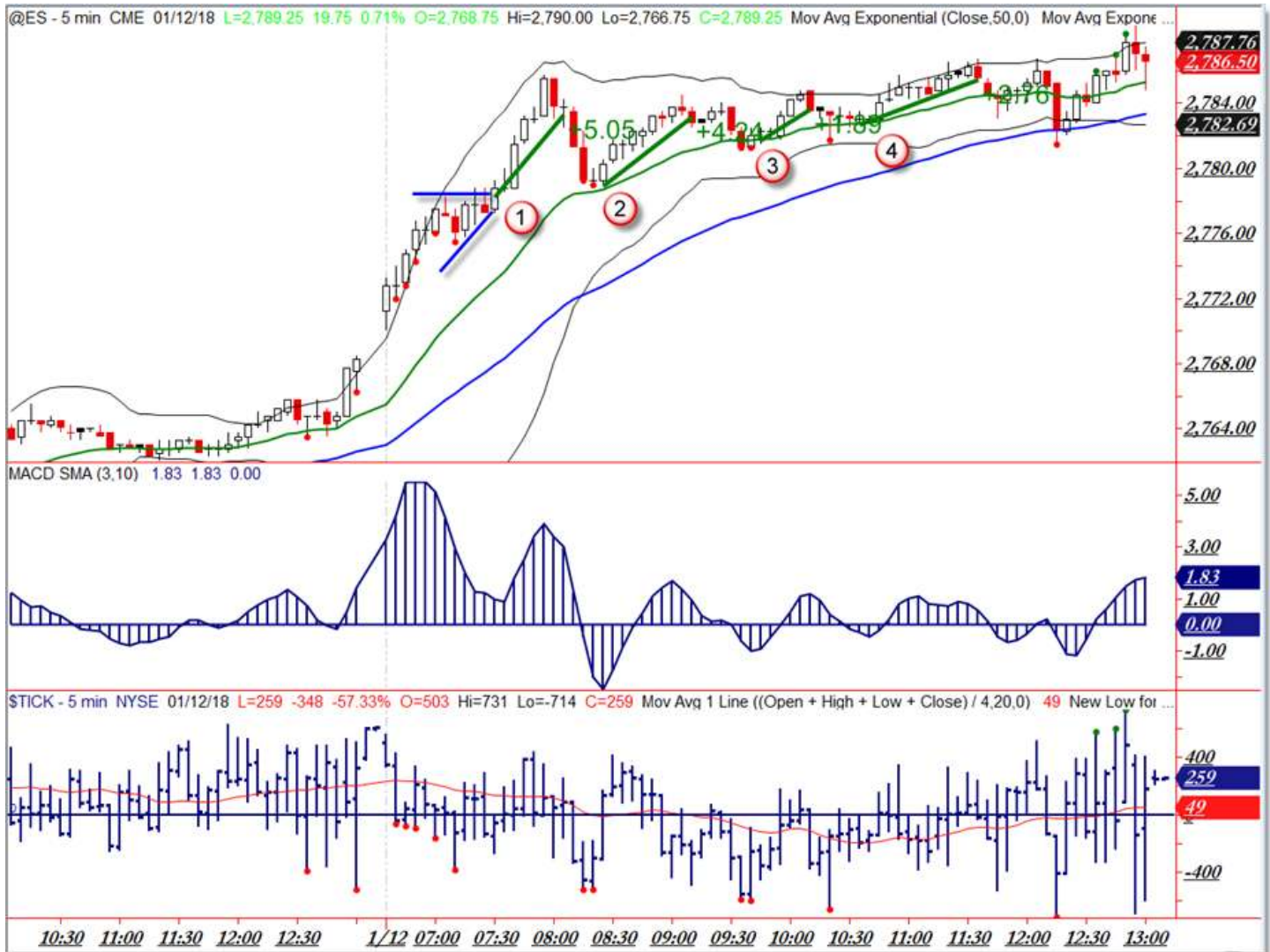




Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



Trading Lessons from the Intraday Frame (1-min)



Major Companies Reporting Earnings

Citigroup (C)

Major Economic Reports for Tomorrow...

