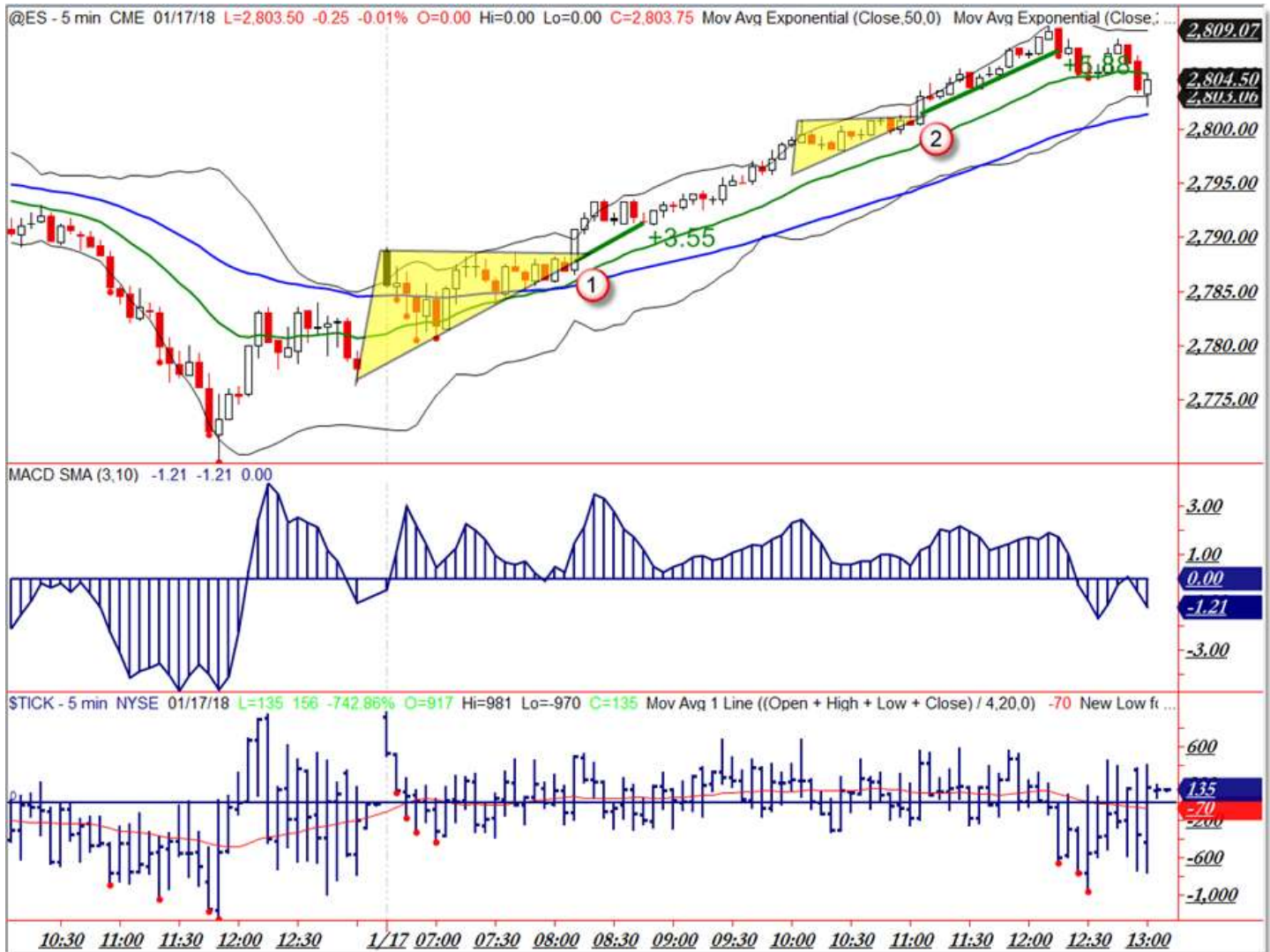




Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



Trading Lessons from the Intraday Frame (1-min)



Major Companies Reporting Earnings

IBM, American Express (AXP), Morgan Stanley (MS)

Major Economic Reports for Tomorrow...

