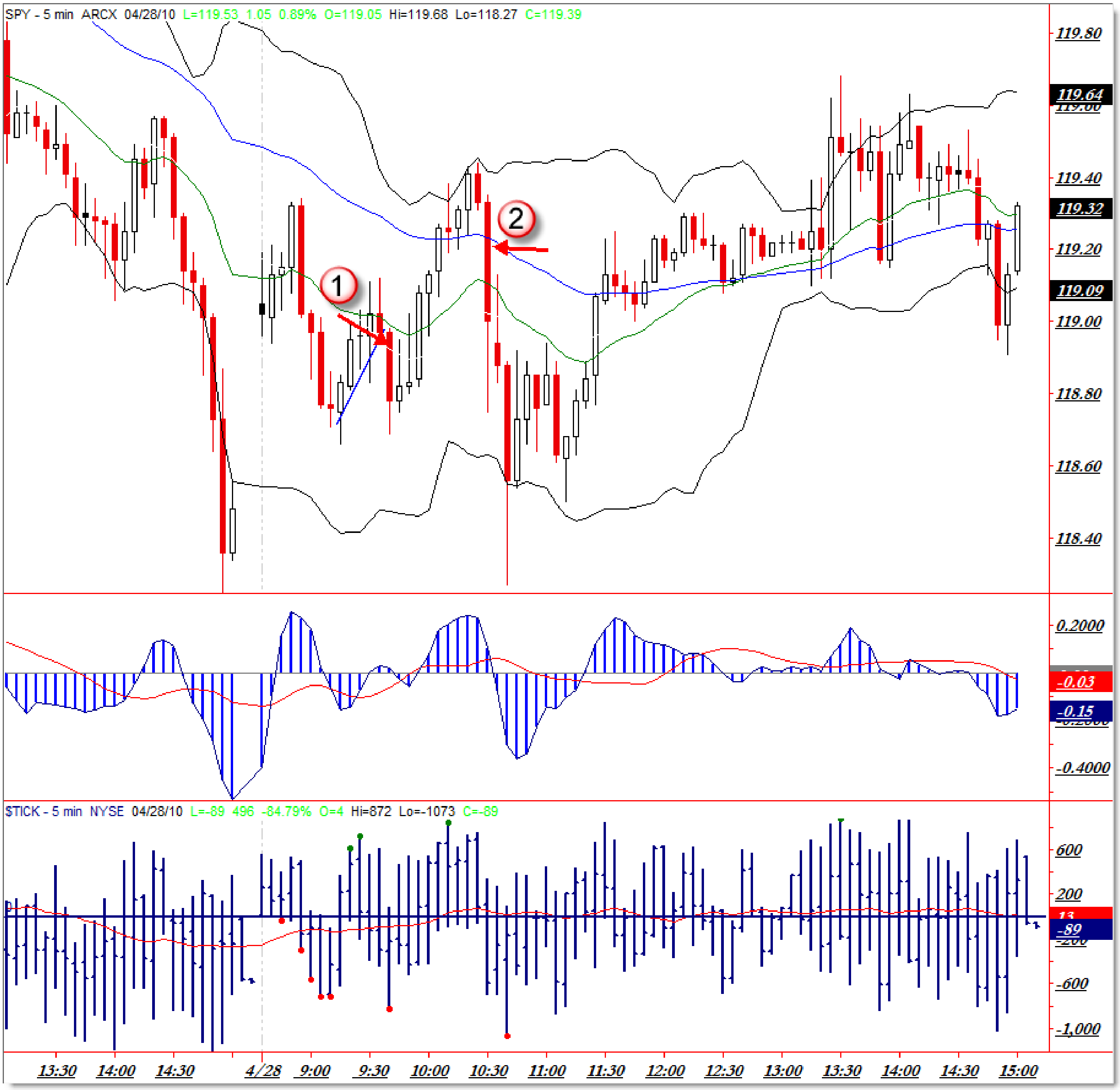
AFRAID to TRADE
overcoming stock market fears with Corey Rosenbloom

