



## THE DIVERGENCE ADVANTAGE Seminar:

Trade the Biggest, Baddest Reversals!

See details on p6.

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### **Trade the Most Powerful Reversals**



**Ed Downs** CEO and Founder Nirvana Systems, Inc.

Divergence has been a favorite technique of technical analysts for years. In his book, *Trading Stocks for Immediate and Substantial Gains*, Larry Williams describes the use of Divergence to find the earliest possible opportunities. Other technical analysts and authors, such as William Blau, have demonstrated the power of divergence in their writings.

Divergence is a powerful and time-tested technique that is based on the observation that new strength or weakness in an indicator tends to lead or predict moves in the price chart. This is especially true when the indicator and price chart "diverge" from each other—with one going up while the other is going down.

Up to now, traders have had to rely on visual inspection of indicators to find the most powerful divergences. But not any more! Introducing Nirvana's Divergence Trading Module, or DTM for short.

Before I describe DTM, let me say that OmniTrader does include some basic Divergence Systems that were developed early in the platform's history, such as RSI-D and CCI-D. These basic Systems work well, but the new approach taken with DTM is a quantum leap forward.

To develop this new Strategy Suite we applied our research to identify something we call "concurrent pivot divergence", which you will read about on page 3. DTM identifies key divergences in all time frames with uncanny accuracy. The examples shown on the following pages are just a few of hundreds you will see when you fire up DTM and apply it to your trading.

In this Suite for DTM, we are providing 3 different Strategy variations that you will learn about on pages 4-6: one for Long Term Reversals, another for Daily Swing Trading, and an exciting new addition for Real Time Reaction Signals. The trading power of these new Strategies in each time frame is enormous.

We've kept the price of DTM low so every OmniTrader and VisualTrader user can benefit from it. We are also including a new seminar *The Divergence Advantage:* Trade the Biggest, Baddest Reversals that is chock full of great examples on how to confirm the Divergence Signals you see for the most powerful entries.

And of course, DTM is backed by our Money-Back Guarantee. I personally guarantee you are going to be blown away by the power of this Signal generation technique! Order DTM today and discover the opportunities uncovered by this truly remarkable Strategy Suite.

Sincerely,

Ed Downs CEO and Founder Nirvana Systems, Inc.



## How We Unlocked A Key Secret of the Markets

### Get Signals like these every day!

This page shows Signals from the new Divergence Trading Module on stocks in the S&P 100. Divergence consistently identifies potential reversals at the earliest possible turning point.

The chart to the right displays the RSI oscillator as an indicator below the chart; you can see that at the Signal points marked, the oscillator has turned up ahead of the turn in the chart. Then, we see an explosive move that followed. How can it predict the key reversal with such uncanny accuracy?

We spent many hours perfecting these new Signals. Using the "concurrent pivot divergence" technology, the DTM algorithm identifies and aligns key pivots in both the chart and the indicator. The method works because the indicator changes its internal momentum at extreme chart points, turning up (in this case) as the downward move exhausts itself.

## The DTM algorithm identifies and aligns key pivots in both the chart and the indicator

The accuracy of the DTM Strategies is impressive. For example, the DTM Daily Swing Strategy has been over 70% accurate over the last two years. And these are Mechanical Strategies based on the new DTM Systems!

DTM is THE tool you need to engage the market and trade key reversals. The Signals by themselves are great—confirm them with the techniques in our seminar *The Divergence Advantage*—and experience the thrill of trading the biggest, baddest reversals!



It's easy to see the Divergence principle at work in this chart on Cummins (CMI). Increasing strength on RSI with a lower low on the stock generated a Long Signal in the new RSI-DS System ahead of an explosive upside move.



Here's Amazon (AMZN) rocketing off the launch pad after the new BOP-DS System fired a strong Divergence Signal, making over 10% in less than a month.

# Find Key Reversals in Any Time Frame

## **Great Signals in All Time Frames**

The Divergence Trading Module comes with three Strategies—each designed to fire Signals in a specific time frame and trading period:

- Long Term Divergence Reversals
- Daily Swing Divergence
- Real Time Reactions

The examples on this page are from the Long Term Divergence Reversal Strategy. This Strategy is designed to identify early Signals on overbought and oversold levels at the points where specific indicators are turning up (or down) to indicate a key, long term reversal.

