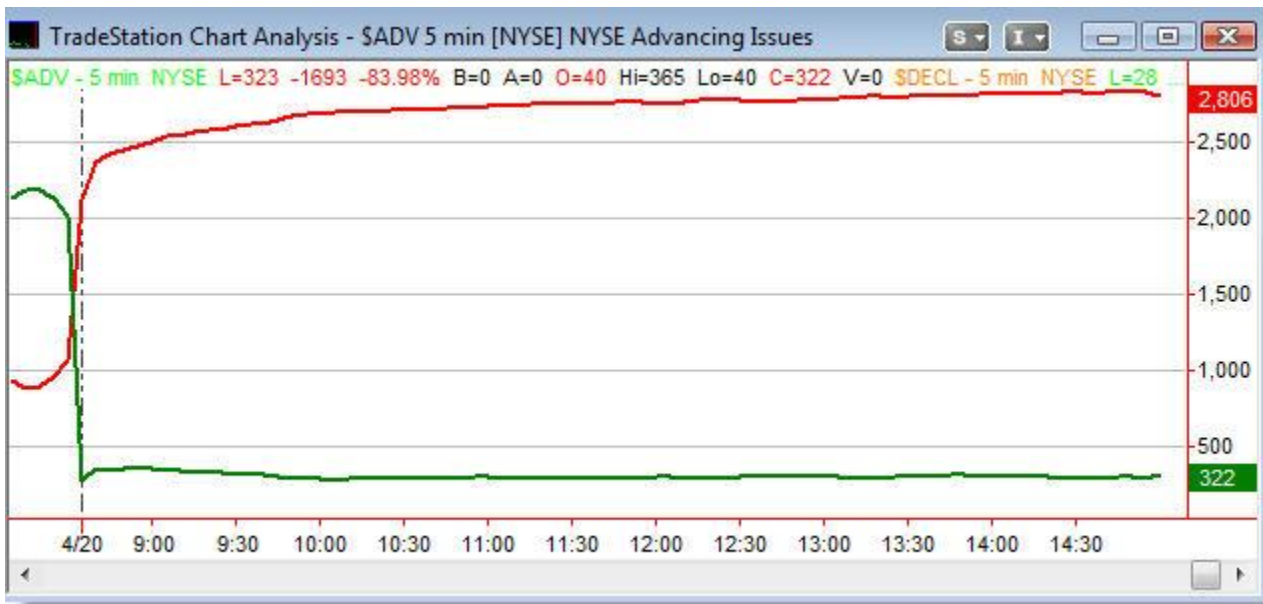




Daily "Idealized Trades" Report

SPY (SPY 500 ETF) 5-min





Trend Days provide the most simplistic strategy - trying to complicate the Trend Day or believing "Well, it's gone so low, it can't go any lower" only complicates and degrades the money you can make on a true trend day.

The play is to get short the moment you feel we have enough information to confirm a trend day, and then trail your stop above the 50 EMA. Turn off the 3/10 Oscillator and anything else you might be using, and use the TICK as a timing tool to enter short on any positive TICK reading - or also enter short on any pullback to the 20 EMA.

If you find yourself trying to trade long/counter-trend on a down-trend day, you deserve to lose money.

