



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



Trading Lessons from the Intraday Frame (1-mi)



Major Companies Reporting Earnings

NONE

Major Economic Reports for Tomorrow...

Initial Unemployment (8:30am)

Consumer Sentiment (10:00am)

Quotes from Last Night's Planning

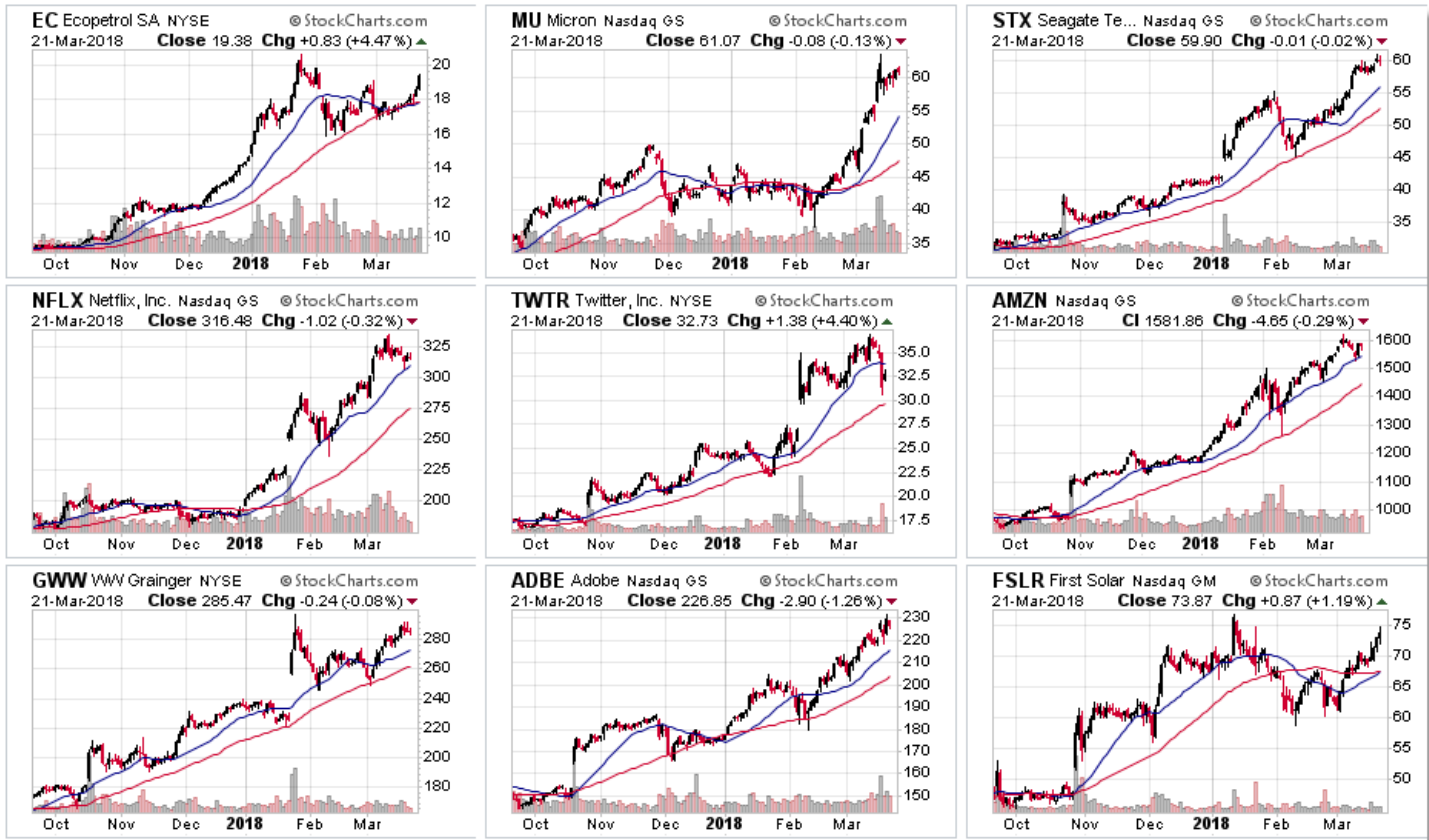
We're back to the 2,600 "Roundie" and critical support level and thus we'll exercise the same game plan we had on Friday. We'll look for ANOTHER bullish rally up away from this pivot but will be equally - if not more - ready for a breakdown that triggers under 2,600 which could set in motion another violent SELL-SWING to Daily Chart targets.

