



Daily "Idealized Trades" Report





Today was actually a day when Pivot Points served traders! Usually that's not the case (in my experience), but I still keep a separate chart to watch pivots throughout the day. Otherwise, we had the pullback we expected, and it came very quickly in the afternoon session after a successful gap fill and another 'finger' trade set-up (just prior to the collapse). Let's see what we could have learned from today!

1. CRADLE SELL, TRIANGLE BREAK

This was one of those interesting trades that was telegraphed in advance, and it was very helpful to monitor the 1 and 5 min charts in conjunction. First, it was recommended to pass on the gap fade this morning, as by the time the 3rd bar (15-min) occurred, price was less than 20 cents from filling the morning 30 cent gap - not really worth it unless you're willing to scalp for a small target.

Price came into resistance just shy of the full gap fade target as well as the 20 and 50 EMAs (5-min) as a doji candle formed at the "Cradle Crossover" at \$118.85 at 9:30am - giving you a short-sell signal there (stop above \$119.00).

If you missed this cradle trade (or did not want to short in this ever-rising market), then your second opportunity was a symmetrical triangle breakdown (see 1-min chart) that triggered shortly after as price broke the lower trendline and to a new intraday low at the \$118.60 level.

As per the never-ending bullish bias, this trade found support at the \$118.40 level, formed three doji/reversal style candles, and then triggered the second trade opportunity (as well as an exit signal for the triangle breakdown, which hit its target).

2. TRIPLE DOJI, LONG LEGGED CANDLES, DUAL DIVERGENCE, LOWER BOLLINGER

This also was a well-telegraphed set-up, triggering entry once price broke above the three doji-like candles at the 10:00am period (which also was the dominant rising trendline as seen on the higher timeframes... and the daily S1 Pivot). The stop was under the intraday low at \$118.30 with a target for a retracement swing back to the 20 or 50 EMAs at the \$118.70 level - both of which were hit.

Notice that price made new TICK highs on the session here, PREVENTING you from short-selling here, as this was a Wyckoff Sign of Strength. It should have turned you neutral on the session to slightly bullish - remember internals often lead price (that's the logic of the Wyckoff Signals). Price consolidated into the lunch hour, giving the third set-up on a bullish break above EMAs and a 'popped stops' play (thanks to the Wyckoff Signal).

3. WYCKOFF SIGN OF STRENGTH, EMA BREAKS, BULLISH CANDLES, POPPED STOPS

My suspicion is that many traders expected price to 'fall off the cliff' today, so when price broke bullishly back above the moving averages and prior swing highs at the \$118.80 level, many of those who were short had to cover (popped stops). Your entry was either as soon as price broke the 50 EMA at the \$118.75 level, or above the prior 'doji' highs from 11:00am at \$118.80. Either way, you were playing for a breakout trade in "Popped Stops" mode (hold on as long as possible) to capture (take advantage of) the losses from the short-sellers covering (short squeeze).

A good exit signal was the shooting star then bearish engulfing(ish) candle at the 12:30 time, which then broke a rising trendline (1-min)... though due to the new highs in internals (including TICK), you should not have shorted this play with a target back to the 20 EMA unless you were willing to play for a 20 cent target with a 10 to 20 cent stop-loss. Price then

broke unexpectedly under the confluence of EMAs at the \$118.80 level, but the next trade wasn't until price broke to new intraday lows (from an ideal sense).

