



## Daily "Idealized Trades" Report

### SPY (SPY 500 ETF) 5-min



This was the classic "Flat" or "Range" day which are NO FUN to trade ... and are often very inefficient (too much work for not enough profit) to trade so I often step aside and don't trade when I feel the day is setting up a tight range... and this should have been the expected play (range) due to the large range expansion (trend) day yesterday and the set-up day (pre-day) before Wednesday's "Fed Day" meeting.



I'm showing two StockCharts.com charts to highlight the Three Push pattern around 11:00am and the Elliott 5-wave pattern into the intraday afternoon highs combined with a negative momentum divergence.

We began the day with a slight upward gap which continued upward before plunging back down to fill the gap. Small or no gaps often precede "range" days (at least you knew it would not be a trend day early on - it's so rare to get two TDs in a row).

Perhaps the first trade of the day could have been shorting the pullback to the falling 50 EMA which could have been combined with a target of yesterday's close which would have filled the gap.

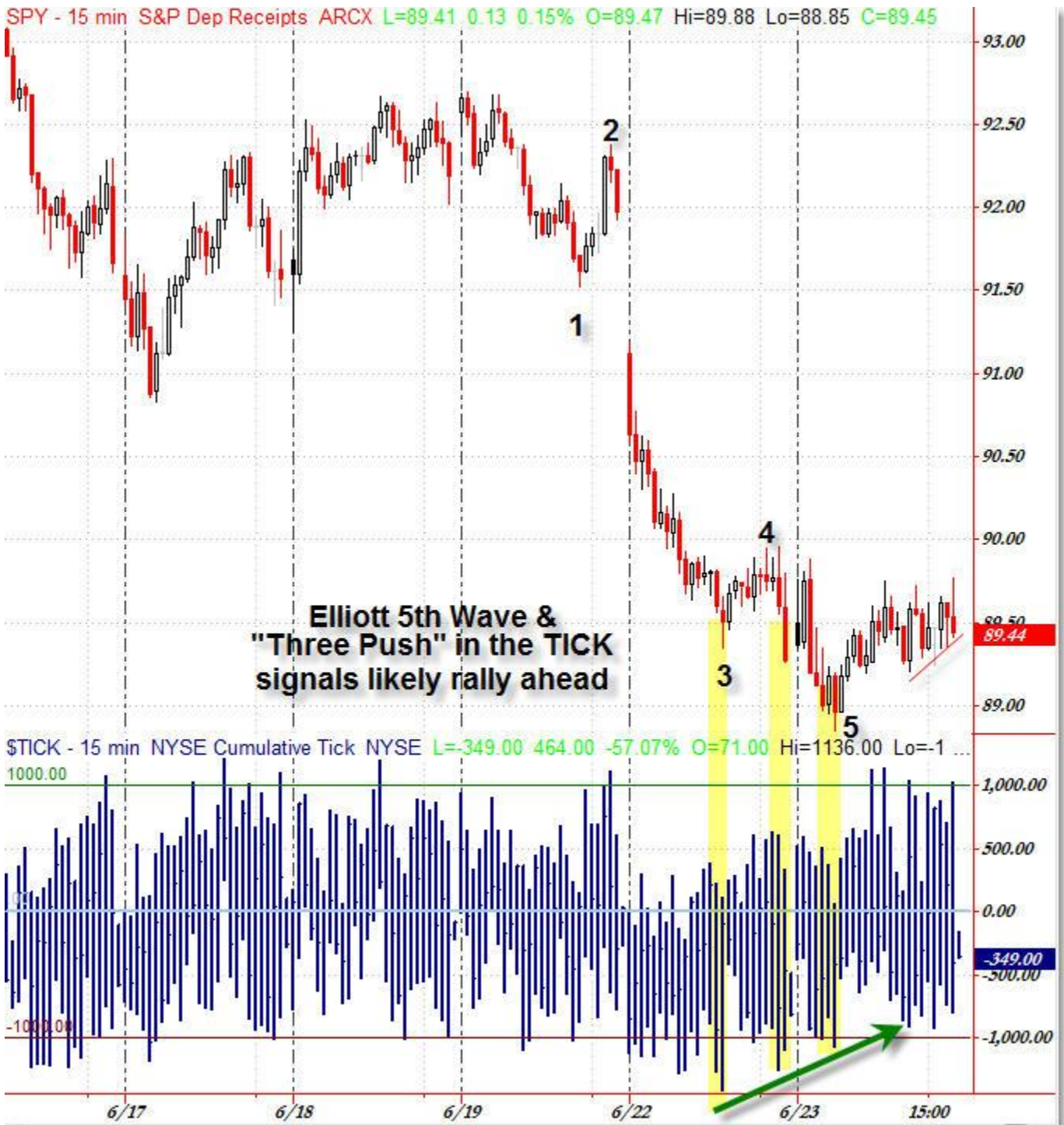
The second 'ideal' trade of the day would have come in at the 11:00 hour when price completed a "Three Push" pattern (see 1-min chart) which also formed a three push (hard to see) on the 5-min chart. A hammer/doji at 11:00 signaled the strongest turning point of the day and - in my opinion - was the "best" trade of the day. The target at a minimum was yesterday's close at around \$89.30 or more aggressively to the 50 EMA which formed two dojis that served as an excellent exit signal if not "short sell" signal (given that the trend was still down).

We moved down and tested again yesterday's close with the expectation perhaps for one more swing down but price soon reversed and broke the 50 EMA, flipping the trend back to up. However, price formed a 'pinball' consolidation

range (chaotic) trading environment with little to no edge in real time and perfect hindsight. Remember, you don't know the key support or resistance levels in advance until the range has formed - it looks clear that \$89.70 and \$89.30 were key S/R levels. The only edge was in fading these extremes as nothing else mattered - the 3/10 Oscillator gives NO clues regarding momentum.

The Third "ideal trade" would have been selling short the long-legged doji at 1:00pm which formed after a 5-wave Elliott pattern that completed with a negative momentum divergence (see 1-min chart) and (again) a doji.

From that, there were no ideal trades from my lessons/teachings - it's best to stand aside and not trade within a tight trading range.



Bonus Chart:

The 15-min structure seems to indicate higher prices - or at least a retracement perhaps to the \$91.00 level - due to the "three push" positive TICK (and momentum - not shown) divergence at the terminal count in a 5-wave Elliott down-move.

Remember, tomorrow is a "Fed Day" so the technical structure might not be the governing force (markets can move wildly on Fed Days) but this is the current technical structure and clues for the possible 'next likely swing' ahead.