Ultimately, give the market a chance to bounce up away from the 2,600 level by noting the 2,570 weekly EMA and prior support pivot (from October - the white trendline).

Today was a RANGE CONSOLIDATION session or RANGE DAY with the unique character of interacting with the major 2,600 /ES level. Ultimately we were expecting a logical (dominant thesis) BOUNCE up away from this level and you can see how it guided our trade lessons. The three trades I chose to highlight for educational reference today are all RANGE DAY SUPPORT BOUNCE FADES with a directional bias - the long/buy side.

On Range Days, you're able to trade both sides of the market but when such a major higher timeframe level is in play, swing traders can establish new positions while intraday traders can also lean against it with aggressive reversal or buy opportunities as is the case today.

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



Symbol	%Cha...	Net ...	Last ⚙
XLF	+0.18%	+05	27.20
XLK	-0.67%	-43	64.15
XLY	-1.22%	-1.23	99.89
XLI	-0.34%	-25	73.22
XLB	-1.27%	-72	55.87
XLE	-1.95%	-1.31	66.02
XLP	+1.38%	+71	52.27
XLV	+0.54%	+43	80.79
XLU	-0.04%	-02	50.26

▼ Watchlist	S&P 500		
Symb...	Description	ADX	▲ %...
CXO	CONCHO ...	16.55	-8.76%
RHT	RED HAT I...	33.95	-5.32%
NFLX	NETFLIX.C...	24.46	-4.96%
URI	UNITED RE...	15.88	-4.54%
AMZN	AMAZON.C...	15.86	-4.38%
ALB	ALBEMARL...	37.04	-4.14%
OXY	OCCIDENT...	38.1	-4.06%
BHGE	BAKER HU...	15.93	-3.87%
MCHP	MICROCHI...	23.89	-3.43%

▼ Watchlist	S&P 500		
Symb...	Description	ADX	▼ %...
M	MACY'S IN...	20.64	+4.34%
EQR	EQUITY RE...	24.9	+3.71%
SPG	SIMON PR...	18.66	+3.62%
CVS	CVS HEALT...	38.19	+3.48%
NAVI	NAVIENT C...	18.46	+3.45%
REG	REGENCY ...	29.38	+3.38%
AGN	ALLERGAN...	18.34	+3.32%
ESS	ESSEX PRO...	16.67	+3.25%
SLG	SL GREEN ...	20.46	+3.19%

