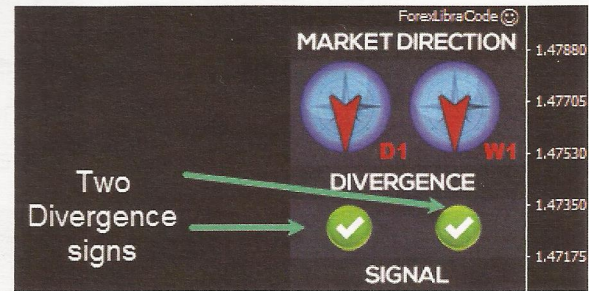


The **Divergence Line** can alert us to **three situations**:

- 1) The sign can be represented by two green marks which means that the divergence filter is signaled in our favor. This is a good Conservative sign. See image to right:



- 2) The sign can show as a **red "X"** which means that the divergence filter is not **signaled** in our favor, (i.e there is some divergence which is against the trade which will make the trade **more aggressive**). **Note:** One or both signs can be **red**. See image on the right:

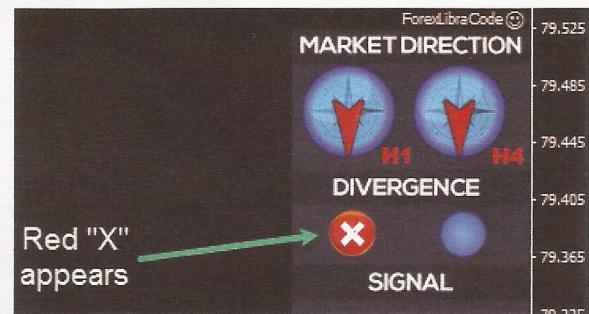


Image 8

- 3) The sign can show as an empty **blue** circle, as in the image to the right:



Image 9

Such a situation can arise **ONLY** if the directions of the higher time frames (the compasses) don't match, and **we can't trade this market condition at all**. The system will continue to scan until another more favorable situation arises.

NOTE: One or both signs can appear as a **blue** sign. In either instance, we don't trade.

Whichever of these situations arise, the system will do all the scanning for you, behind the scenes! You don't have to waste time identifying divergences, and you can simply rely on the signs that appear on the divergence line in the dashboard.

However – for those of you that still want to be “masters of divergence” – I will have some surprises for you on the webinars that we will be doing together where I'll cover divergences in greater detail.