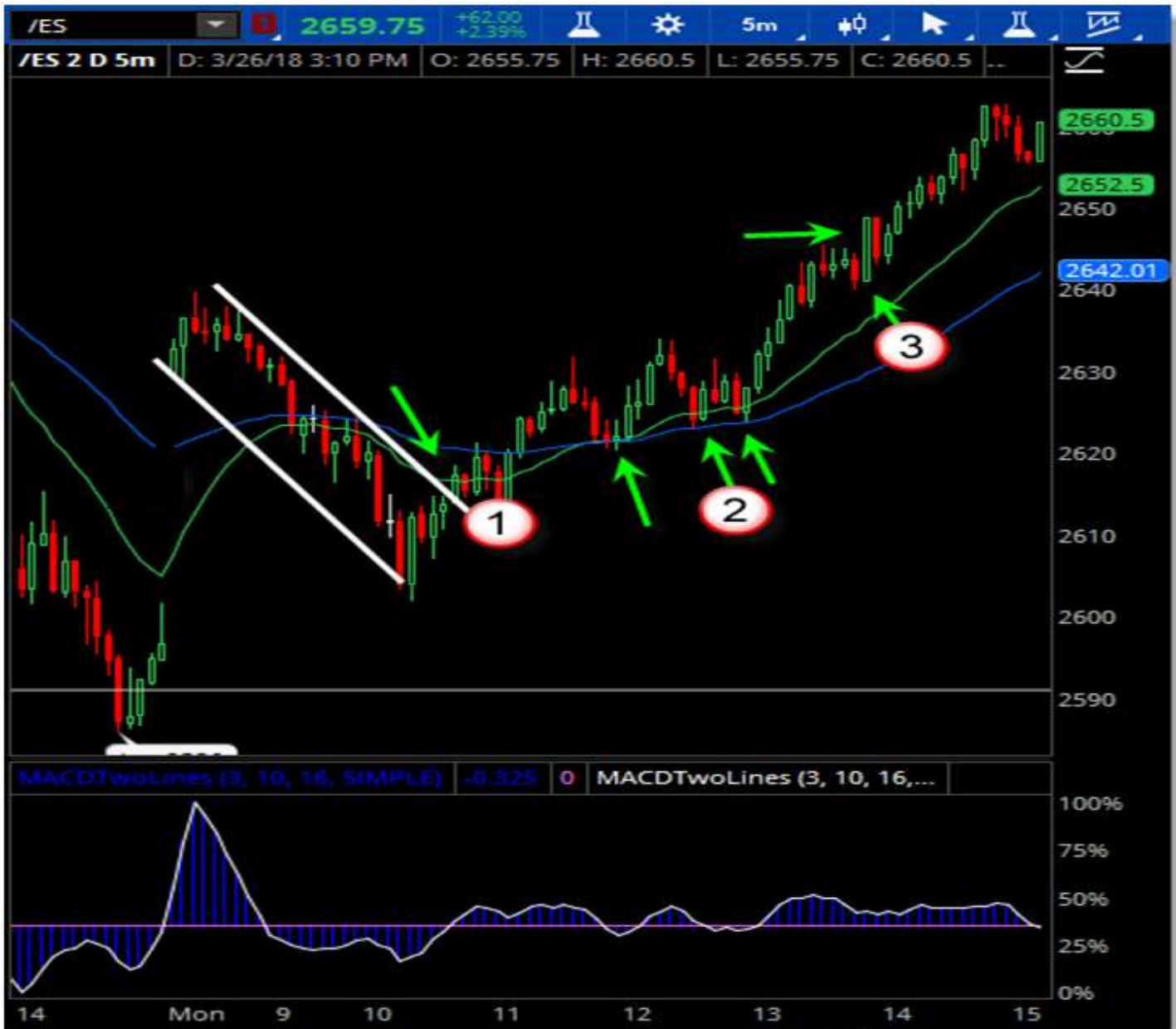




Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



Trading Lessons from the Intraday Frame (1-mi)



Major Companies Reporting Earnings

Lululemon (LULU)

Major Economic Reports for Tomorrow...

