

# Glossary - D [ChartSchool]

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## Glossary - D

### Dark Cloud Cover

A bearish reversal pattern that continues the uptrend with a long white body. The next day opens at a new high then closes below the midpoint of the body of the first day.



### Day Trading

A style of trading where all positions are cleared before the end of the trading day. Contrast this with position trading, where stocks or securities may be held for longer periods.

## Dead Cross

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A signal where the shorter moving average moves below the longer moving average. Usually, this term is associated with the 50-day moving average crossing below the 200-day moving average. See ChartSchool article on [Moving Averages](#).

## Declining

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A market stage of a stock that is characterized by a downtrend with subsequently lower highs and lower lows.

## Descending Triangle

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A sideways price pattern between two converging trendlines in which the upper trendline is descending while the lower line is flat. This is generally a bearish pattern. See ChartSchool article on [Descending Triangle \(Continuation\)](#).

## Detrended Price Oscillator (DPO)

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A price oscillator used to identify cycles in a price plot. DPO is based on the difference in price and a displaced moving average. For more, see our ChartSchool article on the [Detrended Price Oscillator \(DPO\)](#).

## Directional Movement Indicator (DMI)

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An indicator that plots a positive +DI line measuring buying pressure and a negative -DI line measuring selling pressure. The DMI pattern is bullish as long as the +DI line is above the -DI line. The Average Directional Index line is derived from this indicator and is based on the spread between the +DI and -DI lines. For more, see our ChartSchool article on the [Average Directional Index](#).

## Distribution

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The systematic selling of a security without significantly affecting the price. After an advance, a stock may start forming a top and trade sideways for an extended period. While this top forms, a security's shares may experience distribution as well-informed traders or investors seek to unload positions. A quiet distribution period is usually subtle and not enough to put downward pressure on the price. More aggressive distribution will likely put downward pressure on prices.

## Divergence

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A situation that occurs when two lines on a chart move in opposite directions vertically. People often look for divergences by comparing a stock's direction to the direction of its RSI, its MACD or its Stochastic Oscillator. There are two kinds of divergences: positive and negative. A positive divergence occurs when the indicator moves higher while the stock is declining. A negative divergence occurs when the indicator moves lower while the stock is rising. See ChartSchool article on [Positive and Negative Divergences](#).

## Doji

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A candlestick with a body so small that the open and close prices are equal. A Doji occurs when the open and close for that day are the same, or very close to being the same. See ChartSchool article on [Introduction to Candlesticks](#).

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## Double Bottom Breakdown

A bearish Point & Figure chart pattern that forms when an O-Column breaks below the low of the prior O-Column. See ChartSchool article on the [P&F Double Bottom Breakdown](#).

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## Double Bottom Reversal

A bullish reversal chart pattern that is typically associated with line and bar charts. The pattern forms with two consecutive troughs that are roughly equal, a moderate peak in-between and a resistance breakout. See ChartSchool article on [Double Bottom Reversal](#).

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## Double Top Breakout

A bullish Point & Figure chart pattern that forms when an X-Column breaks above the high of the prior X-Column. See ChartSchool article on the [P&F Double Top Breakout](#).


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## Double Top Reversal

A bearish reversal chart pattern that is typically associated with line and bar charts. The pattern forms with two prominent peaks that are roughly equal, a moderate trough in-between and a support break. See ChartSchool article on [Double Top Reversal](#).


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## Dow Jones Industrial Average (\$INDU)

The [Dow Jones Industrial Average \(\\$INDU\)](#)  is a price-weighted average of 30 [blue chip stocks](#) published by Dow Jones & Co. Because it is price-weighted, stocks with the highest prices will have the most influence and those with the lowest, the least influence.

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## Dow Jones Transportation Average (\$TRAN)

The [Dow Jones Transportation Average \(\\$TRAN\)](#)  consists of 20 stocks in the transportation business. Originally the index only included railroads; now airlines and trucking companies are included. According to the [Dow Theory](#), a new major high in the DJIA should be confirmed by a new major high in this index before it is considered a reliable signal.

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## Dow Jones Utilities Average (\$UTIL)

The [Dow Jones Utilities Average \(\\$UTIL\)](#)  is used as a surrogate for bond prices. The DJUA is often a leading indicator of broad market trends since these stocks are interest-rate sensitive. Utility companies typically have large amounts of debt on which they pay interest and hold cash for capital improvements, so they are affected by interest rate changes sooner than other industries.

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## Dow Theory

One of the oldest and most highly regarded technical theories. A Dow Theory buy signal is given when the Dow Industrial and Dow Transportation averages close above a prior rally peak. A sell signal is given when both averages close below a prior reaction low. See ChartSchool article on [Dow Theory](#).

## Down Trendline

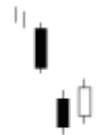
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A straight line drawn down and to the right above successive rally peaks. The longer the down trendline has been in effect and the more times it has been tested, the more significant it becomes. A violation of the down trendline usually signals a reversal of the downtrend.

## Downside Tasuki Gap

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A continuation pattern with a long black body followed by another black body that has gapped below the first one. The third day is white and opens within the body of the second day, then closes in the gap between the first two days, but does not close the gap.



## Dragonfly Doji

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A [Doji](#) line where the open and close price are both at the high of the day. Like other Doji days, this one normally appears at market turning points.