

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-mi)



Major Companies Reporting Earnings

NONE

Major Economic Reports for Tomorrow...

NO MAJOR

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.

But - as of tonight - we're not collapsing yet and must continue to list our dominant thesis as the bounce/rally scenario as it's occurred three times.

Trend Day! And not just any trend day, but the dominant thesis trend day.

We only had two simple pullbacks on the 5-min chart which underscores my comments on why we must drop to the lowest timeframe possible that we can trade without feeling overwhelmed - including the 1-min chart.

Three additional trades - and possibly more - triggered at the end of the session on the 1-min chart that did not appear (no pullback to the moving averages) on the 5-min chart. WE DO NOT fight or fade (go short) on a Trend Day.

Quick Reference Charts on Internals & Reversals



This is the picture we saw last night with respect to our game-planning price AT the major 2,600 support level. We see the Advance-Decline (AD) Line for the S&P 500 - \$ADSPD - showing stability and strength (positive divergences) when compared with the NEW LOWS and sideways action off the lows (2,600) in price.

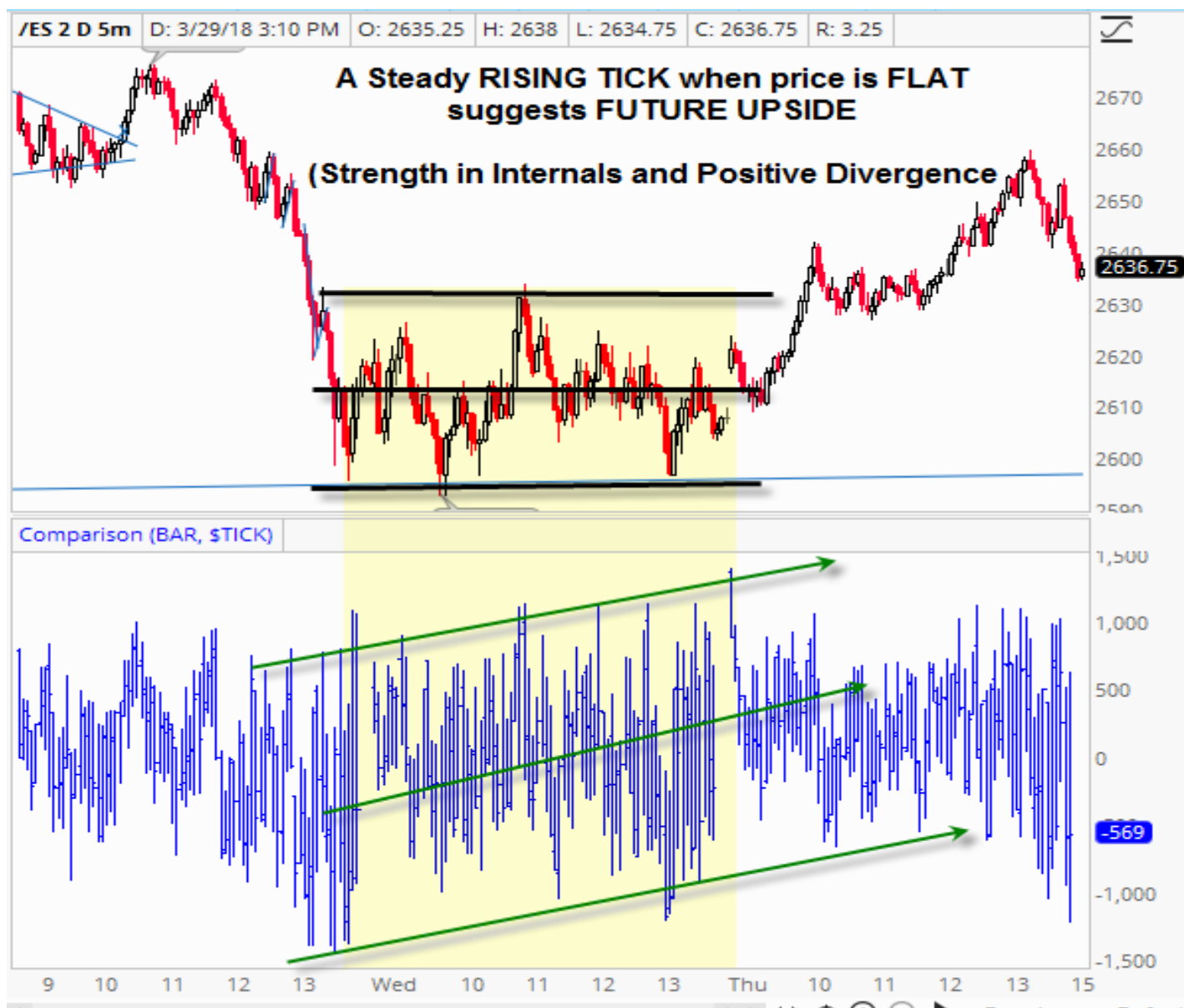
This suggests a build-up of buying pressure hidden beneath the price and therefore suggests a FUTURE bullish outcome... especially when price trades into a major inflection point.