Consumer Confidence (10:00am)

Quotes from Last Night's Planning

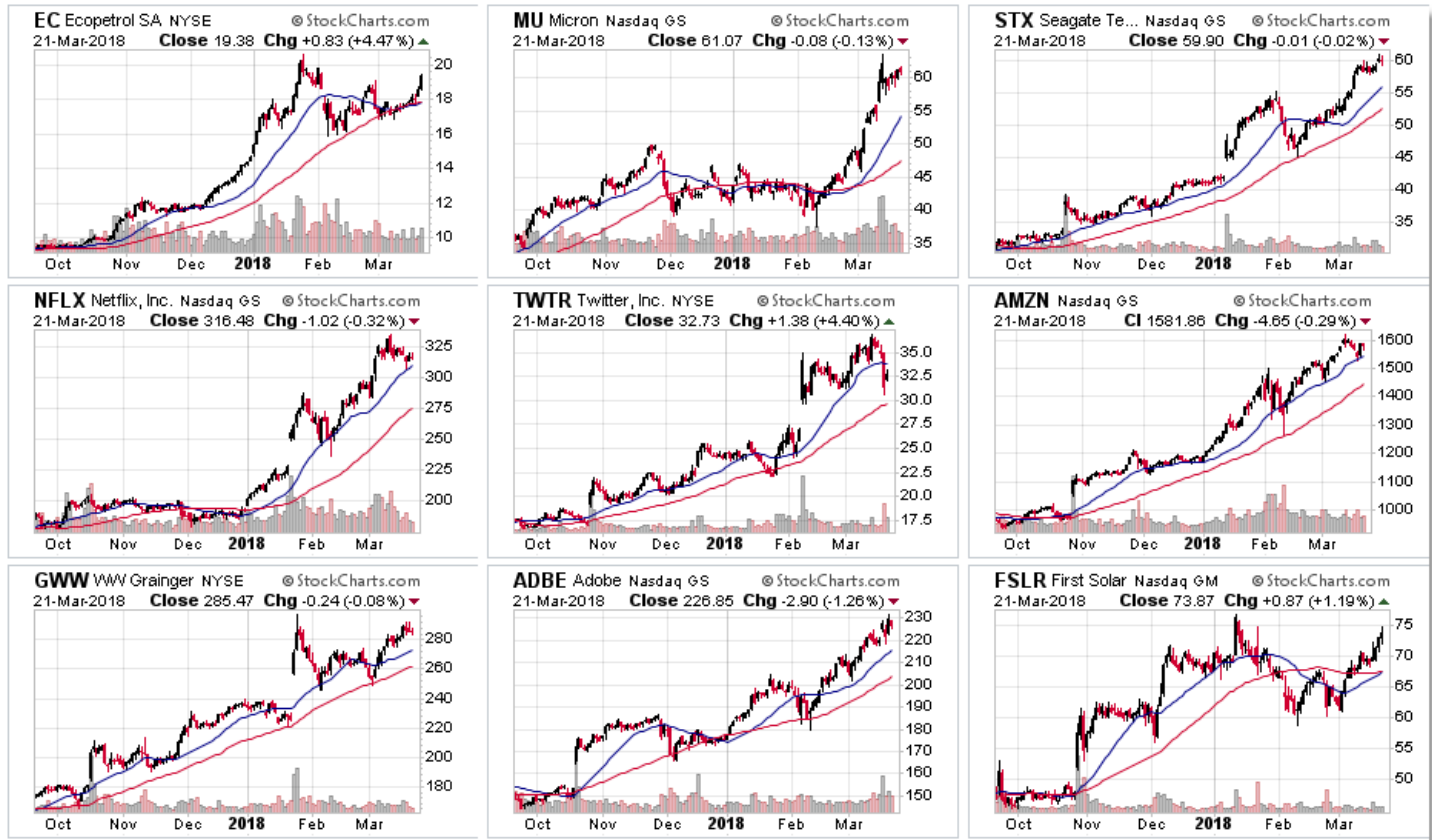
What's the plan here? With price AT our inflection (pivot) target, look for a dominant thesis bounce.

If you were successfully short down into this level, look to take profits on an expected (dominant thesis) relief rally or bounce (from Weekly Intermarket).

By the end of today's session, today's structure was indeed a TREND DAY (bullish) with a steeper-than-normal morning pullback to retest the key support level at 2,600. We expected another bounce up away from this level - dominant thesis - and that's what we got; however, it took patience to materialize and trade.

The first trade was the larger bull flag breakout or reversal again up away from 2,600 with the next two trades being similar bull flag opportunities on a somewhat atypical trend day higher. With the AD Line so strong/positive (bullish) all day, it was difficult to see a bearish pathway given the money flow back into the market on another bounce/rally up off critical support.

