



DVAN SmartLines Module

This document is intended as an introduction to the studies available to DVAN SmartLines users on Optuma. For more information on the DVAN methodology or to schedule a live demo, please contact info@divergenceanalysis.com.

The DVAN SmartLines module on Optuma consists of algorithm-driven indicators, using Divergence Analysis's 27-year proprietary moneyflow methodology, that is utilized for security analysis and trading. The module covers all asset classes and trading intervals and can be employed as a stand-alone trading strategy or as supplemental analysis to augment investment decision making.

A brief overview of DVAN's methodology and the module studies is provided below.

Methodology

All of DVAN SmartLines' studies are driven by proprietary algorithms owned and created by Divergence Analysis Inc. Divergence Analysis was founded in 1989 and has operated continuously since then through a market research and consulting business based on its models.

DVAN's algorithms are different from other methodologies because they use internal volume data from exchange feeds, rather than prices, and proprietary velocity algorithms as drivers to its studies. The methodology relies on moneyflow, the action of buyers and sellers in the market, rather than measuring the resulting prices, to show the underlying forces affecting asset movement.

DVAN's algorithmic process creates transparency from chaotic market data, producing timely analysis of markets and individual securities. DVAN SmartLines' studies can be applied to any asset class on any time frame to make more precise trading decisions while managing risk.

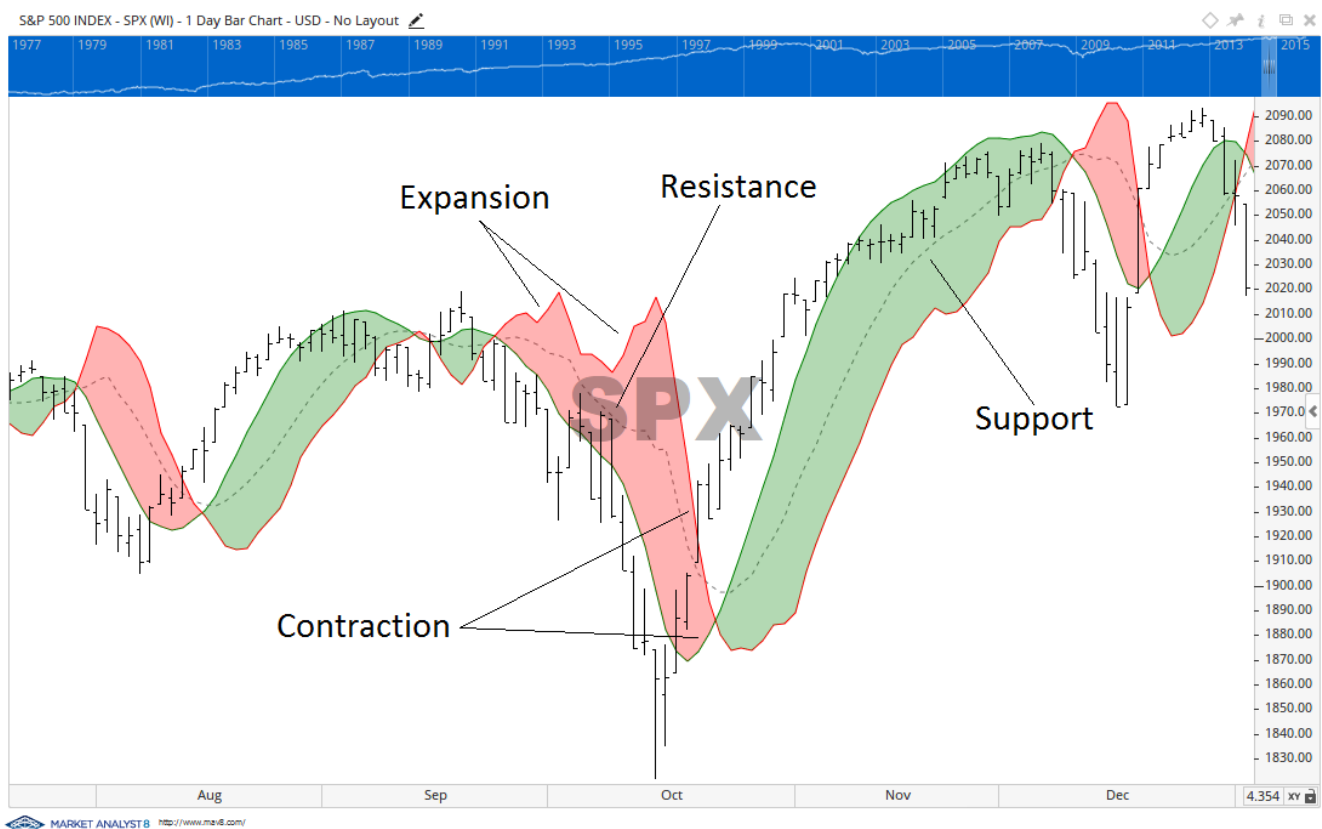
The DVAN SmartLines Module

The DVAN SmartLines Module consists of 6 studies:

