



Divergences

Divergences occur when the price of the coin moves in the opposite direction to the oscillator, (RSI, CCI or MACD).

When the divergence has formed it can signal the beginning of a trend reversal.

The higher the time frames the stronger the accuracy of this indicator.

Divergences can be found in the over bought or over sold section in the chart, not in the ranging zone in the middle.

There are 3 types of divergences:

- * Bullish divergence
- * Bearish divergence
- * Hidden divergence

Bullish Divergence

Bullish divergence

The bullish divergence occurs when the price of the coin generally creates a new low, yet the oscillator fails to create a new low, hence creating a divergence.

Bullish Divergence

Hidden

TheCrypto^Den

Bullish divergence

Price is in a down trend, divergence forms, possible change in market structure.



Bullish Divergence

Hidden

Bullish

Divergence

Bullish divergence

The bullish divergence occurs when the price of the coin generally creates a new low, yet the oscillator fails to create a new low, hence creating a divergence.

Hidden Bullish Divergence

A hidden bullish divergence is a continuation pattern.



Bullish Divergence

Hidden

Bullish

Divergence

Bullish divergence

The bullish divergence occurs when the price of the coin generally creates a new low, yet the oscillator fails to create a new low, hence creating a divergence.

TheCrypto^Den

Bearish Divergence

Hidden Bearish Divergence

Bearish Divergence

The bearish divergence occurs when the price of the coin generally creates a new high, yet the oscillator fails to create a new high, hence creating a divergence.

Hidden bearish divergence

A hidden bearish divergence is a continuation patten



Bearish Divergence

Hidden Bearish Divergence

Bearish Divergence

The bearish divergence occurs when the price of the coin generally creates a new high, yet the oscillator fails to create a new high, hence creating a divergence.

Bearish Divergence

A bearish divergence is a reversal pattern.



Bearish Divergence

Hidden Bearish Divergence

Bearish Divergence

The bearish divergence occurs when the price of the coin generally creates a new high, yet the oscillator fails to create a new high, hence creating a divergence.



Trading divergences

Do not take a trade purely on divergences, they do not always play out.

Divergences should be one indicator that you look for when charting your coins.