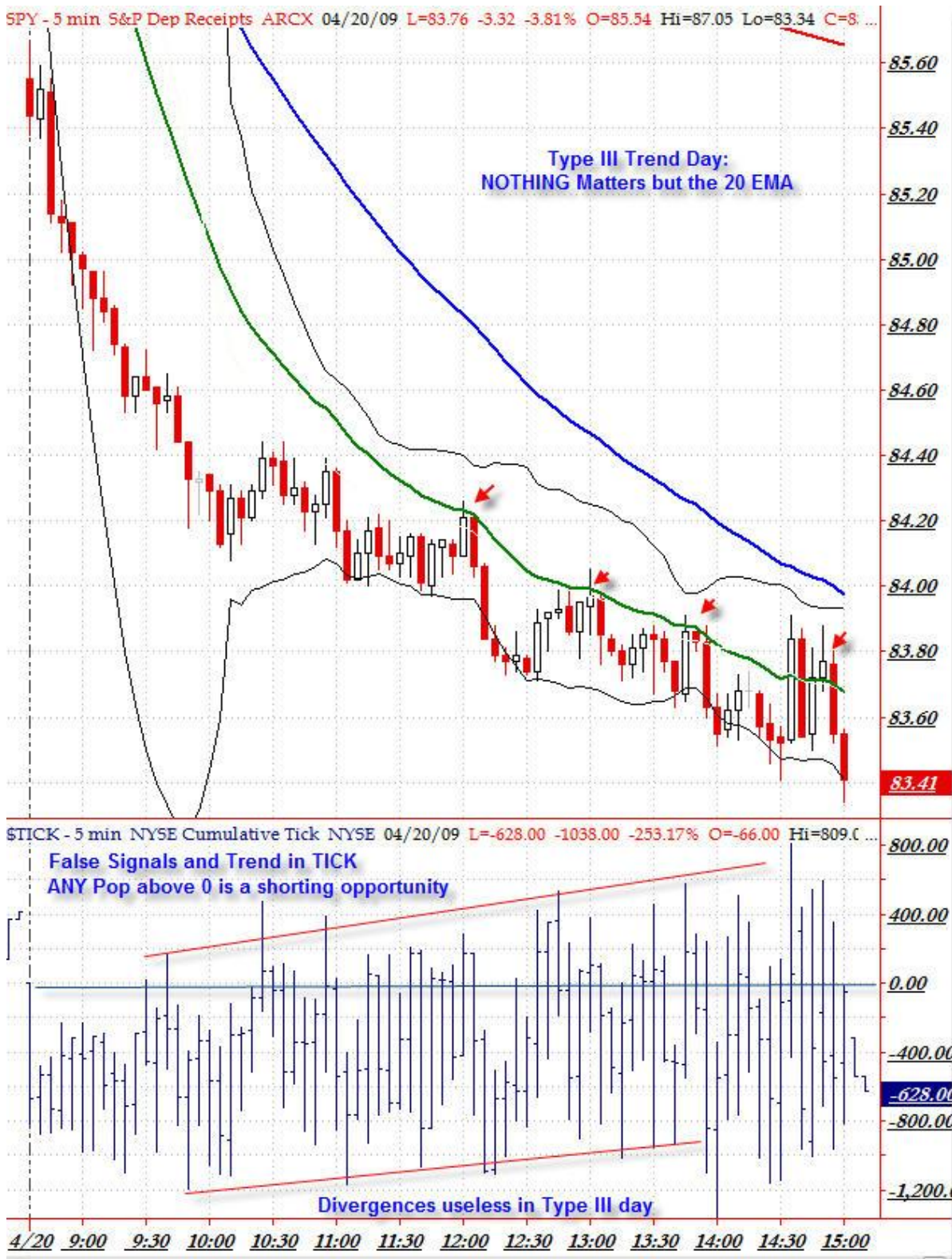
There was reason to believe we would have a Trend Day on Monday, because we knew major financial companies would announce earnings in the morning, and there was a strong confluence resistance on the daily and 60-min chart. The futures headed lower and we saw a large-scale morning gap - that was enough to let you know odds strongly favored a trend day forming.

Remember, the play is to get short as soon as possible and hold until the close OR price breaks the 50 EMA (it did not - those bars are false-ticks). You can hold a core position and then scalp (enter short with leverage) as price retraces to a positive TICK reading or back into the falling 20 EMA. Do NOT look for divergences and do NOT look to trade counter-trend.

The Breadth (ADV - DECL) confirmed the trend day all day long, as did the TRIN (not shown).

The TICK did give me pause, though in the end, even the TICK gave false divergence signals.

Trust me when I say - throw everything off your chart except for the TICK, breadth, 20, and 50 EMAs.



I'm showing the TICK chart to show its false positive divergence and misleading up-trend all day.

Price made new TICK highs, suggesting a reversal might be in play, and the TICK formed positive divergences, none of which 'worked' and all of which were false signals.

All it takes is proper and aggressive trading on a trend day to make your monthly goals in a single day.