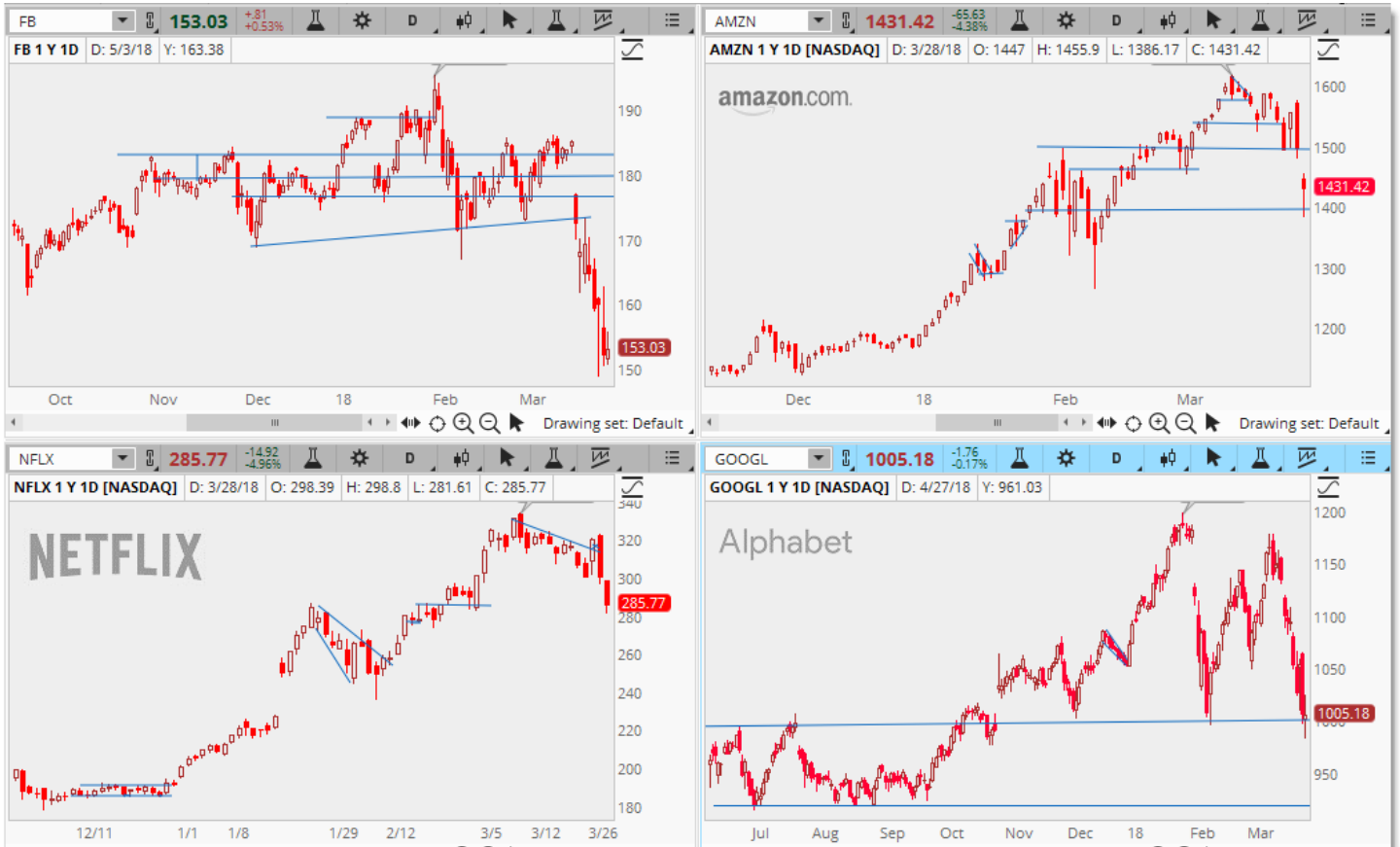
This chart and sector comparisons are useful two ways:

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).

The FANGs



Facebook (FB) collapsed back to the \$150 per share reference level, but the big news today was the sudden collapse and instant "swing trade" breakdown of Amazon (AMZN) beneath \$1,500 straight into our \$1,400 simple price and "roundie" target.

Netflix and Google also traded lower today with both major stocks being at critical inflection points - \$1,000 for Google especially.

Prepare to trade the swing away from these levels - and be ready to trade the departure swing in either direction.