None

MONDAY is a HOLIDAY

Quotes from Last Night's Planning

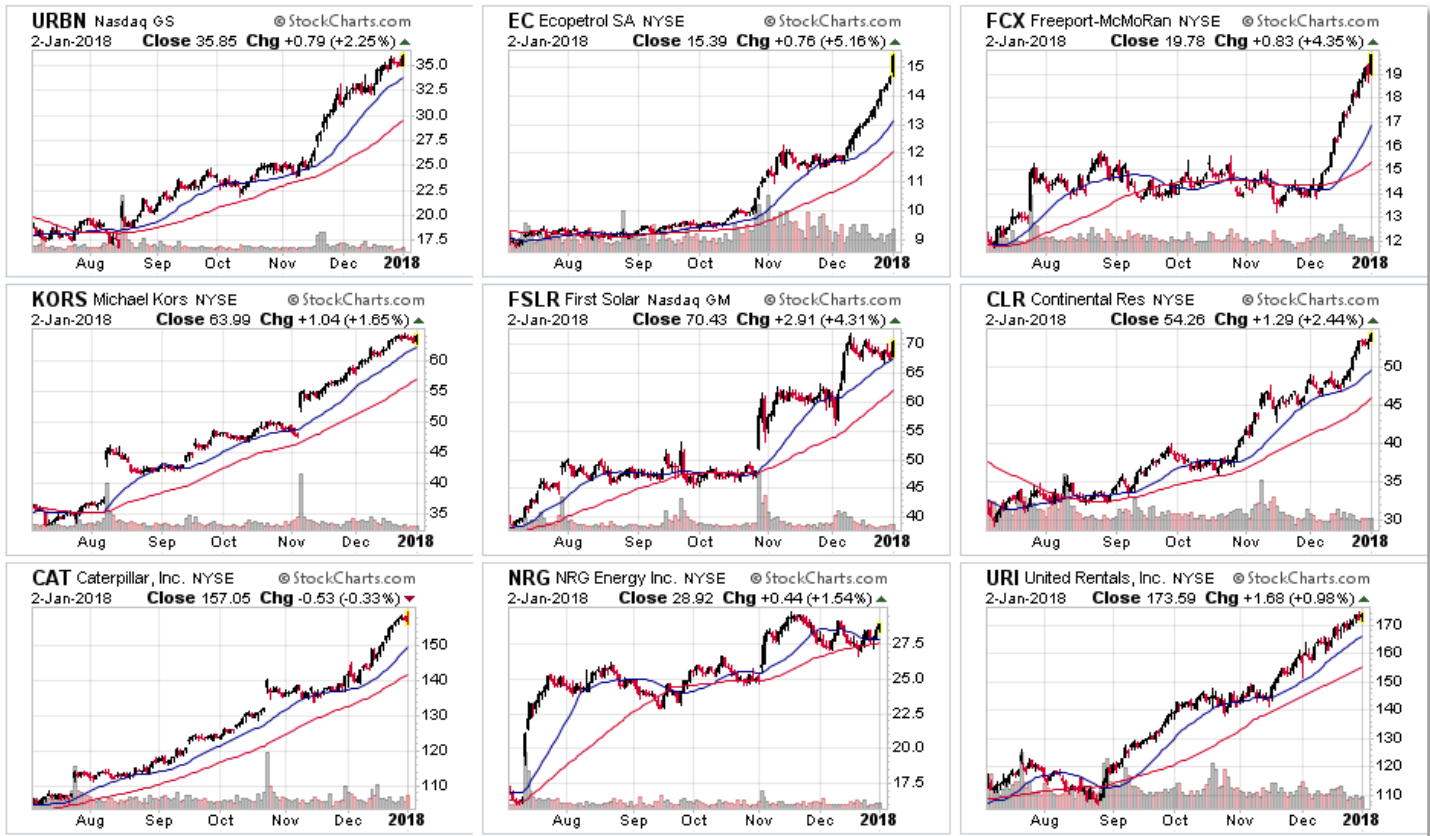
ALTERNATE thesis outcomes often trigger BIGGER moves in the opposite direction when they occur. A LOT of traders think - incorrectly - that this market can't go higher and thus the market surges higher from the collective stop-losses being triggered.

We're off the rails and we need to see the market like that - a temporary insanity and departure from what is normal. Keep playing "abnormally" while the market is in this mode.

T3 Trend Day!! Our ALTERNATE thesis short-squeeze outcome triggered with a BIGGER move in the upside direction when price stopped pulling back. We had another bullish trend day.

As such, multiple bullish retracement or flag trades triggered along with a breakout above resistance to trigger a short-squeeze or popped stops to new all-time highs. The first trade was a TRIANGLE breakout and the additional three trades were simple trend day retracements.

January 8 Power Trenders Strong Stock Scan



We're seeing the NEW top twelve relative strength leaders (via algorithm) in trending markets and the general expectation is to buy retracements or breakouts in these strongly trending names. The logic is that what is strong tends to get stronger (stocks attracting money flow tend to continue attracting additional money flow). Right now these would be the names and thus candidates above for you to do additional research and add these to your stock-scan list for possible inclusion into a swing trading portfolio on pullbacks or outright breakouts.

HOW WE USE THESE STOCKS:

I write the Power-Trending Stock Section for Swing Traders looking for candidates that complex stock scans will likely miss. The scan targets strongly trending stocks and the expectation is that price will continue trending higher, though of course additional analysis is required rather than just buying these names collectively. To participate in these stocks, we typically wait for a pullback/retracement to a rising moving average or Fibonacci/Trendline level to put on a buy/retracement where the stop is trailed under the average. These would be similar to how I describe intraday 'flag' retracements on a developing Trend Day.

FinViz "S&P 500 Performance" View



This chart and sector comparisons are useful two ways:

First, we get a broader sense of what's going on beneath the market subdivided into sectors.

