

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

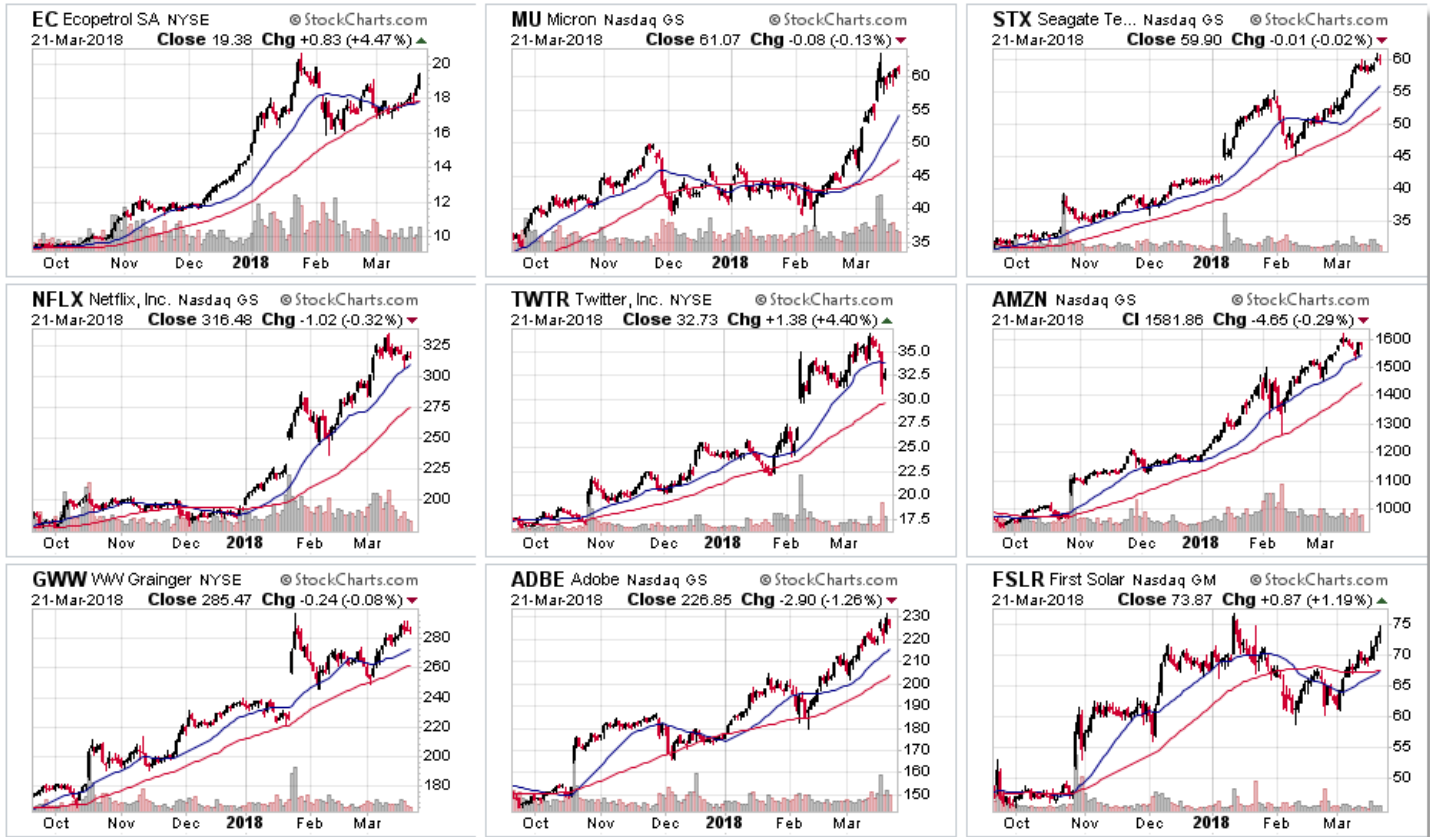
Odds still favor us trading up toward 2,600 but again three days is a lot of time for something unexpected to occur and affect Monday's open.

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.

While odds favored a bounce and thus we expected a bounce, we were increasingly prepared for the ALTERNATE thesis outcome - a violent breakdown and sell-swing/collapse down away from the 2,600 level.

Today began with a small gap with a violent sell-swing off the open, setting the stage for the alternate thesis to trigger and eventually it did. When these events happen - the market tricks the majority of traders - it triggers their stop losses and often creates a BIGGER move in the unexpected direction, hence today's big trend day down where the Dow Jones was off 800 points before stabilizing into the typical late-day trend day arc/stabilization pattern. All lesson trades today were small retracement flags best seen on the 1-min chart.