Here's the resolution of what happened today with the expected (dominant thesis) movement higher and subsequent Trend Day.

Notice how Breadth started strong with a NEW INDICATOR HIGH when price was still within yesterday's trading range. That's a SIGN OF STRENGTH or what we call a "Kick-Off."

These patterns tend to precede trend days like today and intraday trend reversals.



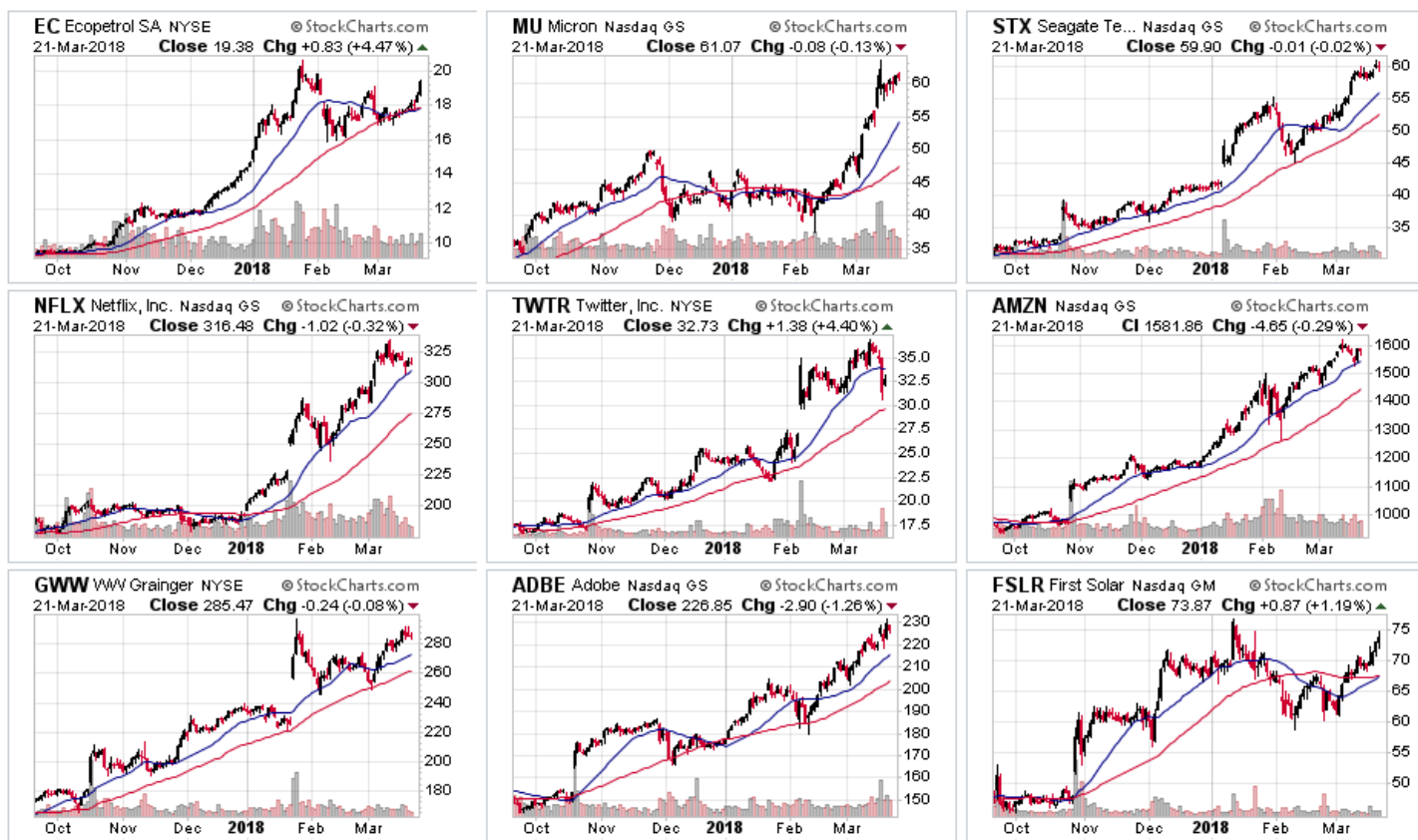
Finally, here's the same picture using TICK (NYSE TICK) (\$TICK) which is a faster market internal than Breadth.