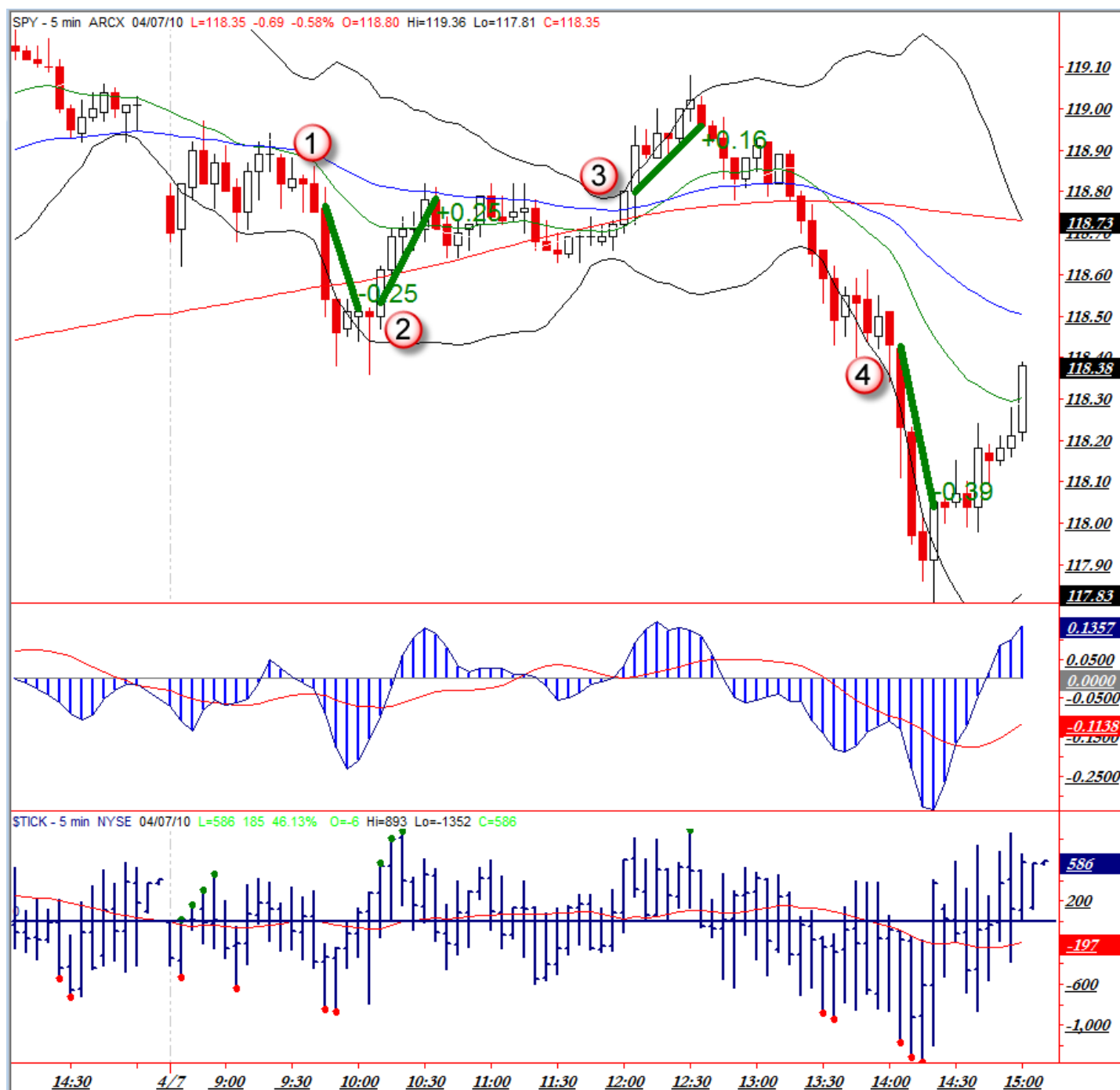
4. PRICE BREAKDOWN, WYCKOFF SIGN OF WEAKNESS

It wasn't a great target to play from \$118.70 back to \$118.40 (break of EMAs to test lower support) for most traders, though once price broke the daily S1 Pivot at \$118.45 (it tried to bounce off of it, which could have happened) and the lower Bollinger AND the morning low (notice the dojis at 10:00am).

Now, we had 'popped stops' in reverse! Now bulls/buyers were trapped and forced to sell their positions as new short sellers came back into the market, selling a breakdown of support (notice the new TICK lows on the session just prior to the breakdown - pay very close attention to TICK when trading - this was a Wyckoff Sign of Strength that forecasted lower prices likely yet to come).

Many traders - at least from emails I receive - are uncomfortable shorting a breakdown (or buying a break-out) and that's fine - stick to the trades/methods that you feel comfortable and do not chase markets without a plan in place. These can be tricky trades in real-time, but very rewarding when they work out (perhaps because they are difficult). Nothing worthwhile is ever easy.

So the entry was at \$118.40 to play for an 'unlimited' target (counter-buy signal), which always takes confidence. The logical exit was at 2:15 as price formed a powerful and obvious bullish engulfing candle that broke above the prior candle high at \$118.00. As a reference, this was a lower trendline on the 60min chart as well as 'round number' support AND the daily S2 pivot (\$117.89). That gave you enough reason to exit and - for very aggressive traders - to try to buy long to trade the retracement as expected back to the 20 EMA which happened into the close.



Under today's efficiency chart, roughly \$1.05 was possible using the trades taken and a moderate execution level.