"Power Trender" Strong Stock Scan (dangerous now)

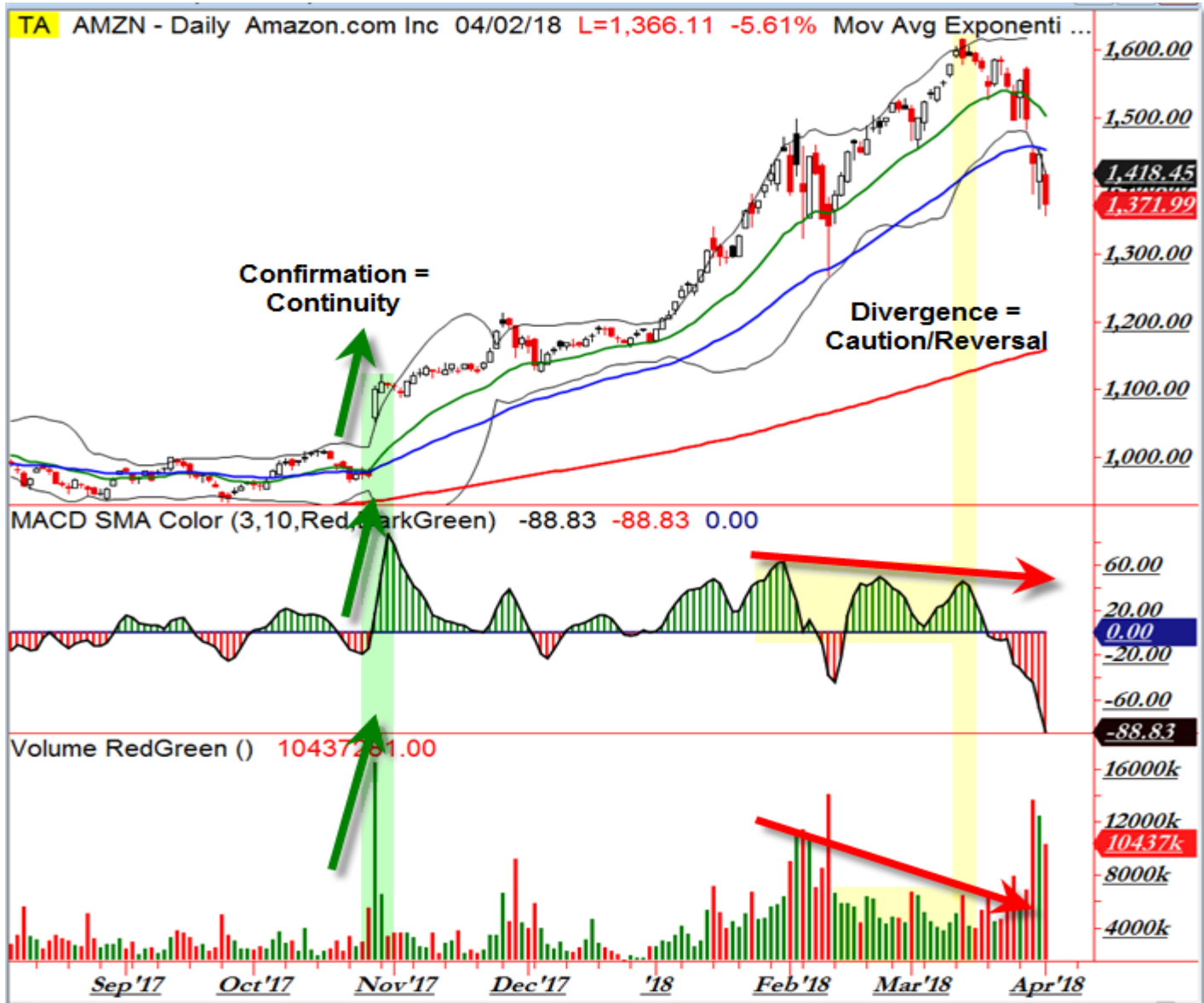


We're seeing the NEW top twelve relative strength leaders (via algorithm) in trending markets and the general expectation is to buy retracements or breakouts in these strongly trending names. The logic is that what is strong tends to get stronger (stocks attracting money flow tend to continue attracting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

How Amazon (AMZN) Lost its Way Recently



When creating swing trades (or a series of intraday trades), we look to the higher frame - often the Daily Chart. Amazon gives us a lesson in "confirmation means continuity" in November where stronger price, momentum, and volume suggested additional upside price action yet to come and it happened. However, March showed us a lengthy negative momentum and especially volume divergence with the new highs into \$1,600 which set up a "take profits" scenario along with an aggressive sell-short/buy puts play. We now see the collapse in motion as shares plunged toward \$1,500 then \$1,400 and now beneath \$1,400 on high sell volume and new momentum lows, all of which suggest future lower prices - perhaps toward \$1,200.

Planning the 30-min Intraday @ES Futures Chart



Odds favored a BOUNCE or rally up away from the 2,600 but we balanced this plan against the reality that the MORE times a key level is tested, the MORE likely it is to fail on future tests. Fortunately or not, today was that day when price returned down away from our 2,660 level, toward 2,600, and then BENEATH it on a failure-to-bounce event.

It sent the market lower in a sell-swing event and puts us on guard once again with the higher frame picture - a failure to bounce here opens the market for a collapse scenario lower.

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



In a sense, we've been here before and thus the plan is similar to what we've already seen, only this time we're starting to see high volume selling and the possibility for a breakdown/collapse event break the market lower under 2,550 toward 2,500 and eventually 2,450. That's our bearish collapse price pathway and it is in motion - as the dominant thesis - while we are beneath 2,600 and 2,550.

However, the market is officially "edge of the cliff" bullish at support for the dominant thesis, if only to define it so that we expect that "larger move to the downside" if price fails to regain support at 2,600 and thus liquidate stop-losses on the accelerating pathway lower.