Breadth is the number of stocks POSITIVE right now on the session minus those that are negative (up or down on the day).

TICK is much more reactive and is a momentary snapshot of the stocks that just "ticked up" (had a positive price movement) at a specific time minus those stocks that had a "tick down" or negative price movement.

We use both internal indicators for a clearer picture.

Power Trenders Strong Stock Scan

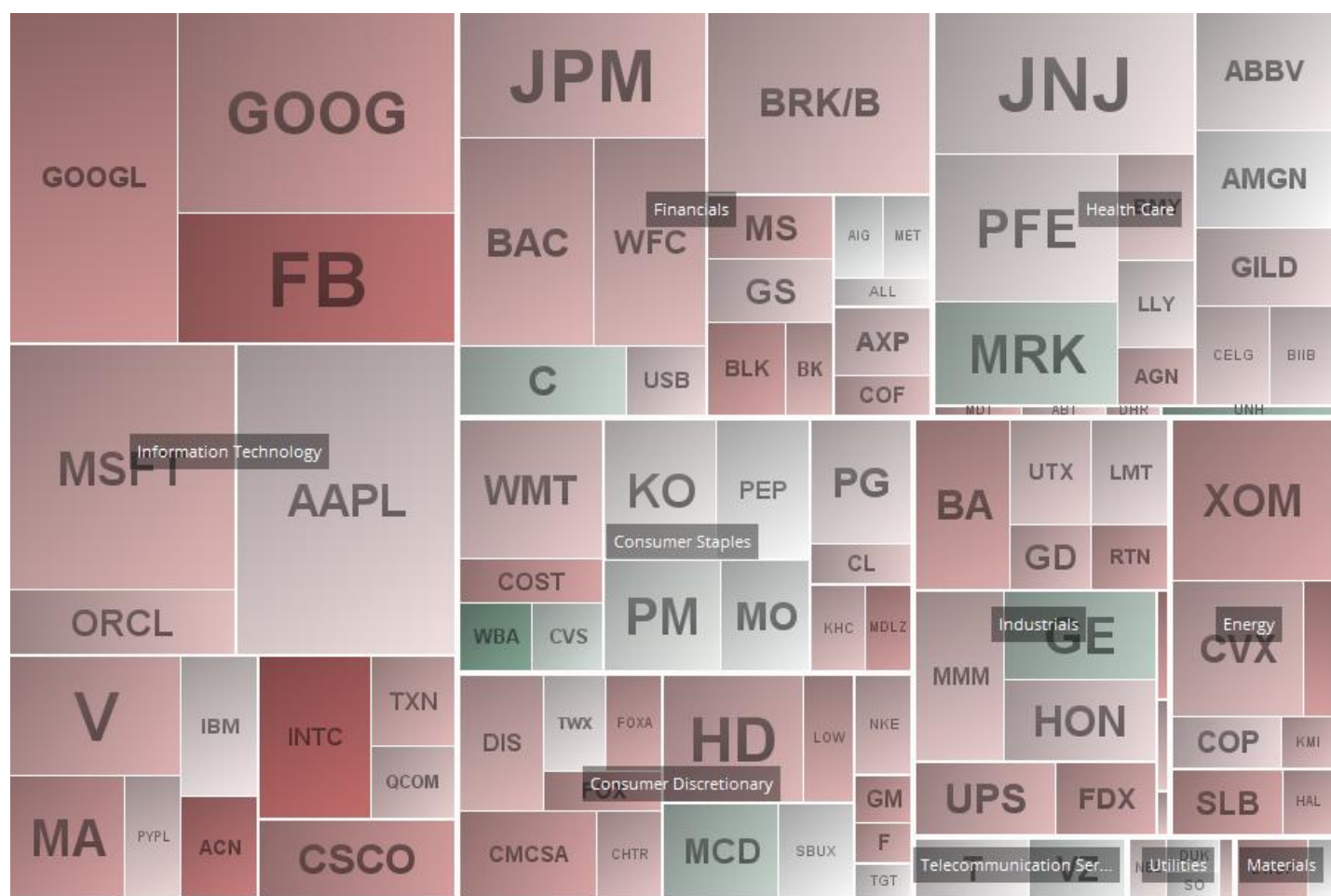


We're seeing the NEW top twelve relative strength leaders (via algorithm) in trending markets and the general expectation is to buy retracements or breakouts in these strongly trending names. The logic is that what is strong tends to get stronger (stocks attracting money flow tend to continue attracting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



