

AFRAID to TRADE[®]

overcoming stock market fears with Corey Rosenbloom

Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



Trading Lessons from the Intraday Frame (1-min)



Major Companies Reporting Earnings

Intel (INTC), Starbucks (SBUX), Caterpillar (CAT), Celgene (CELG), ISRG

Major Economic Reports for Tomorrow...

New Homes (10:00am)

Initial Unemployment (8:30am)

Quotes from Last Night's Planning

You know the drill - our DOMINANT thesis is the pullback/sell-swing pathway lower away from 2,840 (with reversal candles and divergences) while the stable ALTERNATE thesis calls for continued bullish expansion in the "opposite" direction via "Popped Stops" higher.

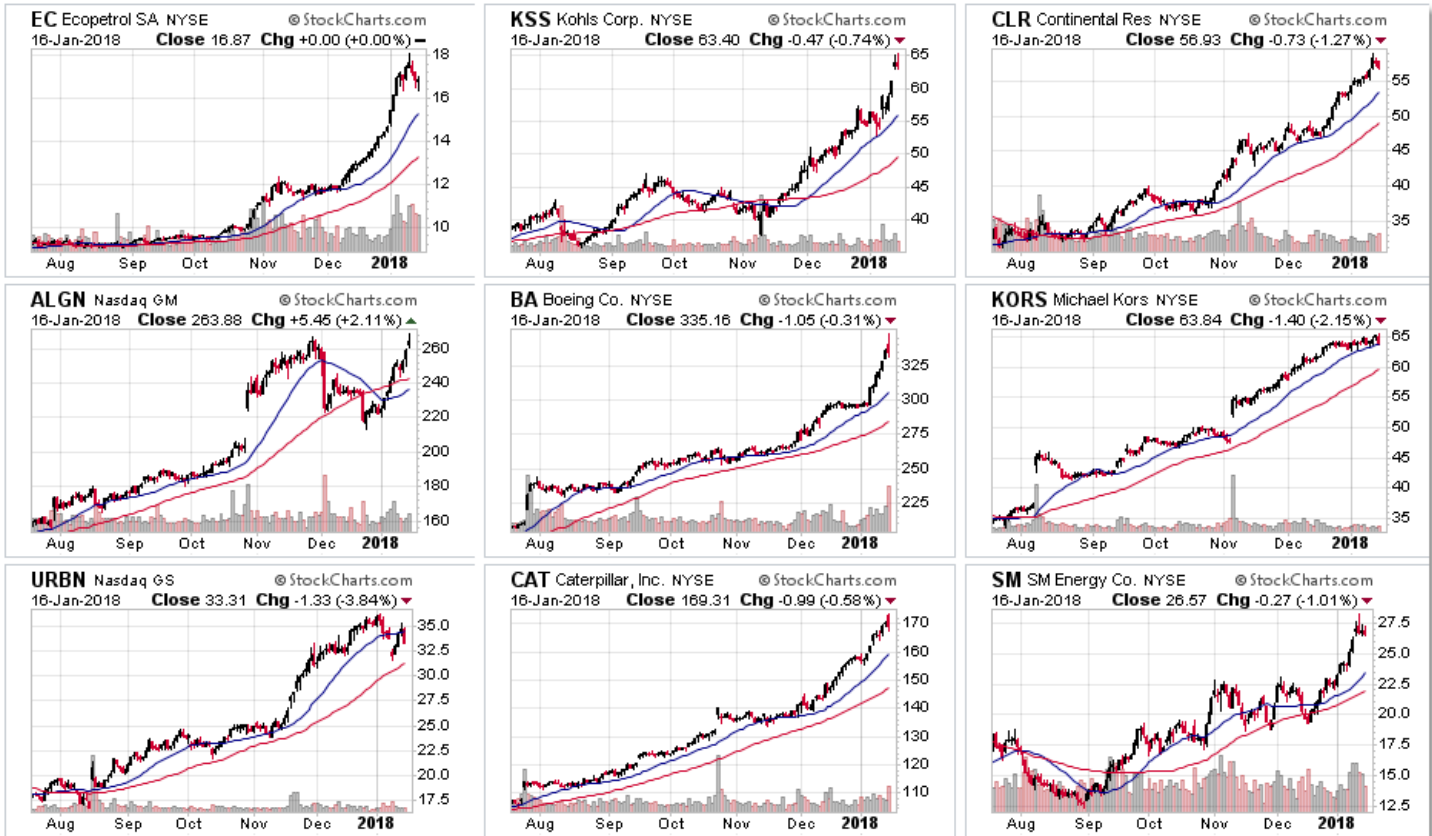
Plan your trades tomorrow in terms of the DEPARTURE (bearish side favored short-term) away from 2,840. Play toward 2,850 if above 2,840 early tomorrow.

We had a semi-repeat day to January 16 where price gapped higher on VERY WEAK opening market internals and then collapsed into a BULL TRAP event.

Not to be outdone - and not to miss an opportunity to buy a pullback - buyers created a V-Spike REVERSAL on January 16th and they did so again - with positive divergences at support - today January 24th.

Note the trades as price developed the structure - the two breakdown/retracement trades and the future pullback after the bullish breakout (aggressive traders had additional opportunities).

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



Watch what happened after January 16th's similar BULL TRAP and intraday reversal outcome.

Once again, use 2,840 (as we did today) as your departure point, playing BULLISHLY (via the uptrend) if above it and BEARISHLY/CAUTIOUSLY if beneath it (Targeting 2,820).

Keep it simple and trade the lowest timeframe you can.

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



The uptrend continues but yesterday gave us a spinning top candle and today gave us a BEARISH ENGULFING candle. We'll note that as a traditionally BEARISH sign and will be ready to play bearishly on a continued departure down AWAY FROM 2,840.

But we know the market and the incessant bullishness and dip-buying no matter what.

With that in mind, follow your intraday chart and trade the lowest frame you can, being prepared to play bullishly on a short-squeezed breakout above 2,840 toward/above 2,850.