- DVAN SmartLines
- DVAN Buy/Sell Pressure
- DVAN Trending
- DVAN Trend Signals
- DVAN Short Term Cycle
- DVAN Long Term

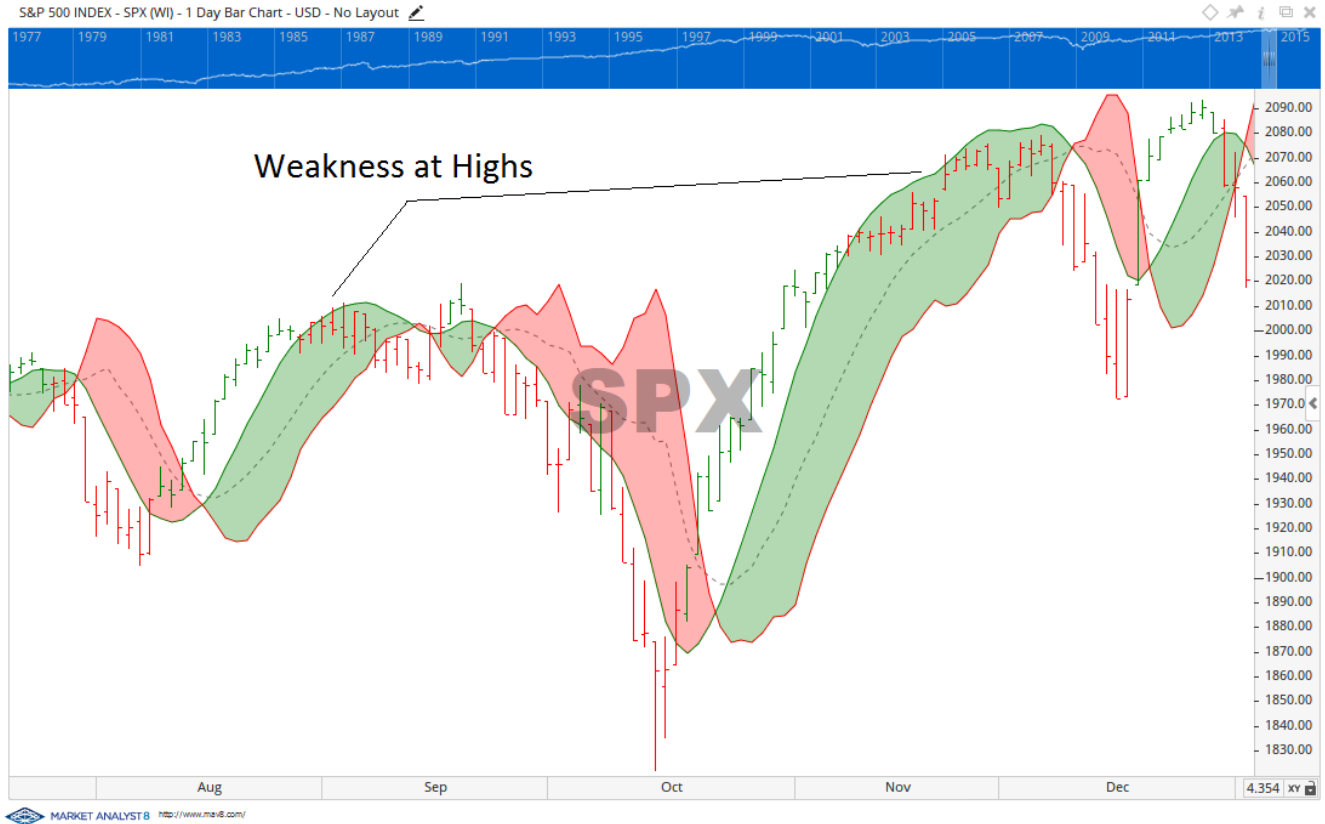
Descriptions and uses of the studies are included on the following pages.

