



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



Trading Lessons from the Intraday Frame (1-min)



Major Companies Reporting Earnings

Bank of America (BAC), Goldman Sachs (GS)

Major Economic Reports for Tomorrow...

US Industrial Production (9:15am)

Quotes from Last Night's Planning

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.

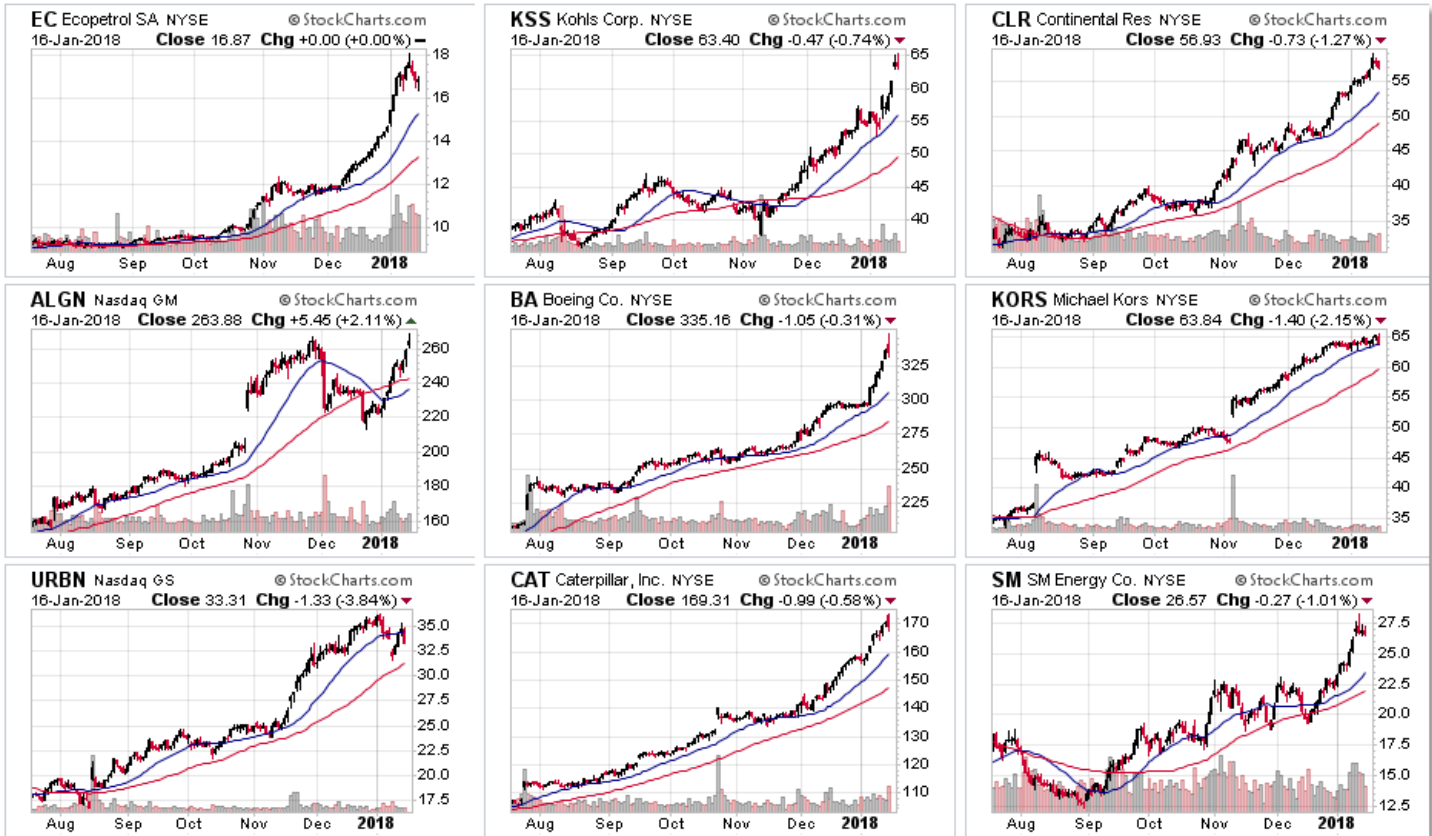
We're off the rails and we need to see the market like that - a temporary insanity and departure from what is normal. Keep playing "abnormally" while the market is in this mode as the index continues to extend to 2,800.

The market achieved and exceeded 2,800!!

Unfortunately, today's morning session was a BULL TRAP and eventual V-SPIKE REVERSAL that gave way to a failed bullish retracement play (#1). From there - a FAILURE outcome - it was a market in free fall once price returned beneath 2,800 and then the support/trendline under 2,790.

We had a series of smaller bearish retracements and the afternoon BREAKDOWN play that triggered when price fell beneath Friday's closing high near 2,790.

January 16 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



Price initially exceeded 2,800 then collapsed when sellers filled the gap; price then went lower all the way to reverse up precisely at the rising 50 EMA on the hourly chart.

For Wednesday, note we're still seeing major companies (GS) report earnings and will be watching any reaction from that on the broader indexes.

Look to play BULLISHLY above 2,785 (toward 2,800) or else bearishly beneath today's reversal low (and neutral between these price pivots).

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



Today gave us a reversal candle and BEARISH ENGULFING candle that also triggered an intraday BULL TRAP above 2,800.

Should price continue to retrace, look to play toward 2,750 or the rising 20 day EMA.

For now, monitor the HOURLY chart and be ready for any bounce off this level and equally ready to trade a bigger sell-swing if under 2,770's low today (again, target 2,750 or slightly lower).