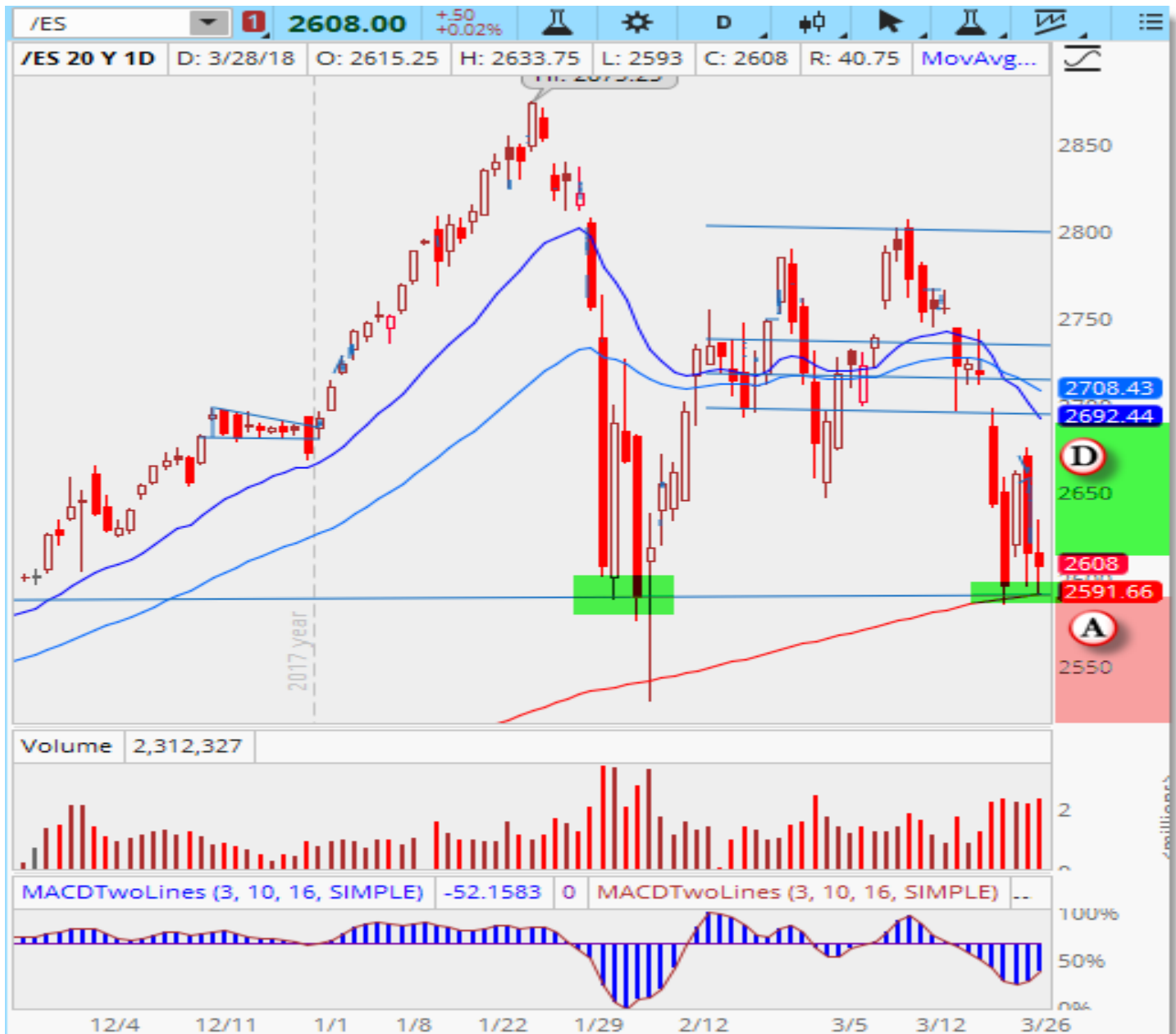
Planning the 30-min Intraday @ES Futures Chart



Price consolidated today at our critical support level, so we'll keep the same logic/plan we had yesterday and last Friday (mostly quoting the prior reports): We're back to the 2,600 "Roundie" and critical support level and thus we'll look for ANOTHER bullish rally up away from this pivot but will be equally - if not more - ready for a breakdown that triggers under 2,600 which could set in motion another violent SELL-SWING to Daily Chart targets.

While price should bounce, if it does it, it likely triggers another collapse scenario where we'll be actively short-selling price and liquidating positions on a break beneath 2,590.

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



This is it folks! Have your positions ready or have your stops/hedges ready in the event we get the alternate thesis breakdown. IF you're already positioned or prepared for the breakdown, you may be right but you're being aggressive with price into a major support level with positive divergences. I prefer to wait for a trigger which would come in the form of a breakdown or big morning gap down beneath 2,590 or 2,570 (weekly reference level). If so, look for the collapse toward 2,550 or 2,500. But - as of tonight - we're not there yet and must continue to list our dominant thesis as the bounce/rally scenario as it's occurred three times.