique involves identifying stocks that are trading within a specific price range, or "box." Darvas believed that stocks that break out of these boxes have the potential for significant gains.



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by Philip Bowring

★★★★☆ 4.7 out of 5

Language : English  
File size : 3571 KB  
Text-to-Speech : Enabled  
Screen Reader : Supported  
Enhanced typesetting : Enabled  
Word Wise : Enabled  
Print length : 129 pages



To identify these breakouts, Darvas developed a set of specific rules.

These rules include:

- \* The stock should be trading at least 50% above its previous low.
- \* The stock should have a high relative strength rating.
- \* The stock should have a strong uptrend.

Once a stock is identified as a potential breakout candidate, Darvas would enter a trade by buying shares at the low end of the box. He would then trail his stop-loss order as the stock price rose, ensuring that he would not lose more than a predetermined amount of money.

## **The Importance of Patience**

Darvas was a firm believer in the importance of patience in trading. He often stressed that investors should wait for the right opportunities to present themselves, rather than trying to force trades. He also cautioned against overtrading, which can lead to unnecessary losses.

## **The Psychology of Trading**

In addition to his technical analysis techniques, Darvas also placed a great deal of emphasis on the psychology of trading. He believed that investors who are able to control their emotions and maintain a disciplined approach are more likely to achieve success.

Darvas identified three main emotions that can lead to poor trading decisions:

- \* Fear: Fear can lead investors to sell their stocks prematurely, missing out on potential profits.
- \* Greed: Greed can lead investors to hold onto stocks

for too long, risking large losses. \* Hope: Hope can lead investors to believe that a losing stock will eventually turn around, even when all evidence suggests otherwise.

Darvas advised investors to be aware of these emotions and to take steps to manage them. He also stressed the importance of having a clear trading plan and sticking to it, regardless of the market conditions.

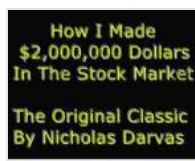
## **The Legacy of Nicolas Darvas**

Nicolas Darvas was a pioneer in the field of stock trading. His innovative techniques and emphasis on discipline and patience have had a profound impact on generations of investors.

"How I Made Million Dollars in the Stock Market" remains one of the most popular and influential trading books ever written. It is a must-read for anyone who wants to learn how to trade stocks successfully.

In the world of stock trading, there are no guarantees of success. However, by following the principles outlined in "How I Made Million Dollars in the Stock Market," investors can significantly increase their chances of achieving their financial goals.

Darvas's teachings are as relevant today as they were when he first published his book over half a century ago. By embracing his methods and adopting a disciplined approach to trading, investors can position themselves for long-term success in the stock market.

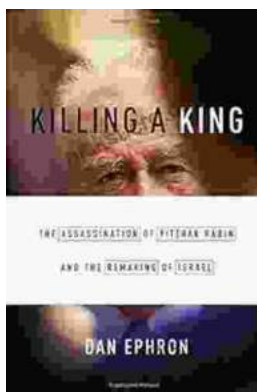


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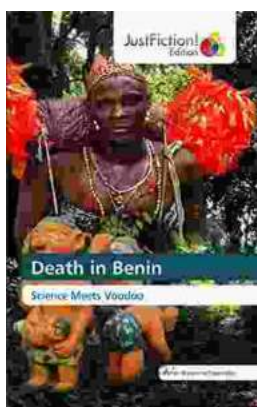
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