



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



Trading Lessons from the Intraday Frame (1-min)



Major Companies Reporting Earnings

Netflix (NFLX)

Major Economic Reports for Tomorrow...

NONE

Quotes from Last Night's Planning

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.

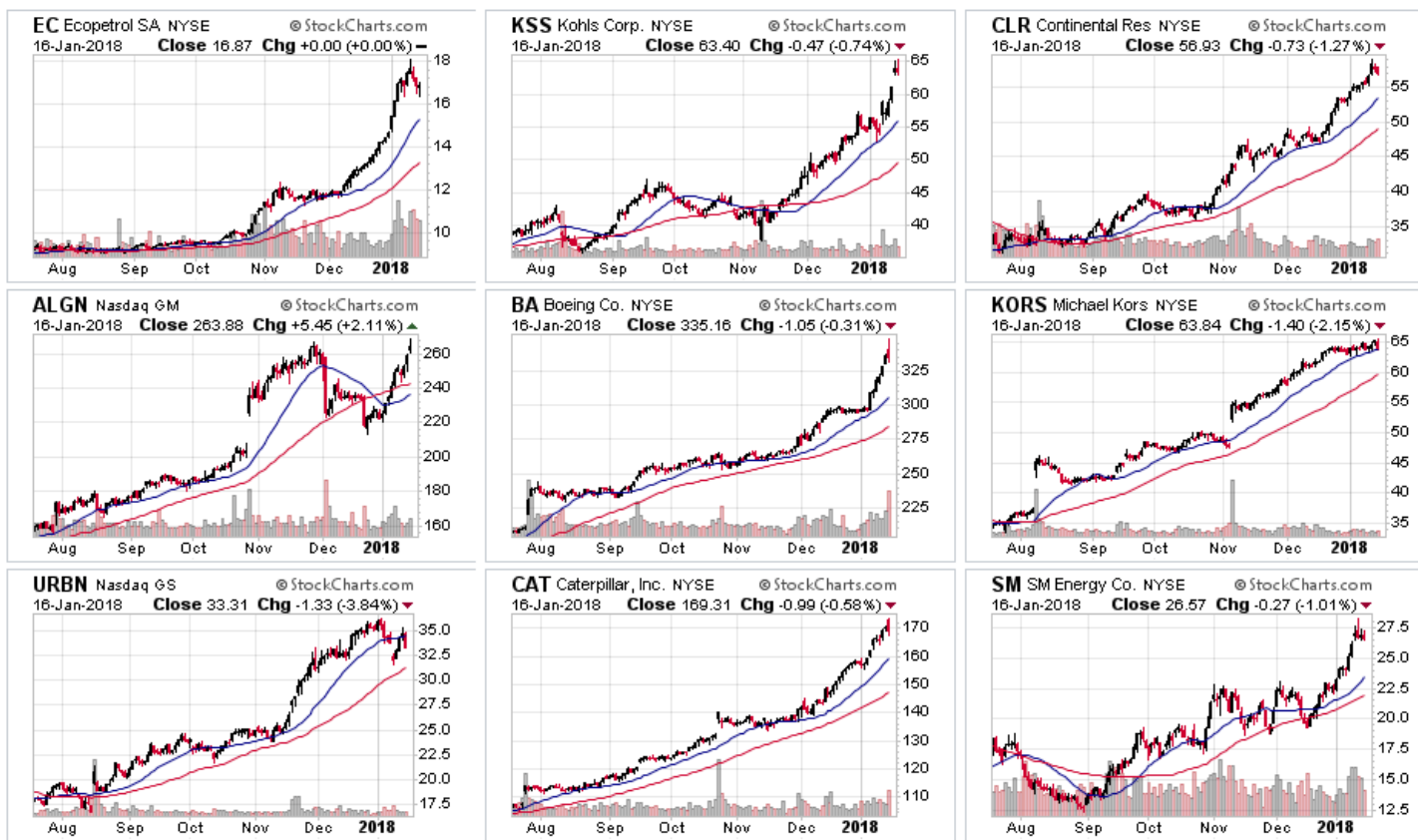
I'll frame it as simply as possible - the uptrend continued with a stable pullback to the rising 50 EMA on the hourly chart (just beneath 2,780) and then continued the V-Spike Reversal that began yesterday.

The uptrend continued even with Thursday's small pullback in price.

Ultimately a sideways trading range and symmetrical triangle developed with the best recent (short-term) trade triggering a breakout into the close.

Look at the pattern forming and note the updated plan to begin next week.

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).

