

Identifying a Divergence Setup

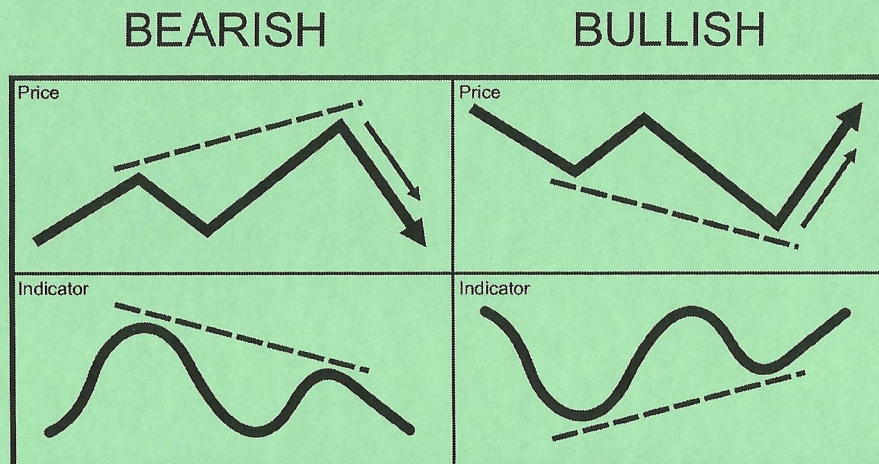
Bearish Divergence:

Divergence occurs across the top of price and indicator. The market will move downwards and away from the divergence.

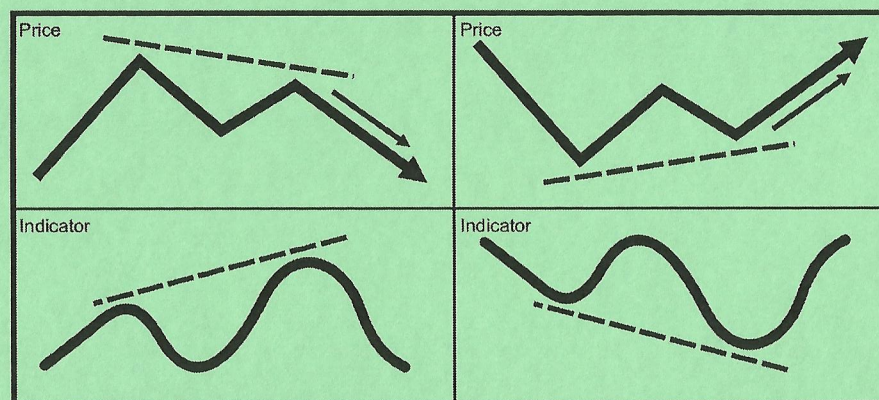
Bullish Divergence:

Divergence occurs across the bottom of price and indicator. The market will move up and away from the divergence.

Regular
Divergence
(counter-trend)



Hidden
Divergence
(trend following)



Exaggerated
Divergence

