



Daily "Idealized Trades" Report

SPY (SPY 500 ETF) 5-min



Surprisingly - we got another Trend Day today.

The First Friday of the Month is the "Jobs Report," which has a higher than normal chance of producing a Trend Day - today was no exception.

There was a large (greater than \$1.00) gap in the SPY and price continued its impulse higher, which was the first two clues a trend day might be occurring - despite the bearish structure yesterday.

Price then pulled back hard into confluence support via the 20 EMA (broken) and the 50 EMA's alignment with the 50% Fibonacci Retracement of the prior low to the 10:00am high swing. This was a 'make or break' moment (notice the 'battle' and the dojis/hammers that formed at this time), as if the 50 EMA failed, odds opened up for a pure retest of yesterday's close.

Ultimately, bulls found support at 10:30 and a new impulse higher was underway.

The sustained and strong move from 11:30 - 12:00 should have been recognized as some sort of fractal 3rd wave, which it wound up being. We got an "ABC" pullback (completing with a spinning top reversal candle) to the 20 EMA (great buying opportunity) as price bounced off this level. Unfortunately, price floundered about the \$92.60 level for some time (ignoring the 1:00pm breakout tendency), surging to new highs after 2:00pm as price broke outside of the rectangle (and Bollinger Band Squeeze).

Notice that price formed a negative momentum divergence on the 3:00 push to new highs (which is not as significant, as the day was a trend day).

Also, notice the fractal subdivision of the 5th wave, which formed an Extended Wave (usually the 3rd wave extends).

Price inflected down off this level into the close on choppy trading as traders square themselves up for the weekend.

The move from 12:00 - 2:30 could also have been construed as a Bull Flag (with the flag being a horizontal rectangle).



Not a lot of help from the TICK today, other than the TICK stayed skewed positive (occurs on Trend Days) and there were new TICK highs throughout the day (particularly into the 11:30 swing and then at 13:30). The divergences were slight.