Power Trenders Strong Stock Scan

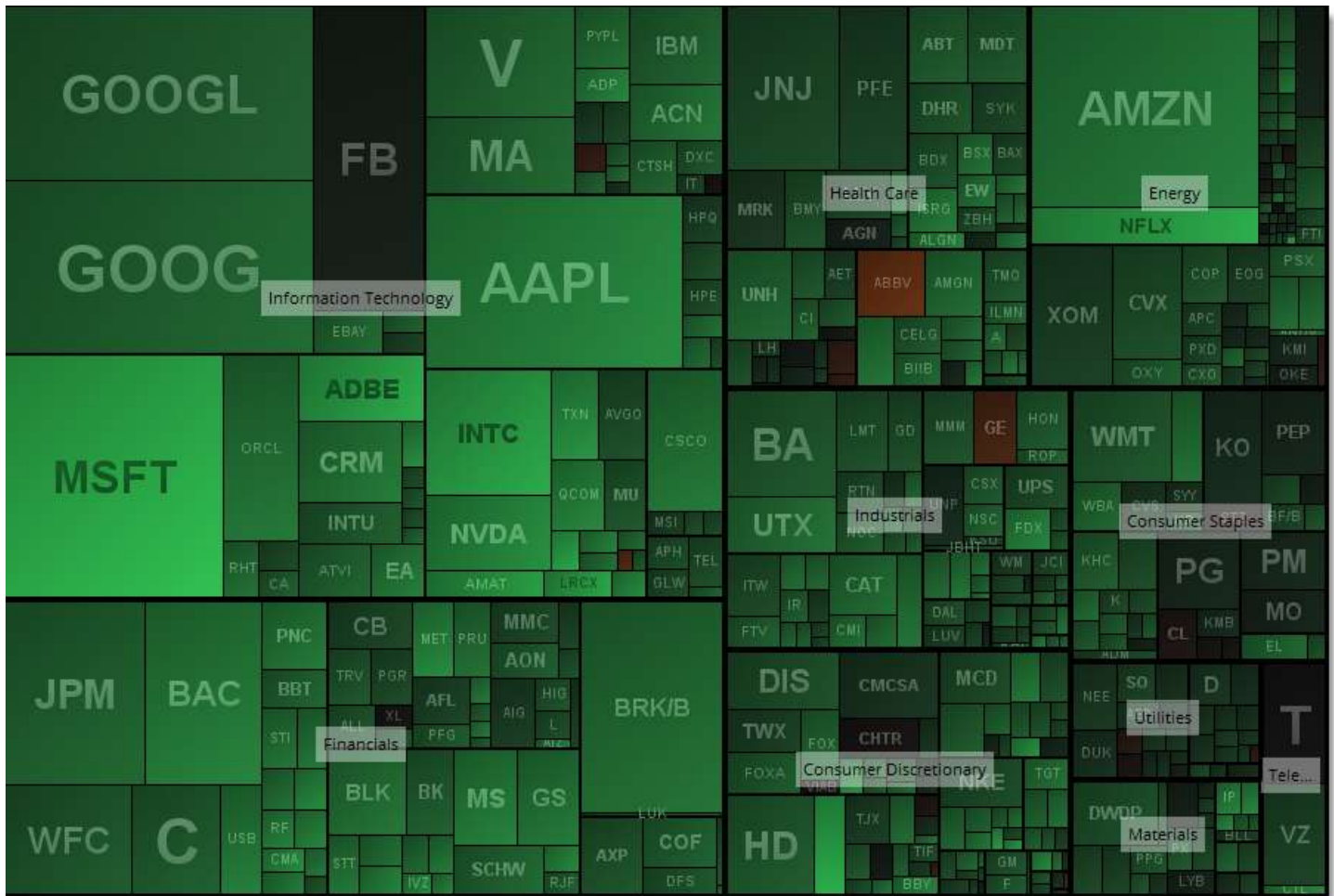


We're seeing the NEW top twelve relative strength leaders (via algorithm) in trending markets and the general expectation is to buy retracements or breakouts in these strongly trending names. The logic is that what is strong tends to get stronger (stocks attracting money flow tend to continue attracting 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.

"S&P 500 Sector 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.