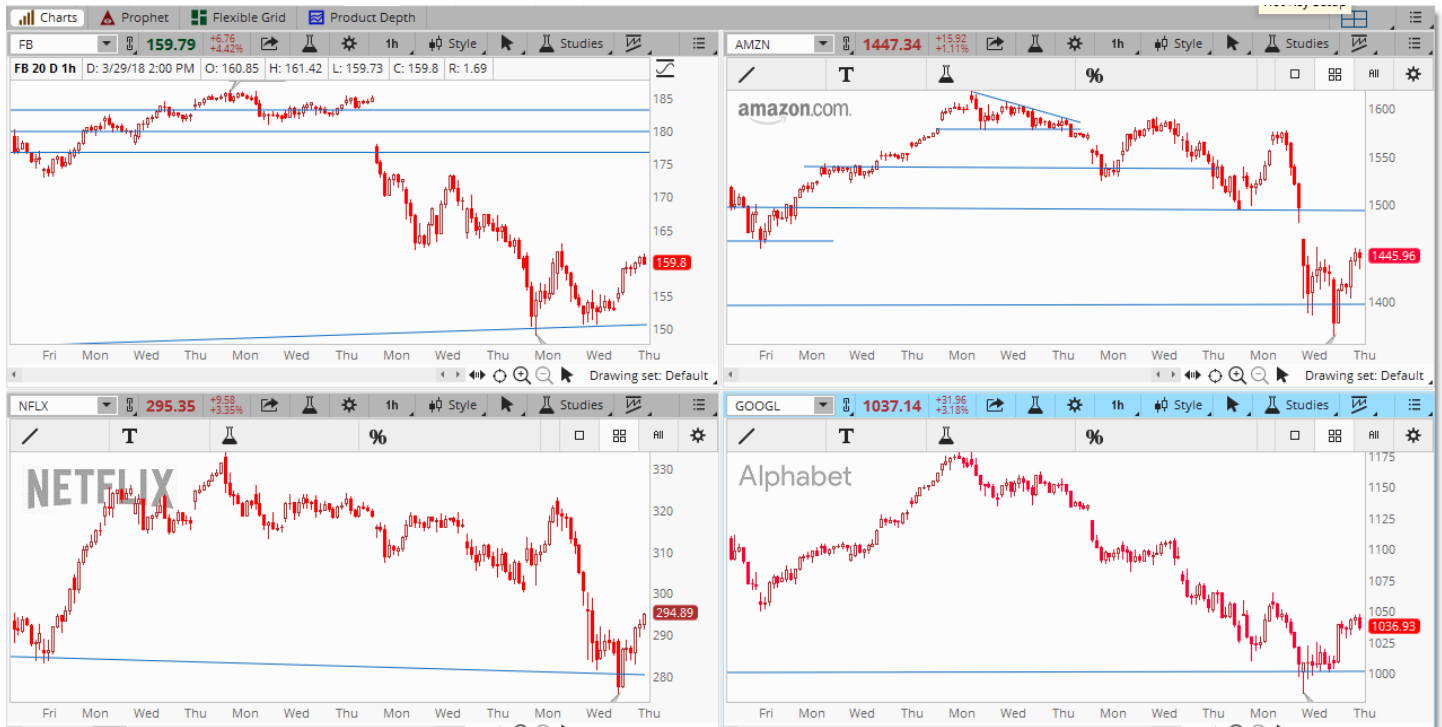
This chart and sector comparisons are useful two ways:

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).

The FANGs



I'll include a quote from last night's report so we can compare it to what happened today:

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.

