



## Daily "Idealized Trades" Report

### Trading Lessons from the Intraday Frame (study)



# Trading Lessons from the Intraday Frame (1-mi)



## ***Major Companies Reporting Earnings***

Home Depot (HD), WalMart (WMT)

## **Major Economic Reports for Tomorrow...**

NONE for Tuesday

MONDAY is a HOLIDAY

## ***Quotes from Last Night's Planning***

*Trade the departure from 2,750 where a logical sell-swing is likely but a breakout above 2,750 "tricks" the majority of traders and forces bears/sellers to buy-back their losing positions.*

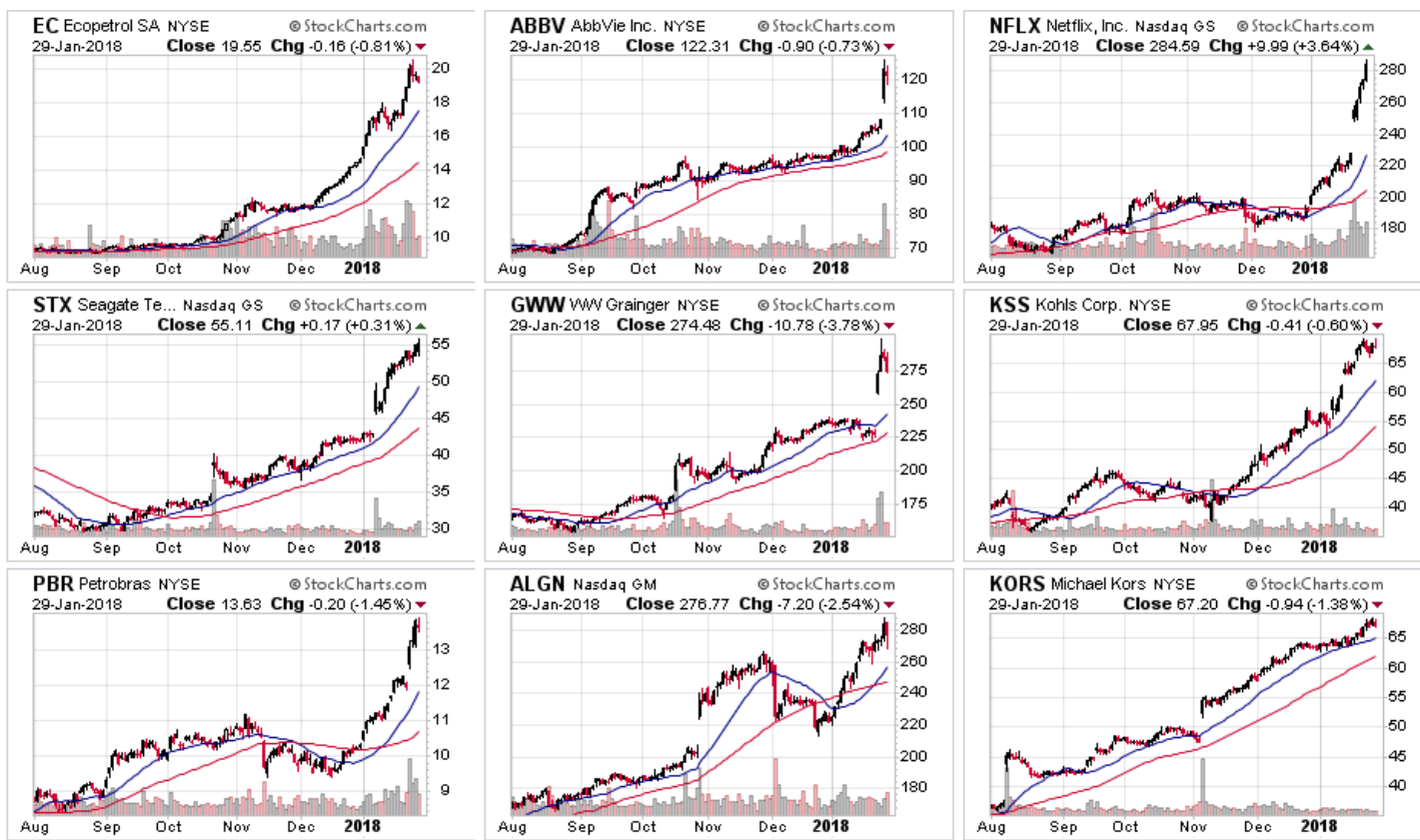
*Be neutral and frame your trades in terms of the departure away from 2,750.*

Monday will be a holiday which makes today a sort of pre-holiday session in a sense.

As such, we had a lower volatility RANGE environment where the market closed roughly where it opened - after filling the gap.

Still, we had a play up toward our 2,750 pivot which gave us at least three bullish trades in the morning. Aggressive traders could have extended our "trade the departure from 2,750" thesis to play short or bearish trades into the afternoon/closing session and would have been successful.

