



## Daily "Idealized Trades" Report

### Trading Lessons from the Intraday Frame (study)



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



**Trade #1** was a "Bear Flag" retracement opportunity worth roughly 4 points (it failed as price didn't make a new low).

The **FAILURE** of Trade #1 to make a new low - **WITH** the divergences - set the stage for a **BULLISH REVERSAL** for an Aggressive Trade #2 (dominant thesis) worth up to 8 points and a simpler, calmer "Bull Flag" opportunity triggered for Trade #3 worth up to 5 points.

Today, with these trade examples, up to 15 to 17 points were possible (\$1,500 to \$1,700 per each 2 contracts).

## ***Major Companies Reporting Earnings Tomorrow...***

NONE

## **Economic Reports for Tomorrow...**

Case Shiller Home Price Index (9:00am)

## ***Quotes from Last Night's Planning***

*Now the market achieved its "Final Fib" into 2,425 which will be our simple BULL/BEAR pivot point going into Friday (low economic/earnings data day).*

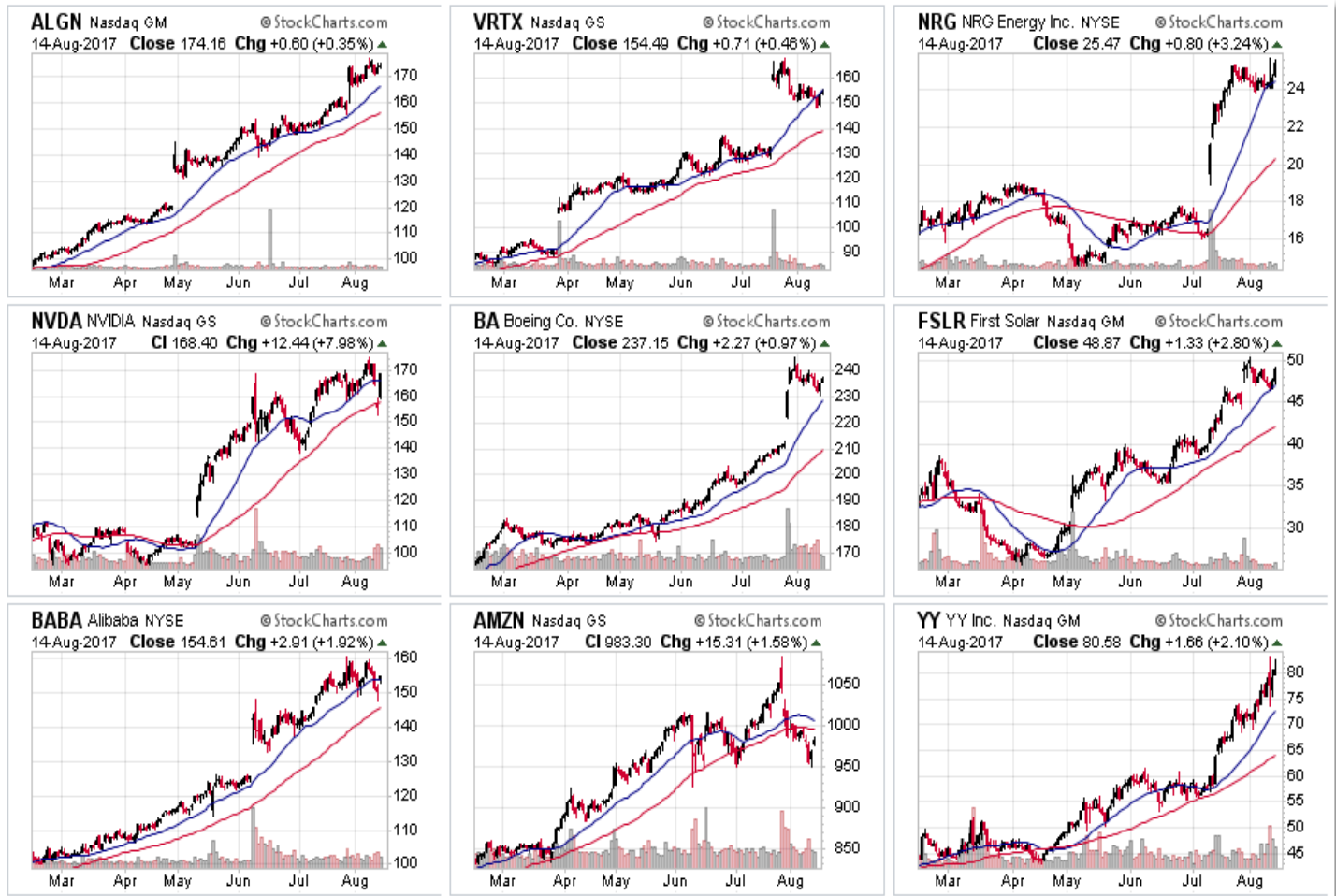
*Watch your 60-min chart and Fibonacci Pivot, meaning be on guard for a logical bounce or consolidation at the 2,425 target pivot (2,430 at the S&P 500 Index level).*

Simply stated, we DID get our logical bounce (or consolidation) at the 2,425 pivot and DID bounce higher toward a Fibonacci Target today.

Note the hourly chart for the Fib Target of 2,440 which was today's session high.

The initial FAILED bearish trade (#1) this morning and the lengthy positive momentum and TICK divergences set the stage for a successful - dominant thesis - BULLISH rally. Trades #2 and #3 were profitable bullish bounce and retracement trades as our logical thesis played out correctly with price - though we didn't trade the bearish failure into Fib Support (give yourself credit if you did!).

## August 14 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).

## Swing Trader's Zone: Nike's Fall to Support



Swing Traders live for PIVOT POINTS or places where price will either move UP AWAY FROM or DOWN AWAY FROM a critical price level. You build your trades in terms of the movement.

Nike (NKE) shares collapsed today to the "Final Fib" level - 61.8% - and the rising 200 day SMA overlapping \$54.50. Use this as your Bull/Bear swing trader's pivot, playing (for now) Dominant Thesis Bullish for a bounce above (to push into the Gap) or else breakdown/collapse bearish beneath the level toward \$52.00.

## Planning the 30-min Intraday @ES Futures Chart



We DID get our logical bounce this morning and it ended - also logically - into our price and Fibonacci target of 2,440 as seen above.

We love pivots, and therefore will play aggressively BEARISHLY if beneath the 2,420 pivot (today's low) toward 2,410 and 2,400. Otherwise, we once again get set to trade a bounce/rally up away from the 2,425 pivot.

Officially we're "Range Neutral" (consolidation play) between 2,425 and 2,440 and breakout/support-bounce "ignore it all" bullish above the key 2,440 pivot.

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



As stated yesterday, it looks like the "This time it's different" outcome is at play with a FAILURE to rally back toward the high and complete the "Repeat Pattern" of May and even June 2017.

At the moment, we have a downside target of the 2,410 level (then 2,400) which is the prior swing low from early July. Friday marks a possible bullish reversal candle just shy of this critical support area. Beyond price, momentum hit a new low on higher relative bear/sell volume (both of which suggest additional bearish pressure may occur). The theme of today's report is PIVOT and thus we'll acknowledge our pivot levels and play the DEPARTURE from them.