Daily "Idealized Trades" Report




SPY - 1 min ARCX 04/28/10 L=119.55 1.07 0.90% O=119.05 Hi=119.68 Lo=118.27 C=119.39
Fed Volatility
1
2
3
4
5
119.60
119.40
119.32
119.20
119.00
118.80
118.60
118.40
0.4000
0.2000
0.1160
-0.0065
-0.2000
$TICK - 1 min NYSE 04/28/10 L=-89 496 -84.79% O=4 Hi=872 Lo=-1073 C=-89
600
200
-89
-600
-1,000
4/28
9:00
9:30
10:00
10:30
11:00
11:30
12:00
12:30
13:00
13:30
14:00
14:30
15:00

We did get the expected 'oversold' bounce off potential support as mentioned last night, but the day did not unfold in the normally expected three-wave move immediately following the Fed Announcement... at least not perfectly. With the exception of the morning sell off then afternoon rally (then sell-off), the remainder of the day was an official "Range Day" with few opportunities for profit.

I do not recommend newer traders participate in the volatility immediately after the Fed announcement, so I will not be listing any ideal trades at that time - not saying you couldn't have traded then, but the purpose of these reports is to highlight/instruct repeatable trading set-ups for you to learn and implement, and of course, not every day is a Fed Day!

1. 20 EMA, DOJI REVERSAL CANDLES, NEGATIVE DUAL DIVERGENCE (1-MIN)

This was a relatively quick trade that took advantage of reversal candles at the 20 EMA in a pullback in an established downtrend (at the time). A small dual negative divergence formed in the 3/10 Oscillator and TICK, triggering an entry when price broke under the rising trendline (1-min) at the $119.00 level, which again served as a potential resistance area for price (and entry). The stop was above $119.10 and minimum target was a retest of the morning swing low at the $118.60 level, or if you were playing this as a full bear flag, then the target was $118.50. Ultimately, price formed a doji candle at 9:30 then began heading higher, leaving you to scurry to hang on to any profits, or to take a small scratch on the trade. Yes, this will be filed under yet another failed bear flag in the morning!

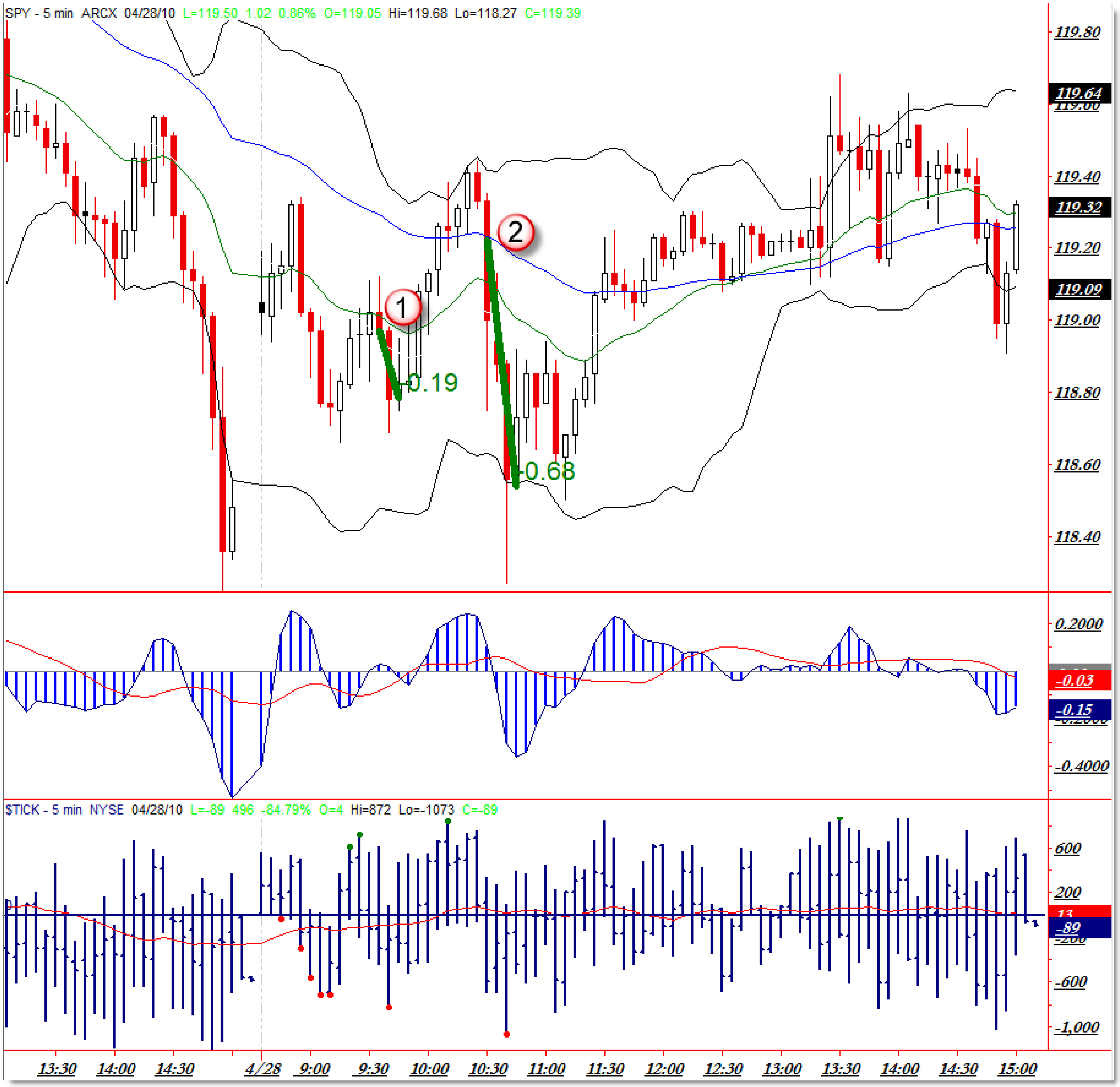
2. 5-WAVE ELLIOTT FRACTAL, NEGATIVE DUAL DIVERGENCE, TRENDLINE & 50 EMA BREAK, UPPER BOLLINGER

