

# Negative divergence in the MACD

## Negative Divergence in the MACD:

- When the MACD line is making lower highs
- While the price is making higher highs
- Signals a **POSSIBLE** reversal in the current upward price trend.

## Positive Divergence in the MACD:

- When the MACD line is making higher lows
- While the price is making lower lows
- Signals a **POSSIBLE** reversal in the current downward price trend.

MACD line = short-term EMA (usually, 12 periods) - long-term EMA (usually, 26 periods)

MACD MA = EMA of the MACD line (usually, 9 periods)

MACD Histogram = MACD line - MACD MA



SPY Price and Volume  
20 January 2021 to 12 April 2021

