

The secret of STOCHASTICS.

These are my secret rules.

First find the divergence points historically – on the left of the chart **the stochs value is going up when the price is going down.**

Second find the point of convergence historically – confirmed by trendline on both indicator and chart.

Another area of divergence (**sell**) is show in the left centre of the chart.

In the chart centre, the indicator follows the price (HOW do we know- the values of the stochastics troughs are rising with the price troughs).

On the third red vertical line there is a stronger divergence point that is later confirmed to be the convergence point.

Below is the EU daily and buy convergence is now taking place (April 2013). **Convergence has still to be confirmed.** Until convergence is verified, the direction is still either down or undecided.