The next trade actually worked out much better than expected, given that the news of the S&P downgrade of Spain occurred just after the trade set-up multiple bearish warning signs, triggering an entry when price broke the trendline and 50 EMA on the 5-min chart. But before that happened, notice the clean 5-wave Elliott's Fractal move that ended with a long-legged doji just above the 50 EMA at the $119.30 level, which pushed to a final high above $119.40 into the upper Bollinger Band (notice that price did NOT break the low of the doji candle prior to making a new high). Price then formed a down bar at 10:25 then broke the rising trendline and 50 EMA... but notice the 5-wave fractal and clean negative dual divergence on the 1-min chart that preceded the sharp sell-off.

This was one of those trades where unexpected and sudden intraday news benefited your position, giving you a very quick downside profit (windfall) larger than expected. The target for the standard trade was a retest of the low at $118.60, but price fell all the way to the intraday low at $118.30, triggering a 'take profit' exit once we rallied back inside the Bollinger Band (forming a long lower shadow candle) just after 10:40am at $118.55.

You could have short-sold the immediate retracement to the falling 20 EMA in yet another potential bear flag/impulse sell trade set-up... but if you did so, the trade had the same outcome as the morning bear flag... which resulted in a smaller than expected profit at best and a loss at worst.

The market did consolidate as expected going into the hour before the 1:15 CST announcement... and the up, down, up volatility I mentioned happened on schedule... with a sharp down move added in to the expected up-move into the close. However, we did get a two-bar up move into the close, throwing bulls and bears in all directions, and underscoring the danger of trading the 'waves' from a Fed Day announcement - things happen so quickly as profits come and go equally as fast. It's better to stick to the trade set-ups and opportunities I highlight each day in these reports rather than trying to make a quick buck off the volatility and risk losing much more than you expected suddenly.

