

AFRAID to TRADE[®]

overcoming stock market fears with Corey Rosenbloom

Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



@ES's 1-min Intraday Chart (Additional Trades)



ALL TRADES:

RANGE DAY FADE TRADES - playing off divergences at the Bollinger Band Extremes.

The two examples above were worth about 2 to 3 points or \$200 to \$300 (2 contracts)

Trading Lessons from Yesterday



Clearly the big surprise of yesterday was the mid-day COLLAPSE or breakdown/breakout from the rising trend.

Before that happened, and I was flying back at this time (big things ALWAYS happen when I travel!), note the persistent triple swing negative momentum AND TICK divergence into the high of day above 2,480. That sets the stage for a likely failed rally and thus bearish phase once it triggers... and it MUST trigger with a breakdown beneath rising moving averages.

Otherwise we had two successful bullish trades before the collapse. Kick-offs occurred - forecasting a reversal - and we certainly got a BIG one! Trade #3 was a short into a 1-min "collapse" pullback and trade #4 played the "ABC" retracement to the falling 20 EMA.

Protect yourself on days like this and remember that volatility can strike at any time. Be ready!

Major Companies Reporting Earnings Tomorrow...

Pandora (P)

Economic Reports for Tomorrow...

Pending Home Sales (10:00am)

Quotes from Last Night's Planning

Yesterday was a BIG trading day, namely from the snap-back from the highs on persistent negative divergences in all indicators. The selling was felt most in the NASDAQ or tech companies, though the S&P 500 and Dow saw its fair share of liquidation... with a stronger bounce-back into the close.

As is often the case, a BIG volatility session or trend-style session (range expansion) is often met with range contraction which can take the form of a RANGE DAY.

That's simply what happened today.

There were at least two decent trades in the morning, playing from one Bollinger Band to the next on 1-min divergences.

Unlike yesterday's big profit potential day, today offered a tiny amount from which to profit, remind us to go aggressive on trend days and remain conservative or avoidant on range or low volatility sessions (like today). All days are NOT equal and don't judge your performance as such.

July 24 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



Price quickly pulled back to our 2,461 Fibonacci Level (23.6%) and held support. It's also a critical price pivot at the 2,460 level as seen from the prior bounces - and resistance - at this level, making it a clear POLARITY LEVEL.

For Monday, assuming no major news items break over the weekend, remain "edge of the cliff bullish" unless proven otherwise with a breakdown under our critical 2,460 @ES pivot.

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



We got our pullback! If you remember an earlier report, I drew a rising parallel trendline channel suggesting the next swing was back toward the rising 20 day EMA pivot just above 2,450 on the daily S&P 500 index.

It happened quicker than expected with a collapse-and-reverse day yesterday.

As mentioned on the intraday chart, remain "bullish until proven otherwise" which would be a break beneath 2,455 in the Daily Chart above (targeting the 50 day EMA near 2,435).