



Daily "Idealized Trades" Report

SPY (SPY 500 ETF) 5-min



Unfortunately, there's not a lot to discuss in terms of idealized trades on a Trend Day. The name of the game is "early recognition" and then early positioning as soon as you suspect odds favor the structure developing into a Trend Day. Then, you trail a stop beneath the rising 50 EMA and buy all pullbacks to the 20 or 50 EMA for aggressive scalps.

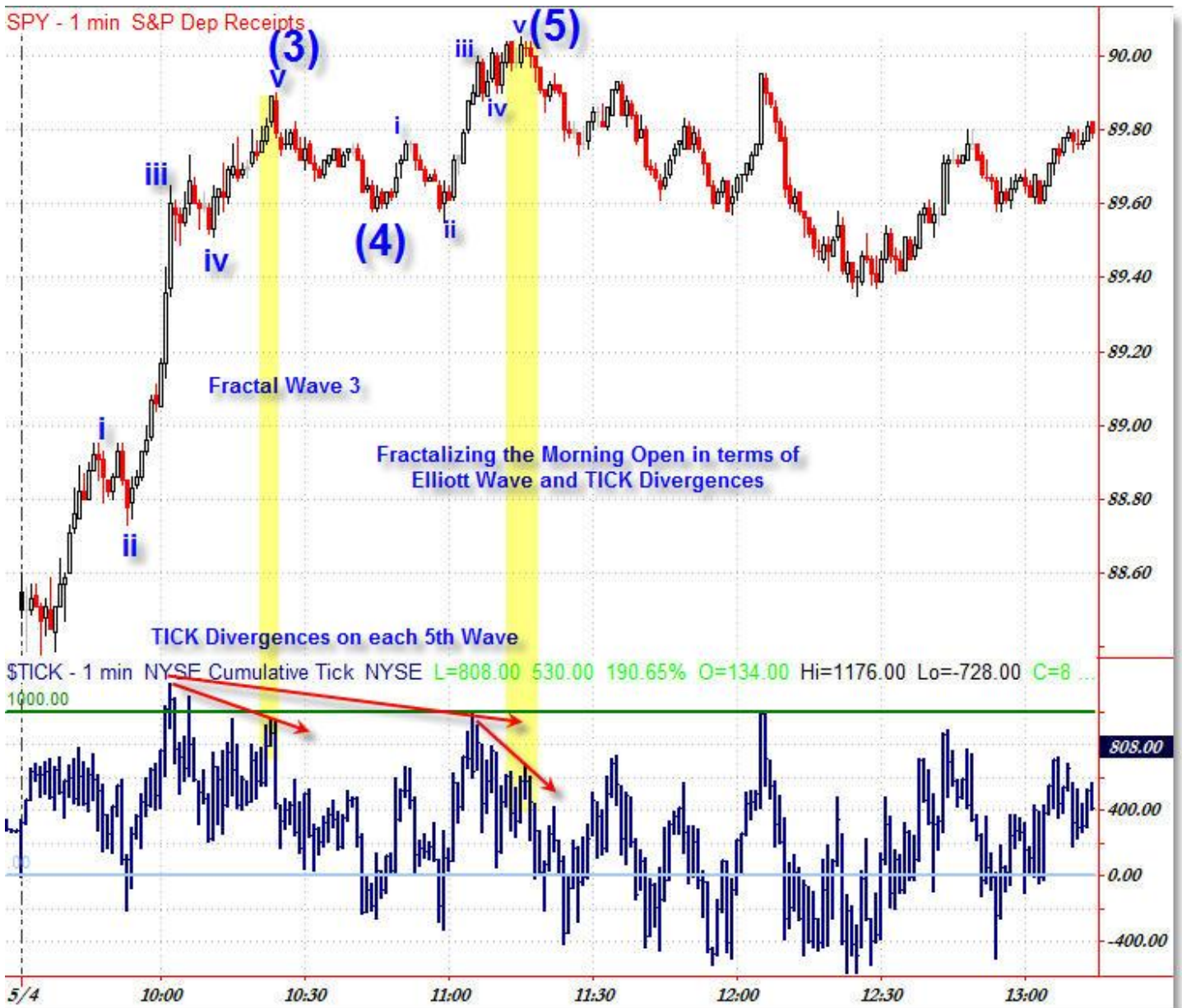
In this case, we had a Type 3 Trend Day up - Type 3 days are where price never (meaningfully) closes beneath the 20 EMA and proceeds higher in a 'creeping' or 'oozing' fashion all day long.

There was a brief Elliott Structure that continued over from Friday's action. If anything, the large, sustained price move into the 10:30am highs should have clued you in that a Third Wave might be in force, and then you could have looked back to see a very shallow possible Waves 1 and 2 and then played the expected reaction (buying the 4th wave and shorting the 5th wave... though being very careful about shorting on a trend day).

