

### Divergence

In technical analysis, a **BULLISH DIVERGENCE** occurs when prices trace out a negative pattern, while



Take a look at this daily chart of Google (GOOG). At point A, prices fell to a new multi-months low and



A BEARISH DIVERGENCE occurs when prices trace out a positive pattern, while an important indicator

This recent chart of Amazon (AMZN) shows a confirmed uptrend at point A, with prices and MACD rally

Pay attention to the point B on both charts: MACD-Histogram must cross its centerline between the two

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