



## Daily "Idealized Trades" Report

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



We had a very boring morning which gave way to an exciting afternoon!

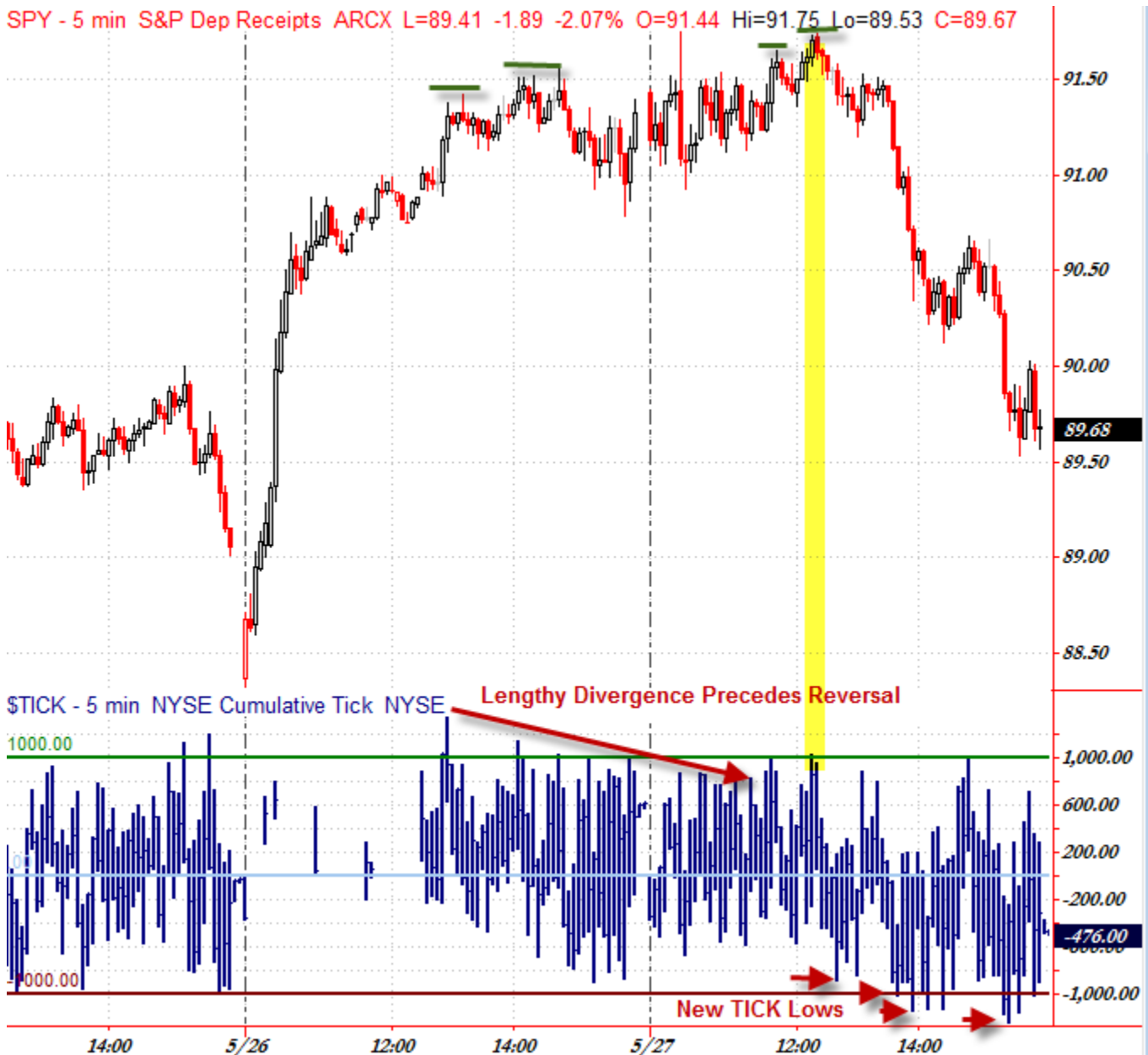
There really were no trades whatsoever that would have made much if any money in the morning session - the structure was 'topping' and forming a rounded reversal with momentum divergences so there was little justification for long trades but also we needed a breakdown of the converging trendlines to get short so no action was taken (with edge) until the 1:00pm breakdown. Remember we often get breakout moves around the 1:00 EST hour.

We broke beneath the key EMAs and yesterday's close just above \$91.25 signaling an initial short-sell trade entry. We found support just above the 'round number' \$90.00 support but only were able to form a bull flag that fell just shy of reaching the 38.2% Fibonacci retracement but did pullback to the falling 20 EMA, setting up the Bear Flag and Impulse Sell trade simultaneously.

Price did move to new lows as the flag and new momentum low forecast, giving us the 'best trade of the day,' especially with the long-legged doji that formed just after 3:00pm. A positive momentum divergence formed into the close, though price whipsawed around into the actual close.

The chart below shows the perfect Elliott Wave pattern that formed during the day. Reflect back on my "Best Trades for Elliott Wave" lesson.





Finally, we had a very lengthy negative TICK divergence set-up into the highs.

In a 'normal' world, yesterday's TICK divergences into the close would have been sufficient to turn the market lower, but we got a sustained, flat sideways to up move which resolved harder than it should have to the downside.

New TICK lows forecast new price lows yet to come, as we continuously formed new TICK lows into the end of the day.