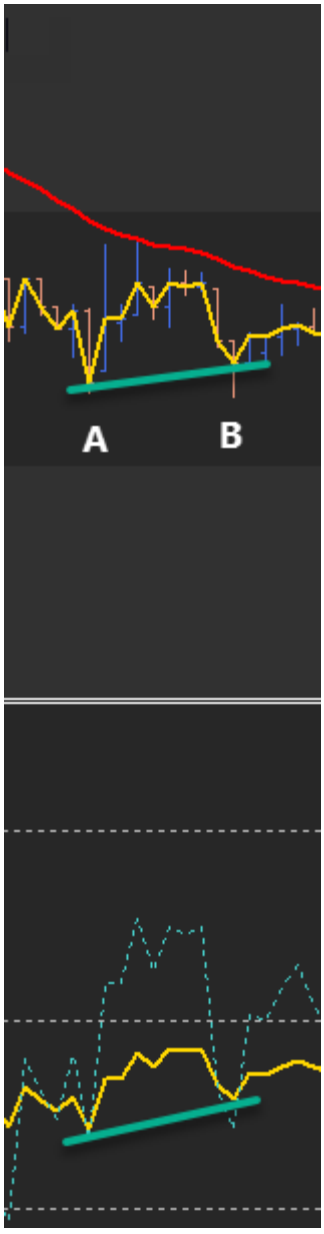
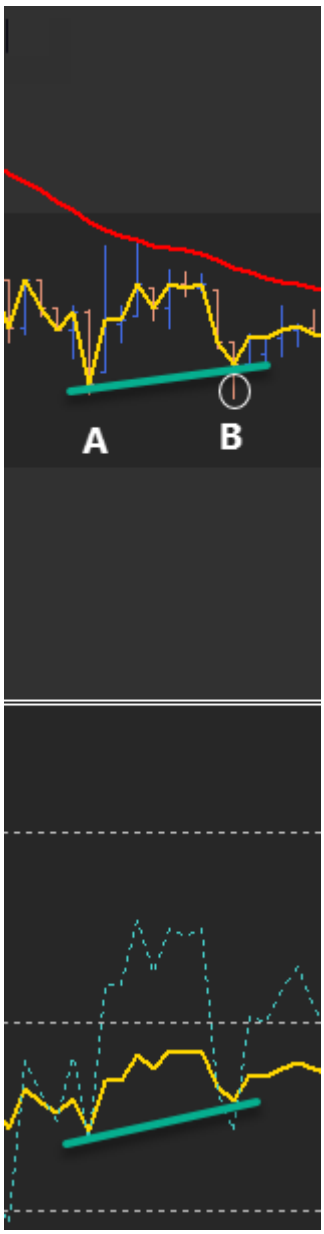
Common note on divergence

For finding RSI-Price divergence, we look for the Close of the Price Bar.
We compare the Close of two bars with the RSI.
Just like this example where **we don't see divergence**:



That's why an MA(1) line on the Price helps to spot RSI-Price divergence. An MA with period 1 connects the Close of a bar with the Close of next bar.

Now, ...since RSI is fixed at the close of the bar, we cannot see in hindsight what happened DURING the price bar.



In the image above here, you can see that at bar B price went deeper before it closed. It's a Pinbar.
Now the interesting question is: Was the **Low** of B in divergence with A?
We cannot spot that!
But we can spot it with Alan's RSI_Hidden indicator.

Alan's Hidden Divergence (HD)

For that, we draw a horizontal line from bar A (Close) to the right.
We also draw a horizontal line from the RSI (From bar A) to the right.
Then we check what happened at Bar B.

We see that price crossed the horizontal line, but the RSI was not able to cross the horizontal line.
This means there was a regular divergence at the Low of the Pricebar B.
But we cannot see that at the first image!
That's why Alan calls this Hidden Divergence.

Side note:
Now, this is Alan's specific definition on Hidden Divergence. Other sources in books and on internet give a very different definition for Hidden Divergence. They definitely don't describe the same concept.
In all other teachings, the definition of Hidden Divergence is like the one at babypips.com
https://www.babypips.com/learn/forex/hidden-divergence
But this better can be called: Continuation Divergence!
Why would we call this 'hidden'? It is not hidden!

So that's why Alan's Hidden Divergence is just an extra tool to spot divergence, next to the normal Regular Divergence and Continuation Divergence.