DVAN SmartLines



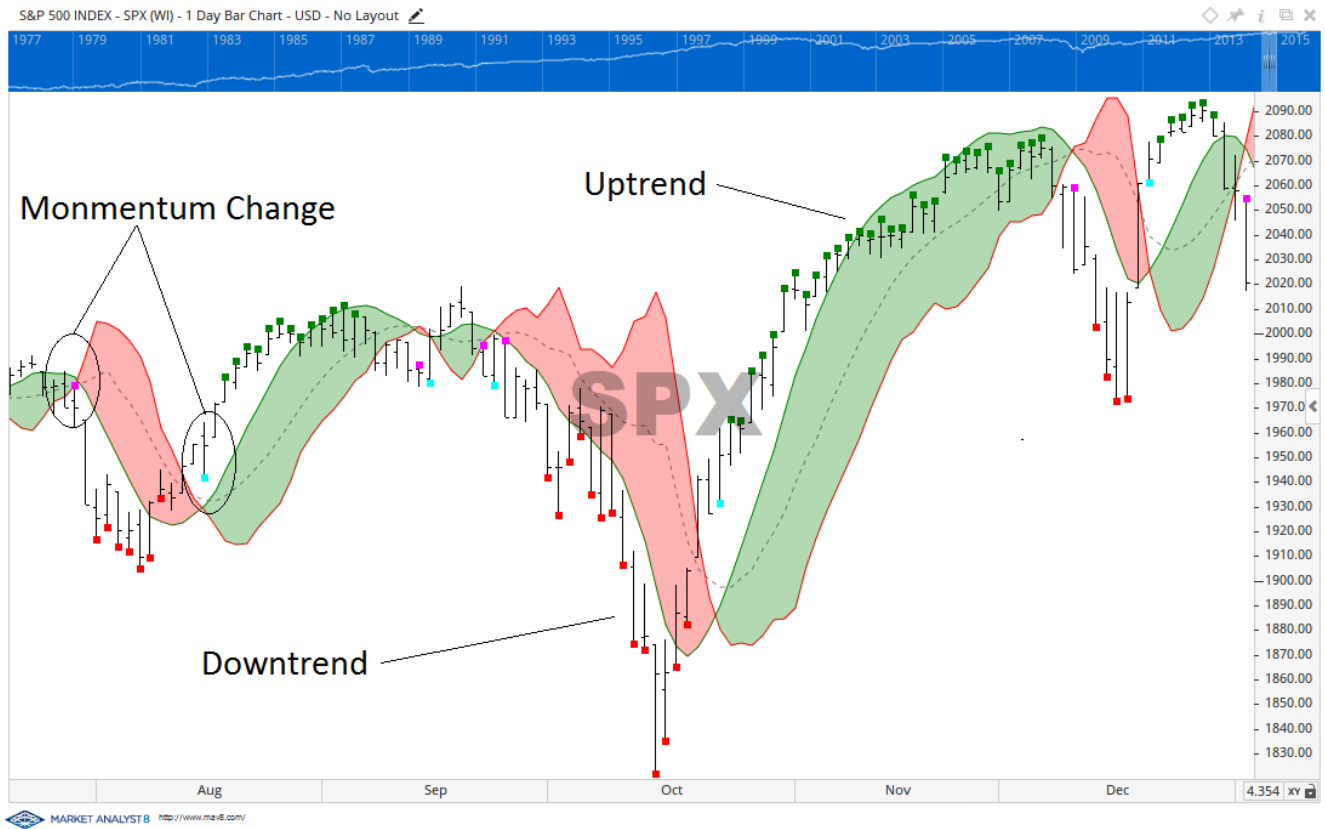
SmartLines Cycles: SmartLines are the three lines (green, gray dotted, and red) that surround prices on the price graph. They show buying/selling cycles, support/resistance, and periods of cycle expansion/contraction. The gray dotted line (Pivot) plots the price point at which the trend will change, marking important points of support/resistance within the cycle. Buying/selling cycles are highlighted by green/red shading of the cycles when SmartLines converge. SmartLines diverging within a sustained cycle indicate expansion of that cycle. After periods of expansion, the cycles' contraction indicates fading momentum of the current cycle.

DVAN Buy/Sell Pressure



Buy/Sell Pressure Price Bars: Price bars are colored either green or red. Green price bars mean buying pressure is dominant. Red price bars mean selling pressure is dominant. The price bars are colored by measuring the buying and selling forces in the underlying asset. Buy/Sell Pressure price bars show when buying pressure is present at lows and selling pressure is present at highs, helping to identify bottoming/topping formations. Buy/Sell Pressure also assists in identifying trend change, when prices are crossing above/below the DVAN SmartLines study (and/or when other studies reflect potential trend change.)

DVAN Trending



DVAN Trending shows both changes of momentum and periods of strong uptrends/downtrends.

Blue and magenta dots: The blue and magenta dots show changes in momentum in the security. Blue dots indicate the momentum has changed from negative to positive. Magenta dots indicate the momentum has changed from positive to negative. Important signals to watch are the changes that correspond with the DVAN SmartLines cycle changes.

Green and red dots: The green and red dots are driven by the same underlying momentum indicator as the blue and magenta dots. Green dots mean the momentum indicator has risen above a consolidation zone and into uptrends. Red dots mean the indicator has fallen below a consolidation zone and into downtrends.