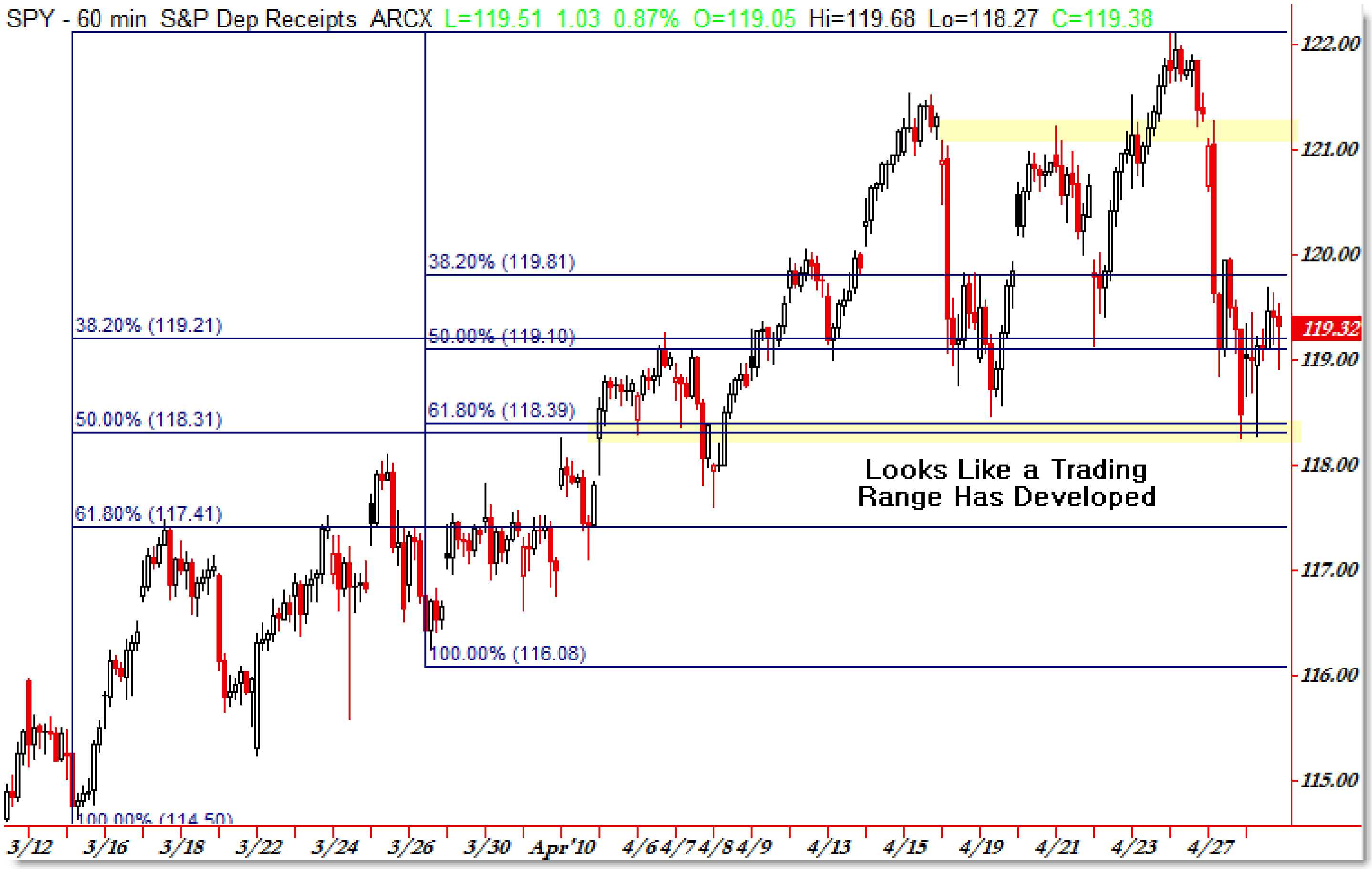


Using the two trade set-ups as described, 'only' 85 to 90 cents was possible... assuming you took the day off and avoided the chop that was today's Fed announcement play.