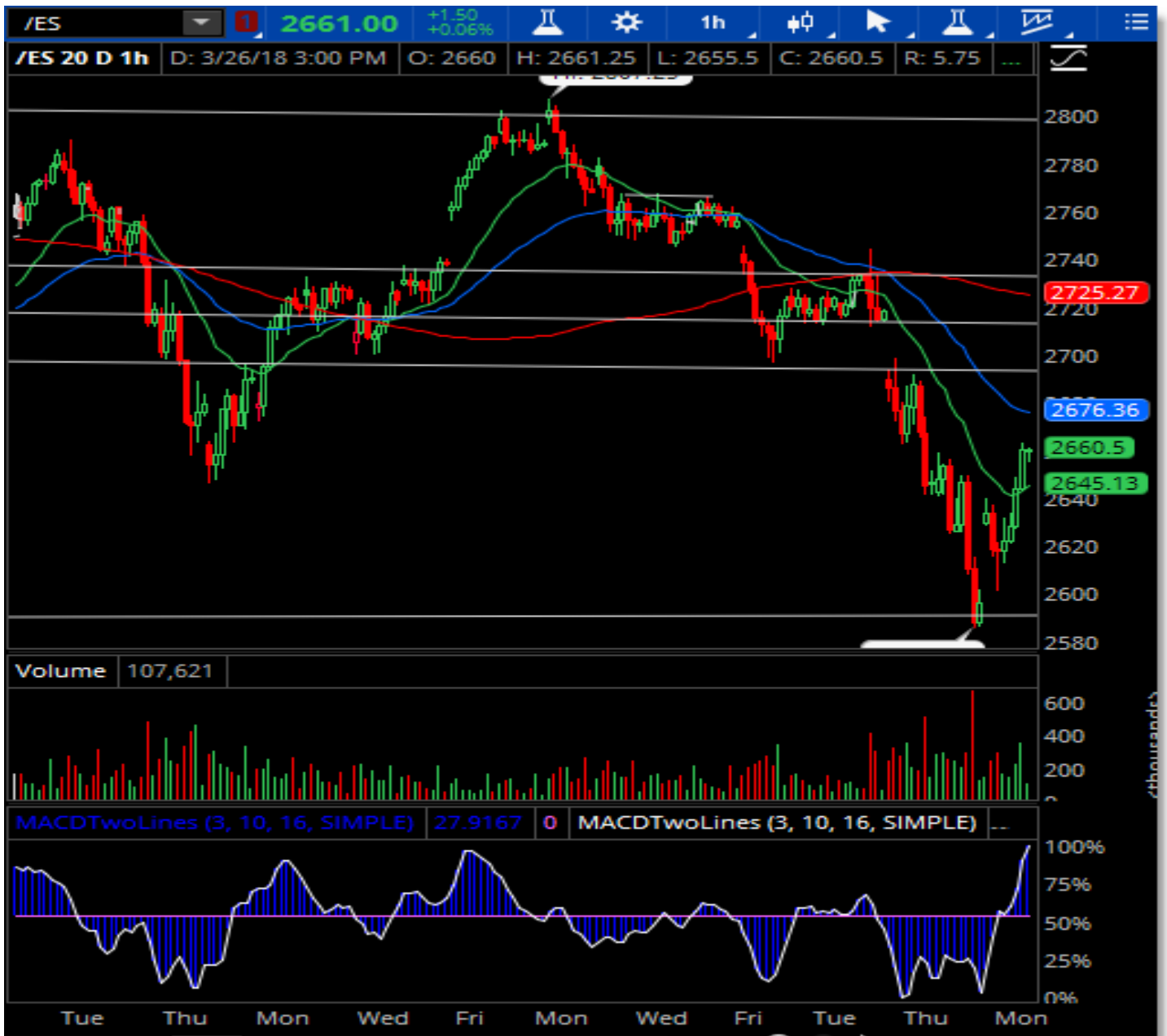
Second, if you trade beyond the S&P 500 or futures/ETFs, you can pinpoint bearish/weak stocks by starting with bearish/weak sectors.

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).