DVAN Trend Signals



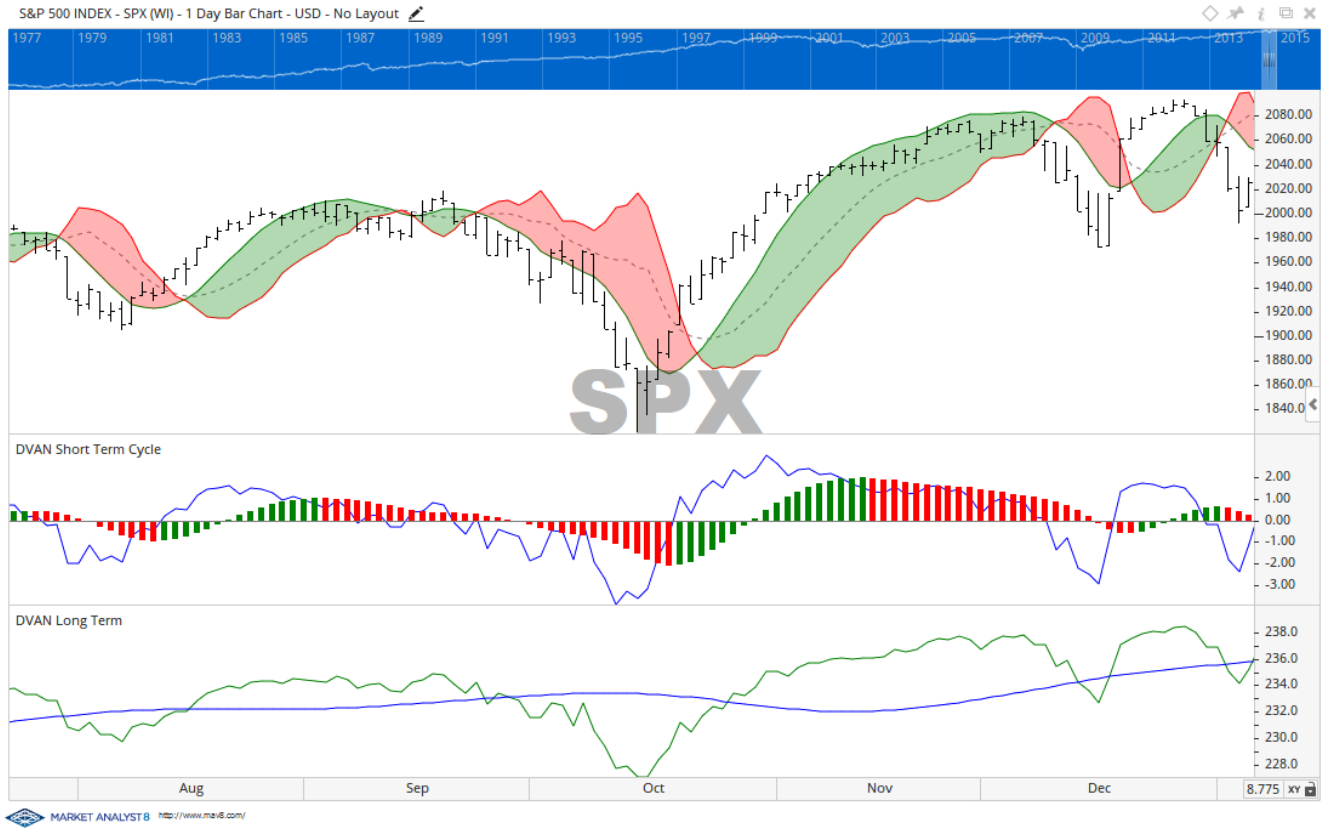
DVAN Trend Signals study is driven by a velocity-based indicator and plots corresponding green/red dots on the price graph when signals are given. Green dots indicate long entry points in trading. Red dots indicate short entry points. Best practice is to overlay the DVAN Trend Signals with other DVAN studies as a confirmation and position management system.

DVAN Short Term Cycle



DVAN Short Term Cycle indicates the short and intermediate-term trend direction in a security. A green histogram indicates a positive short-term trend. A red histogram indicates a negative short-term trend. The leading line (blue line) shows the leading force within the trend and indicates more prominent short-term changes when crossing above/below zero. Divergence between price and the leading line and/or histogram can also be analyzed for indications of top/bottom formations and trend exhaustion.

DVAN Long Term



DVAN Long Term is a cumulative indicator that indicates the longer-term bullish/bearish bias in the security. The green algorithm line crossing above/below the blue baseline is the key signal to watch for longer-term trend developments. DVAN Long Term can be used in conjunction with DVAN Short Term Cycle and other studies for trading within the framework of the longer, dominant trend direction.

Additional Resources:

Please contact us at info@divergenceanalysis.com for additional information on the DVAN SmartLines module or to schedule a live demo of the module.