Second, if you trade beyond the S&P 500 or futures/ETFs, you can pinpoint bearish/weak stocks by starting with bearish/weak sectors. The idea is outperform the market via short-selling a weak stock(s) in weak/bearish sectors on a down trend day (or vice versa).

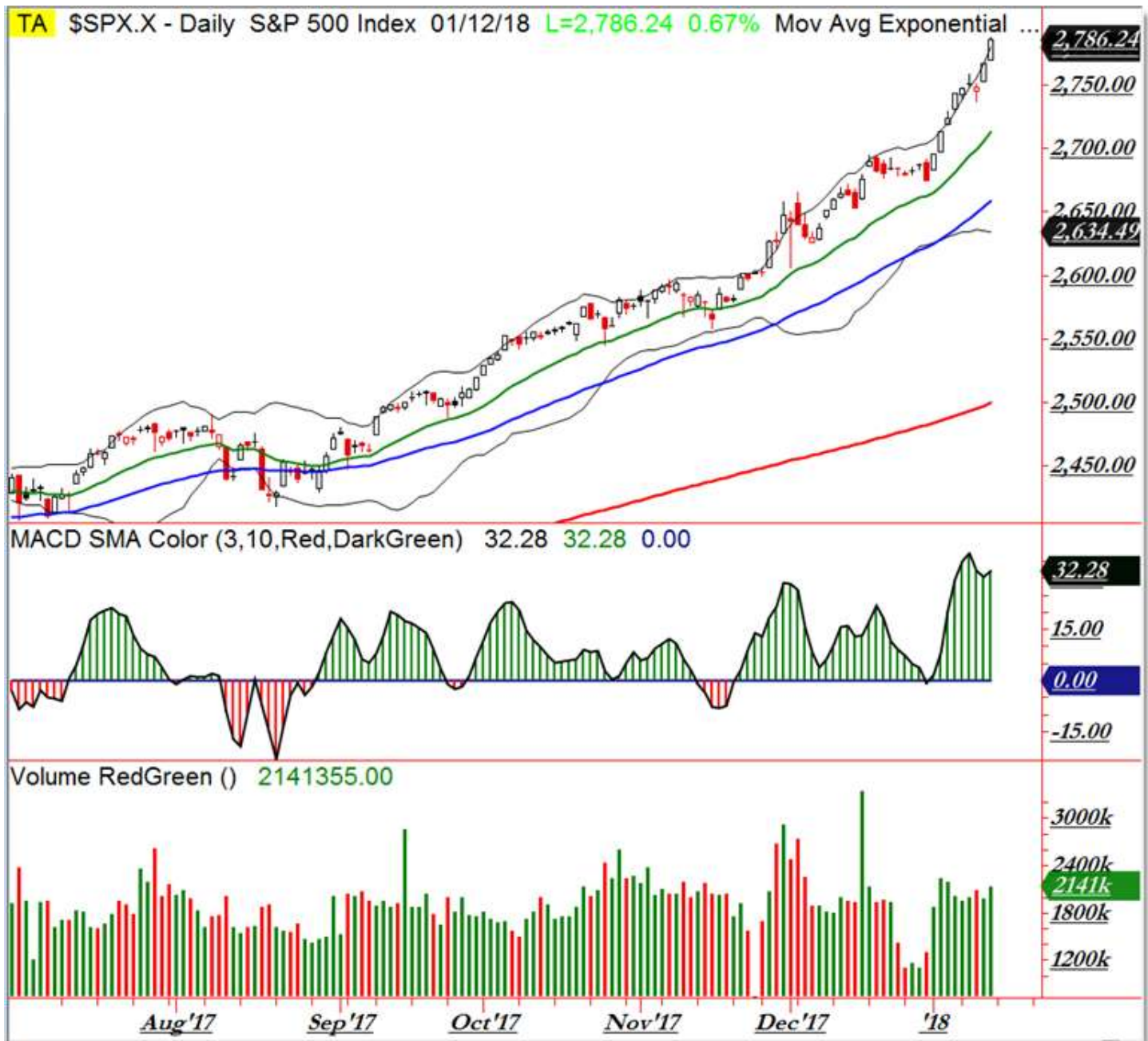
Planning the 30-min Intraday @ES Futures Chart



We're in a position where the market is off the rails and we're either "off the rails" with the market or else we're sidelined (at best) or losing money (worst). This remains the situation.

The pullback to 2,740 was all the market (bears) gave us and buyers again overwhelmed the sellers. Markets extend higher via "popped stops" or the buying-back-to-cover the losses from the bears who are on the wrong side of the market as price squeezed above 2,780 to close near 2,790 which is just 10 points shy of 2,800. Yes, 2,800.

Planning the Next Day (Daily S&P 500 Cash Index)



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We're off the rails and we need to see the market like that - a temporary insanity and departure from what is normal. Keep playing "abnormally" while the market is in this mode as the index continues to extend toward 2,800. Have a wonderful holiday weekend!