Long Term (LT) Divergence Signals often occur at the beginning of moves that generate upwards of 10% to 30%, as shown in the examples. This makes LT Divergence an outstanding Strategy for prospecting for Long Term moves in any market.

# BAC - BANK of AMERICA (DAILY) Template: Standard V Zoom Period V N Symbol V . | Scale V 2012 Jun Jul Aug Sep Oct 1 9.44 9.0 8.5 7.0 331.5 M

Bank of America (BAC) illustrates a classic Divergence Signal from August 2012. Note how well the Trailing Stops keep us in trade in this Strategy. Divergence LT provides a great long term trading approach.

### **Long Term Divergence**



You just can't beat this Long Term Divergence trade on Verizon (VZ) - good for 18% in 3 months.



Long Term Divergence also fires great Short Signals. In fact, market weakness is quite easily identified by the Divergence technique! Here's one on Apache (APA) that made almost 10%.

- Long Term Divergence
- Daily Swing Divergence
- Real Time Reactions (see next page)

If you are looking for something to give you amazing trading Signals at key reversal points for great Swing Trades, look no further!

Identifying Swing Trades is the "sweet spot" for DTM, because most swings in the market last from 5 to 7 days—the perfect interval for a Divergence to form. At the point a market is overbought or oversold, a Divergence Signal often predicts an explosive move in the opposite direction, as shown in these examples.

## The Signals speak for themselves!

Look at how well the Daily Swing Divergence Strategy identified the key reversals in the charts on this page! This Strategy has proven to be both accurate and profitable in our testing, as shown in the Performance Report below.

Performance Report Daily Swing Divergence				
	Trades	Hit Rate	PPT	Bars
Longs	201	<b>77</b> %	1.4%	5
Shorts	147	64%	.37%	6
Both	348	71%	.96%	6

Results for the Daily Swing Divergence Strategy over the past 2 years on stocks in the S&P 100 are outstanding, with 77% accuracy on Longs and over 70% on both Longs and Shorts.

Keep in mind that this Strategy and all DTM Strategies have Mechanical Exits, making them 100% mechanical trading Strategies!

### **Daily Swing Divergence**



DuPont (DD) has great Signals confirmed by other technical patterns. Our seminar will show you how to spot these pristine entry points.



Devon Energy (DVN) generated a number of profitable Divergence Signals, each of which was fired at the ends of extended trends—the best place to trade Divergence.

# The Divergence Advantage in Real Time

One of the most exciting—and surprising—developments in this project occurred when we tested the new DTM approach on Real Time Charts.

Creating viable Strategies in Real Time is difficult because of the noise in charts and the erratic behavior in many sessions. But, to our pleasant surprise, the DTM Systems perform exceptionally well in Real Time.

Use DTM's Real Time Reactions on individual stock or ETF charts, and also on the indexes. Set OmniTrader to alert you audibly on new Signals and just wait for them to fire.

Then, use the techniques described in our *Divergence Advantage* seminar to isolate the Signals that have the highest potential for a big move. You'll be amazed at how much this Module is going to help you make money in Real Time trading!

#### **Real Time Reaction**



Trading in Real Time was never easier, as shown in this chart for Conoco Phillips (COP). Divergence Signals fire at extreme changes in trend. Clear formations like V-bottoms and Support/Resistance Breaks make trading these signals almost effortless. We share all the best confirming patterns in our **DIVERGENCE ADVANTAGE** video.

## THE DIVERGENCE ADVANTAGE Seminar Trade the Biggest, Baddest Reversals!

The Divergence Trading Module can be used to successfully find and trade key reversals in End-of-Day and Real Time charts. With years of technical analysis under our belts, we know the precise kinds of setups that lead to the biggest moves.

In this seminar, we discuss what the best setups look like, and show examples of how to use DTM to successfully trade the markets in Real Time, Swing Trading, and Long Term Reversal "opportunity" trading.

### **Seminar Topics:**

The Basics of DTM
How and why divergence works so well

DTM in Long Term Charts
How to identify the most likely long
term turning points

DTM for Daily Swing Trading
Unleash the power of DTM for killer
Swing Trades

DTM in Real Time
How to automatically uncover the
most explosive moves the market
has to offer



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