A Look at the FANGs and our 9 Sector Grid



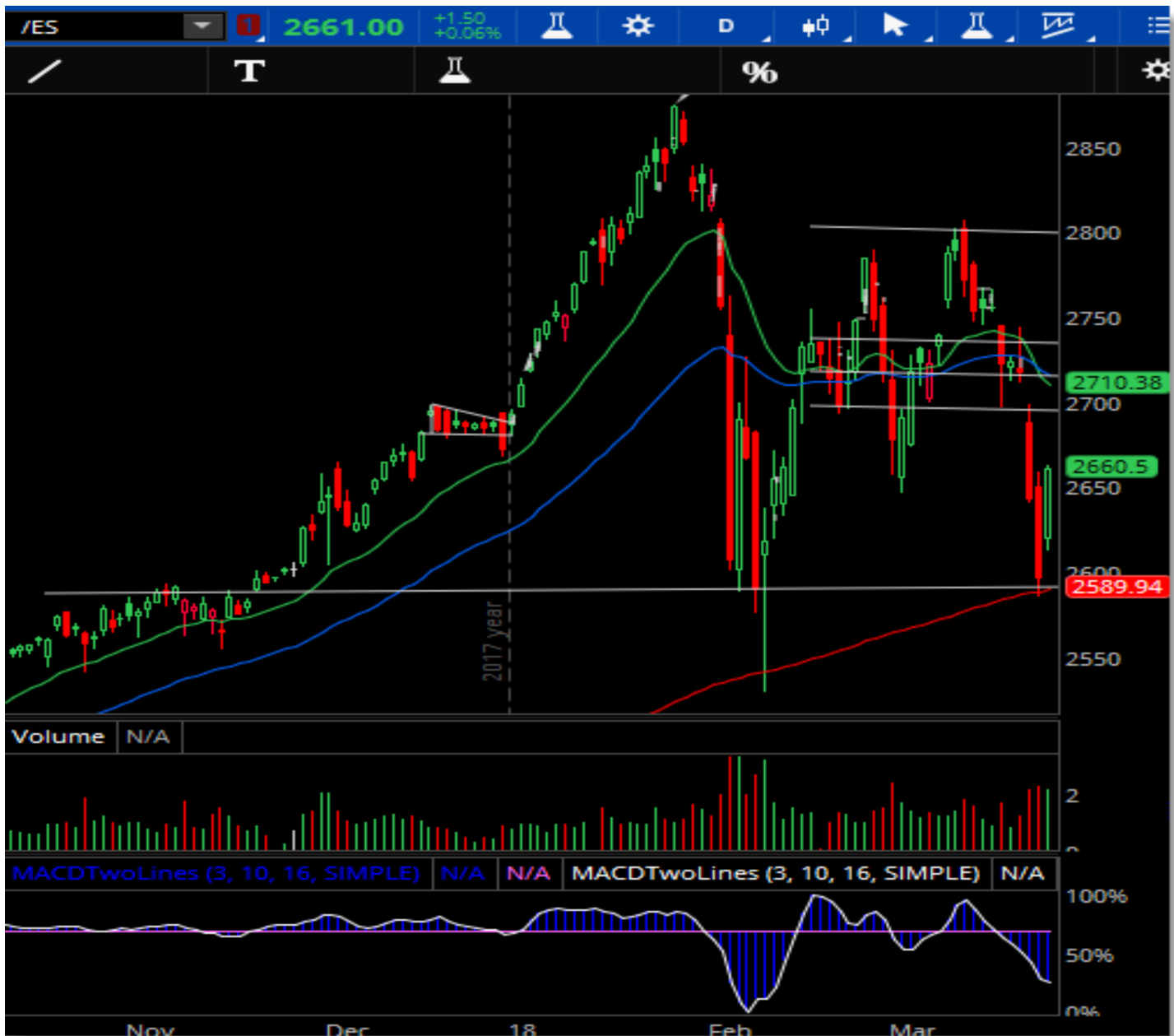
Planning the 30-min Intraday @ES Futures Chart



We're watching the market bounce UP AWAY FROM our 2,600 level as expected with positive momentum and market internal divergences AT our critical 2,600 simple reference "roundie."

For Tuesday, note that we're back at the 2,660 level which traded above Friday's high. Use 2,645 (20 EMA) as your bearish breakdown/support pivot and 2,675 as your upper resistance target - and then 2,700. In between these levels, look to play the range consolidation.

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



Once again, our DOMINANT THESIS going into today's session called for a bullish likely bounce UP AWAY FROM the 2,600 support pivot and back at least toward 2,650 (prior low) and then 2,700 (the "Grand Rectangle").

Let price stabilize Tuesday - be cautious - but do reference early February where a similar sharp sell-swing to this level resulted in a multi-day bullish rally higher. It could happen again but take it day by day and trade by trade with respect to our key price levels.