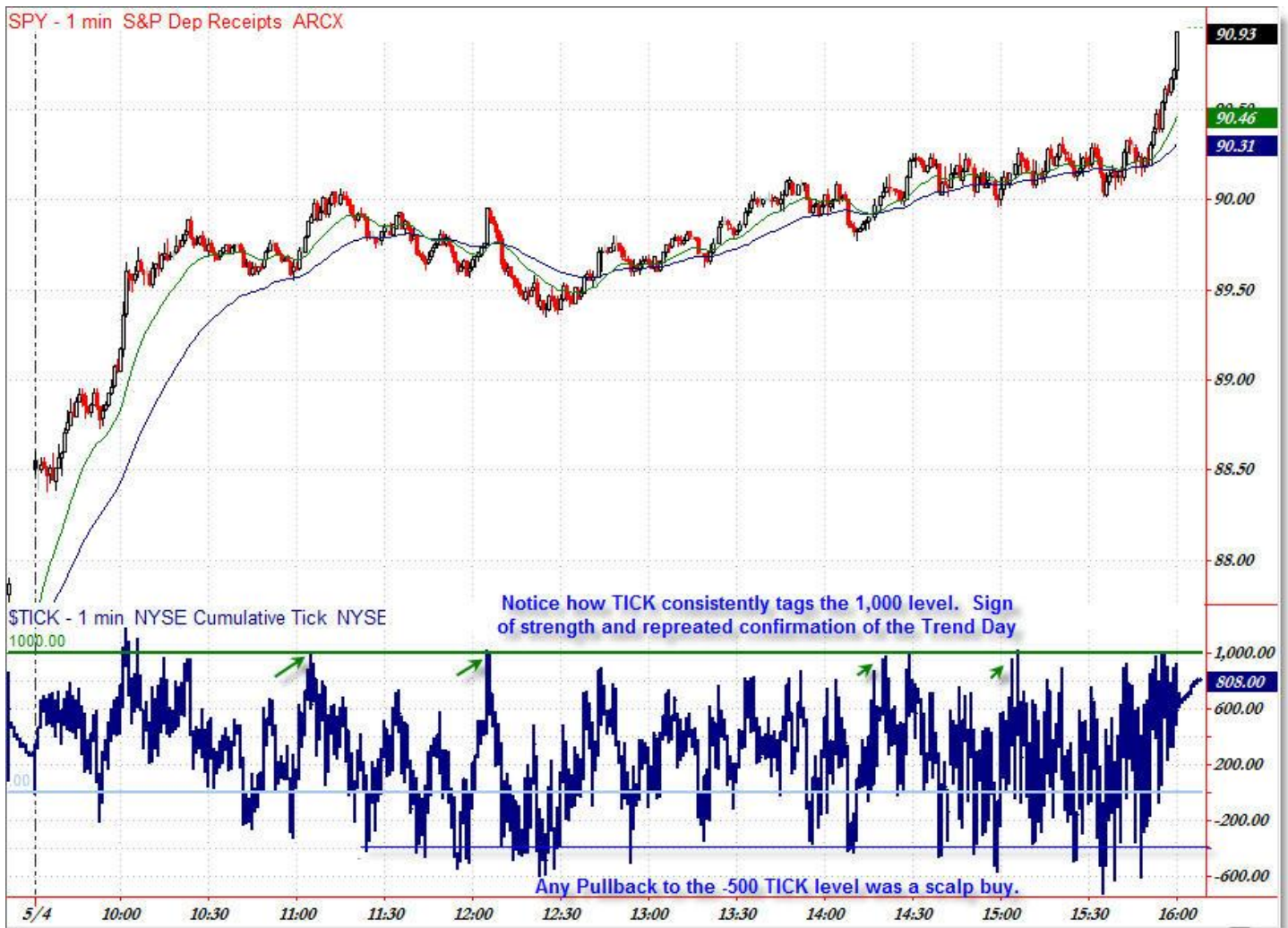
An "abc" correction took place quickly as expected, and the only 'scary' action (to the bulls) was the noon retracement which took price down beneath the rising 20 EMA. Again, on a trend day, it is often best to trail a stop beneath the 50 EMA and hold for up to two closes beneath it before exiting a core position.

Otherwise, all pullbacks and dojis (especially) to the 20 EMA were aggressive buys that could have placed a tight stop beneath the 20 EMA and played for a small target (perhaps exceeding a prior immediate high).

Otherwise, study the day's structure for a rare example of a "Type 3" Trend Day.



A Focus on the morning Elliott Wave Structure and the TICK internal indicator, particularly with divergences going into both the larger and fractal 5th waves.



Stepping inside the 1-min TICK structure.

Highlight: Range stays between +1,000 and -500. You'll normally see a 1,600 point range in the TICK. The bias (in this case, to the upside) indicates the directional odds (for price movement) for the day.

On suspected Trend Days, any low TICK reading - usually a support level will develop by mid-day - is a buying opportunity to scalp an aggressive position, particularly if confirmed with a 5-min chart EMA pullback. Exit the scalp either at a prior price high or when the TICK approaches 1,000. Very active yet very profitable strategy.