SO FAR TODAY			25 DAY AVERAGE	
DIFFERENCE	15-min VOLUME	EST	15-min VOLUME	RANGE
8,031,111	18,174,259	9:45	10,143,148	$ 0.29
7,744,592	15,604,120	10:00	7,859,528	$ 0.29
6,021,479	13,425,925	10:15	7,404,446	$ 0.29
4,414,482	10,574,493	10:30	6,160,011	$ 0.26
3,139,714	10,190,846	10:45	7,051,132	$ 0.22
2,507,079	7,741,655	11:00	5,234,576	$ 0.23
1,605,776	6,645,493	11:15	5,039,717	$ 0.22
19,015,838	24,172,008	11:30	5,156,170	$ 0.18
22,381,553	26,646,012	11:45	4,264,459	$ 0.17
4,681,985	8,346,223	12:00	3,664,238	$ 0.17
4,086,071	7,679,207	12:15	3,593,136	$ 0.19
4,736,061	8,024,887	12:30	3,288,826	$ 0.16
292,254	3,467,007	12:45	3,174,753	$ 0.15
(314,928)	2,563,146	1:00	2,878,074	$ 0.19
(413,654)	3,244,358	1:15	3,658,012	$ 0.26
72,648	3,051,771	1:30	2,979,123	$ 0.16
(163,957)	2,640,751	1:45	2,804,708	$ 0.21
(989,865)	2,384,943	2:00	3,374,808	$ 0.22
1,779,420	5,466,190	2:15	3,686,770	$ 0.20
10,365,223	14,068,738	2:30	3,703,515	$ 0.21
5,636,318	9,491,225	2:45	3,854,907	$ 0.21
5,673,675	9,678,787	3:00	4,005,112	$ 0.20
2,272,808	6,814,275	3:15	4,541,467	$ 0.22
1,063,540	5,449,388	3:00	4,385,848	$ 0.22
3,748,789	9,316,307	3:45	5,567,518	$ 0.23
8,133,796	18,568,012	4:00	10,434,216	$ 0.30
4,827,762	9,747,309	Ave.	4,919,547	$ 0.22

Being a Fed day, we would expect volume to run higher than average and that's exactly what happened.

15-min volume was higher in every single category except for the massive 'pause' before the announcement. Notice the massive volume surge following the announcement at 2:15 EST.



Before you get too bearish, realize that the structure favors a trading range developing, at least with the information we have currently. I know there's a lot of people out there screaming that the sky is falling and this is the top and it's downhill from here, but let price be the one to tell you that... and so far price is not saying that.

Lean bearish if we fall under $118.00 (1,180) in the next few days which will send us down to test the $115.00 level (most likely) but UNTIL THAT HAPPENS, we could very easily see another vicious bear trap and short-covering as price bounces off the Fibonacci Confluence as drawn at $118.35. Remember, a lot of new short-sellers entered the market this week, so if we see any upward drift, they will likely rush to the exits, sending the market higher.

In other words, don't get caught off guard and be ready and able to play the market as it moves - rather than trying to impose logic or your will over the market (as in "The market JUST HAS to go down" or vice versa "Because the market has been rallying forever, it JUST HAS to keep rallying and tricking these mean ole' bears."

In keeping with the discussion above, let me step closer to the market (short-term) and note that we have a key turning point at the $119.50 level. This is a classic and convincing short-sell opportunity, given that price has formed an 'abc' bear flag rally into the declining 20 period EMA at $119.50, even forming nice doji/reversal candles.

Be prepared to short under $119.00 to target a retest of $118.50 or lower, but be equally prepared to play another few trades of "Popped Stops" bullish buys on any break above $119.75.

If by chance we rally back above $120.25 tomorrow, then we have another 'all clear' signal to play for a retest of the $122.00 level which will be fueled higher by very angry bears.

Again, you should be bearish only under $118.50, which was the prior price low from mid April as shown.

Otherwise we do have resistance at the $120.00 level, but if we break above $120.25, the next stop is likely a retest to $122.00 which will puzzle many traders.

Those are the parameters to watch in the coming days. Neutral to bearish under $119.50, very bearish under $118.50 and $118.00, bullish above $120.25/50.

From a classic charting standpoint, it would be 100% logical to expect a full reversal here.

However, the current market structure/behavior/character is one of open 'mockery' of bears/short-sale signals, so keep that in mind and temper your bearishness while we're above 1,150. Remember we take this one day at a time and are objective rather than biased when charting.

IF we break under 1,180, THEN target the 1,170 support cluster, and if by chance sellers can take us under 1,170, THEN target the critical 1,150 area. A break back above the 20 day EMA - currently at 1,193 - would trigger the stop-losses of new bears who just got short and could send us right back up to a new price high.

That's exactly what happened after the January/February sell-off and also the one-day purge on April 16th. Until proven otherwise, the market remains in an impossible bull trend mode.