

1. Bullish Divergence

- a) Price Making Lower Low, RSI Making Higher Low

2. Bearish Divergence

- a) Price Making Higher High, RSI Making Lower High

3. 'Hidden' Divergence

- a) **Bullish**

- i. In Uptrend – Price Makes higher low, RSI makes lower low

- b) **Bearish**

- i. In Downtrend – Price Makes lower high, RSI makes higher high

4. 4 Drive Philosophy

TIP

Practice identifying bullish and bearish divergence using the playback feature, do it to build your confidence.

Divergence on the RSI

1. Drive blue 9
2. Drives yellow 21
3. Drives to the green 55 or to top or bottom side of the range
4. Drives to the 1618/

Ideal setup we want to trade with trend.

Bullish divergence coming from a low level.

And bearish divergence coming from a high level.