## January 29 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



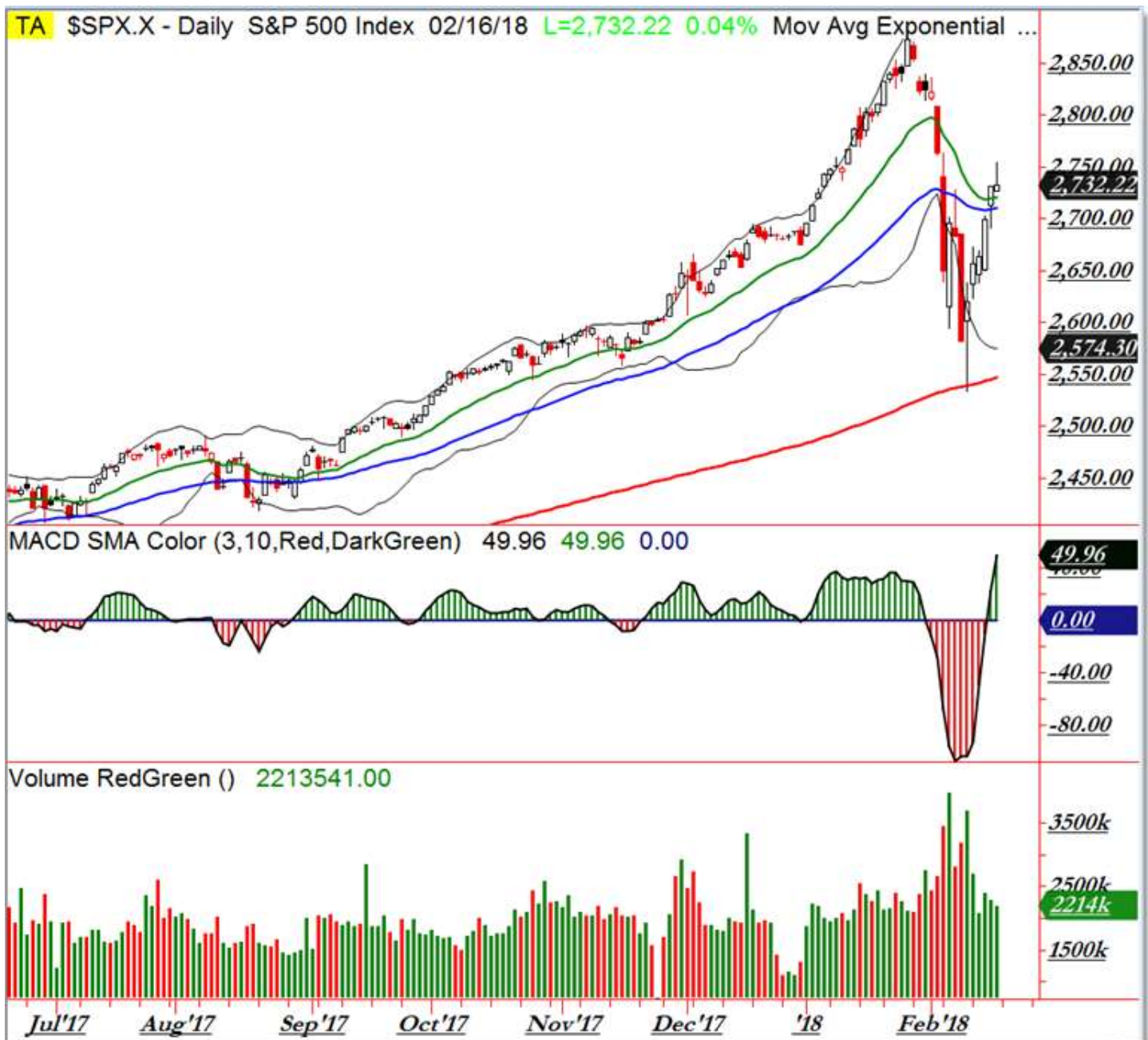
As Monday will be a HOLIDAY session, we'll pick back up Tuesday with our same TRADE THE DEPARTURE from 2,750 plan.

It's the 61.8% "final" Fibonacci Pivot and a simple price reference level.

Don't get fancy - price "should" trade (retrace) down from this pivot but if it does not, keep playing the ALTERNATE (bigger bullish move) thesis if it occurs above 2,750.



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



While we have a critical short-term target achieved on the hourly (intraday) chart - the Fibonacci Level - price has entered OPEN AIR on the Daily Chart.

In other words, if price can trade and hold above 2,750 (avoiding a BULL TRAP), then we'll likely see a continued upward swing TOWARD the 2,850 or even 2,900 prior high. Yes, the violent crash could be eradicated with a less-violent, more "creeping" rapid upward drift. Prepare for either scenario but don't become bearish unless we're beneath 2,700 again.