SO FAR TODAY		EST	25 DAY AVERAGE	
DIFFERENCE	15-min VOLUME		15-min VOLUME	RANGE
975,189	10,244,883.00	9:45	9,269,694	\$ 0.27
1,036,130	7,815,555.00	10:00	6,779,425	\$ 0.28
(870,275)	6,376,047.00	10:15	7,246,322	\$ 0.25
(1,588,442)	3,994,645.00	10:30	5,583,087	\$ 0.25
3,198,423	8,838,651.00	10:45	5,640,228	\$ 0.19
3,513,976	8,163,313.00	11:00	4,649,337	\$ 0.21
2,421,866	7,501,393.00	11:15	5,079,527	\$ 0.19
1,641,538	6,336,131.00	11:30	4,694,593	\$ 0.18
595,702	4,552,409.00	11:45	3,956,707	\$ 0.15
(558,273)	2,210,822.00	12:00	2,769,095	\$ 0.18
(1,017,176)	2,166,866.00	12:15	3,184,042	\$ 0.18
(692,619)	2,607,744.00	12:30	3,300,363	\$ 0.15
(1,401,641)	1,762,187.00	12:45	3,163,828	\$ 0.15
(1,043,991)	1,596,519.00	1:00	2,640,510	\$ 0.15
2,778,544	5,809,192.00	1:15	3,030,648	\$ 0.19
1,612,681	4,152,437.00	1:30	2,539,756	\$ 0.16
580,910	3,388,452.00	1:45	2,807,542	\$ 0.19
402,410	3,515,388.00	2:00	3,112,978	\$ 0.20
(48,340)	3,588,114.00	2:15	3,636,454	\$ 0.16
2,097,939	5,746,187.00	2:30	3,648,248	\$ 0.21
3,002,717	7,179,996.00	2:45	4,177,279	\$ 0.20
2,125,813	6,453,959.00	3:00	4,328,146	\$ 0.17
16,104,248	20,196,520.00	3:15	4,092,272	\$ 0.20
2,996,190	7,702,767.00	3:00	4,706,577	\$ 0.21
1,495,585	7,403,975.00	3:45	5,908,390	\$ 0.25
1,159,031	11,574,891.00	4:00	10,415,860	\$ 0.64
		Ave.	4,629,266	\$ 0.21

Trying out a new statistical data feature in Excel, tracking the 15-min volume of today as the day progresses vs. the 25 day average of volume (and range) in the SPY as measured in 15-min increments.

"Difference" refers to how much greater or lower that today's volume (15-min bars) is in comparison to the most recent 25-day average. Times are in EST. Range refers to the average of the high minus the low of each 15-min period of the past 25 days and gives an expectation of what to expect in terms of range. You can print and use this as a reference as you trade each 15-min period and make this into your own worksheet to see how volume is comparing to the past (are we higher or lower?).

Higher volume would suggest a trend day while lower volume would suggest a range day.



It's always a good thing when the market does as expected - as in last night's report, I mentioned the breadth, volume, and momentum divergences as price hit the triangle target at \$119.00 as well as the upper trendline (see 60min chart). I felt the odds were overwhelming for a pullback, and that's what we got to day.

Granted, the pullback made it back to a key support zone as drawn by the expanded triangle (ascending triangle) I drew in last night's report as well which was at the \$118.00 level.

What now? We're still in 'bull rally at any cost' mode as long as we're above \$118.00 and could indeed make it back to \$119.00 and beyond, so keep focused on your intraday charts if we sustain the rally that formed into the close.

Otherwise, short under \$117 and especially \$116.50 if sellers can drive price that low.



As mentioned in last night's report, odds were very strong to see a downside pullback via the negative divergences combined with price being at the upper part of the trendline/rectangle channel as seen here - we got that pullback today.

For now, the pullback has only managed to take us back to key support areas, including \$118.00, so that may be all we get for a retracement. Continue with the uptrend/long bias until PROVEN otherwise, which would mean a break and close under \$116.50 (though you would want to short-sell a break under \$117.50 for an intraday trade).



If you look closely at the volume action, the four largest 'spike' bars recently have all been on down days - that's bearish and reflects distribution (in that big funds could be 'secretly' selling on down days) particularly in such an overbought market with gross momentum and volume (and breadth) divergences. That means swing traders should look to take profits if needed but should only get short if they're willing to accept a tight stop-loss should price continue its uptrend above 1,190 and especially 1,200. Remember, any move back above 1,190 should be met with more 'popped stops,' driving price like a magnet to 1,200. If we're above 1,200, then we target simply 1,225.

1,150 is still key support, and any pullback would likely take us back to the 20 EMA at 1,165 at a minimum.