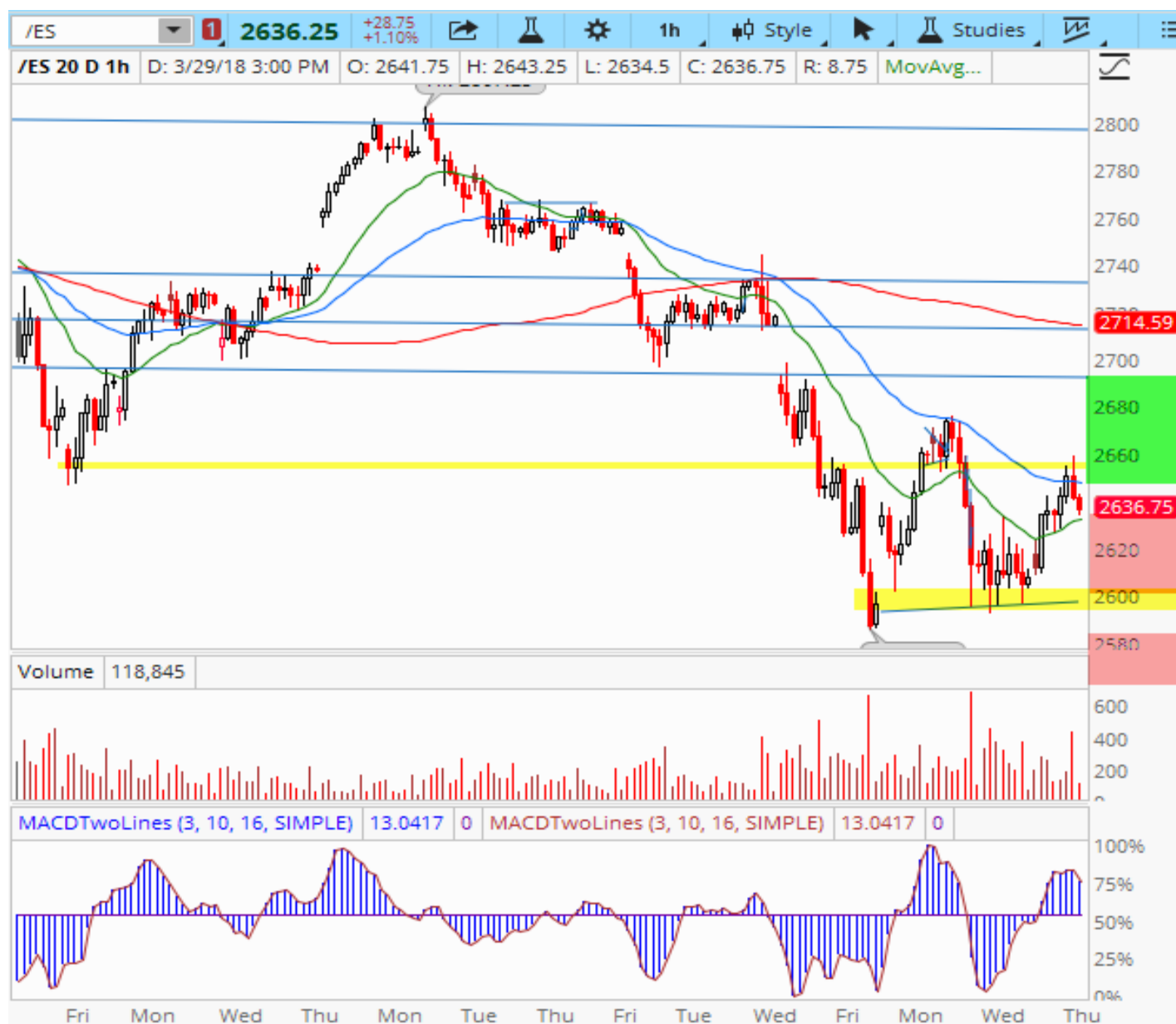
Netflix and Google also traded lower today with both major stocks being at critical inflection points - \$1,000 for Google especially.

Prepare to trade the swing away from these levels.

Bold traders can continue playing the swings up away from these levels should they continue, noting prior high targets such as \$1,500 for AMZN and \$310 at least for NFLX.

Be prepared - think risk first - for any future breakdown/liquidation events beneath these levels that would likely occur IF the S&P 500 trades beneath its 2,600 expected support target.

Planning the 30-min Intraday @ES Futures Chart



Friday will be a holiday and thus Monday will be a three-day weekend which is plenty of time for surprise news to develop which could send the market higher or lower - moving up as expected (continuing) higher away from 2,600 or surprising us with a breakdown lower.

As we begin Monday, note the 2,660 level and play the bullish continuation swing up toward 2,700 for the "bounce continues" scenario but be cautious here as price consolidates into a range between 2,600 and 2,660 - noting the bounces and range behavior after the sell-off.

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



Similarly, we did get our initial bounce up away from the 2,600 level but don't become complacent or certain we'll get that bounce. Odds still favor us trading up toward 2,700 but again three days is a lot of time for something unexpected to occur and affect Monday's open.

For now, we will play it safe and expect range behavior to develop between 2,600 and 2,660; a bullish continuation breakout pathway above 2,665 to take us up toward 2,700; and any future "alternate thesis for now" breakdown beneath 2,600 and 2,580 to trigger a possible collapse scenario toward 2,520 or 2,500.