Initial Jobless Claims (8:30am)

US Housing Starts (8:30am)

US Philly Fed MFG (8:30am)

Quotes from Last Night's Planning

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

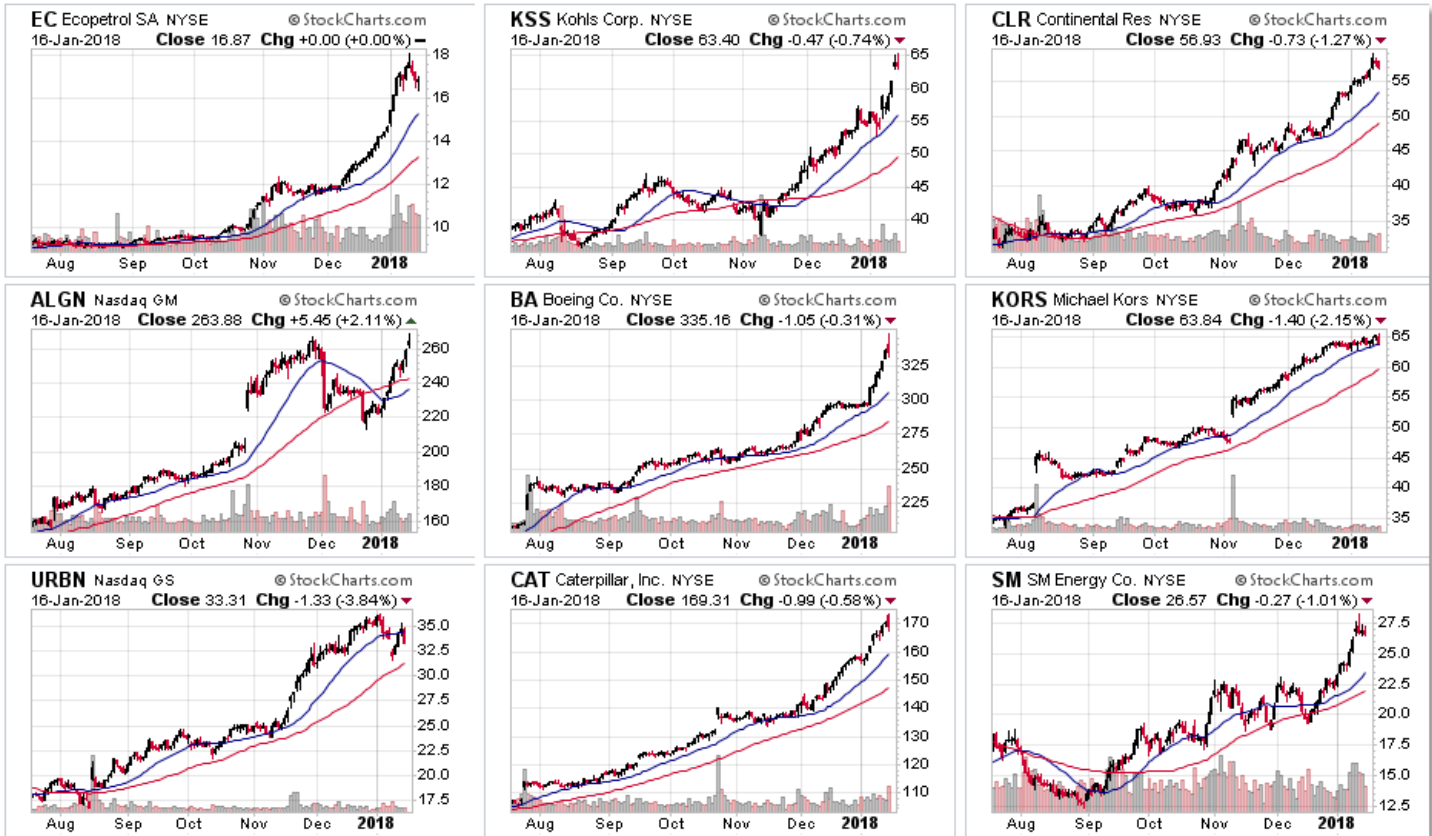
Look to play BULLISHLY above 2,785 (toward 2,800) or else bearishly beneath today's reversal low (and neutral between these price pivots).

For now, monitor the HOURLY chart and be ready for any bounce off this level.

Today was TRIANGLE TREND DAY! The only major/simple set-ups as the market continued extending higher were the symmetrical triangle breakouts best seen on the 1-min chart. In overextended and trending markets, you can drop to the 1-min chart to trade into or manage smaller pullback/retracements. I'm highlighting the two larger symmetrical triangle trades.

Did you sell short today? ILLEGAL MISTAKE. It will always be a mistake to fight trend days.

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



I'll frame it as simply as possible - the uptrend continued with a stable pullback to the rising 50 EMA on the hourly chart (just beneath 2,780) and then continued the V-Spike Reversal that began yesterday.

Price traded up toward the prior high above 2,800 which will be our simple reference point - bear expected and bullish breakout unexpected (but larger move) - for Thursday's session.

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



We continue to extend higher after an intraday pullback to support was all the sellers could manage before being strongly overtaken by the buyers with a powerful T3 Trend Day.

DO NOT fight or fade this trend and try to trade down (temporarily) to the lowest timeframe possible. We're bullish for a continued short-squeeze/breakout above 2,800 and otherwise (see hourly chart) cautious beneath 2,800.