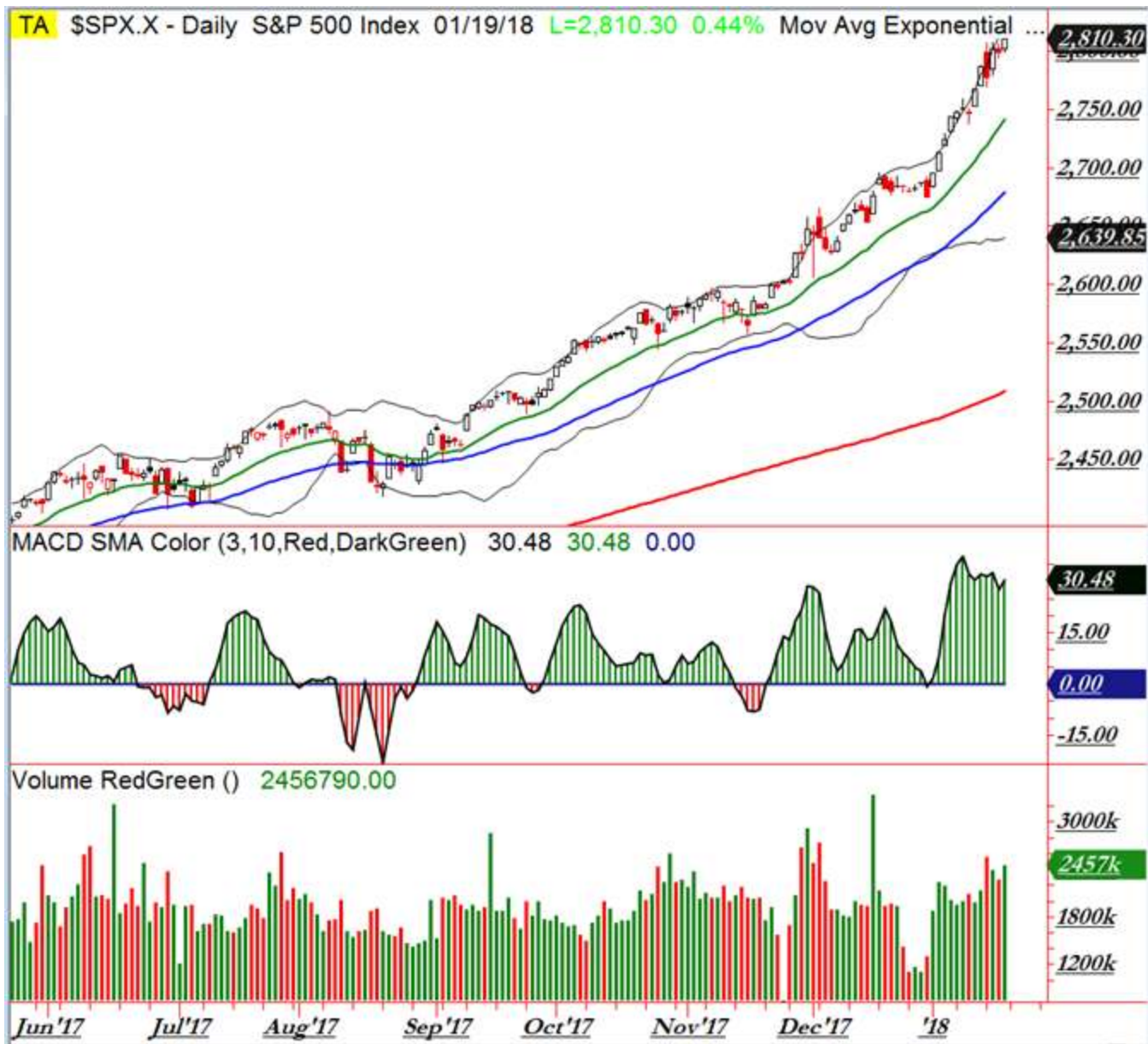
Planning the 30-min Intraday @ES Futures Chart



While we remain in an IGNORE IT ALL (literally, ignore everything bearish) uptrend, we're going to tilt just a tiny bit cautiously because of the ending diagonal or bearish rising wedge pattern with negative divergences.

You know the drill - our DOMINANT thesis is the pullback/sell-swing pathway lower (that triggers beneath 2,800 - see Daily Chart for targets) and the ALTERNATE thesis which calls for continued bullish expansion in the "opposite" direction via "Popped Stops" higher.

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



Note the bearish rising wedge pattern and apply classical technical analysis which suggests a stronger probability for a pullback outcome toward 2,750 (the rising 20 day EMA) over the alternate thesis odds for a continued short-squeeze straight up higher (which certainly is possible).

Prepare for the pullback but get ready to keep playing this impossible uptrend that is quite clearly real and continuing.

Did I mention the US Government is currently "shut down?" Watch for any news on this item.