



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



ALL TRADES:

1. **REVERSAL Bounce on Positive Divergences**
2. **"Fade" or Bearish Retracement Opportunity into 50 EMA**
3. **BREAKOUT and Return to Bullishness (after failed bear flag)**
4. **Simple pullback/bullish breakout play.**

All trades worth roughly 6 to 7 points or \$600 to \$700 per each 2 contracts

Major Companies Reporting Earnings Tomorrow...

GoPro (GPRO), YELP, Activision (ATVI)

Economic Reports for Tomorrow...

Initial Jobless Claims (8:30am)

Consumer Comfort (9:45am)

PMI Flash (9:45)

Factory Orders (10:00am)

ISM Non-MFG (10:00am)

Quotes from Last Night's Planning

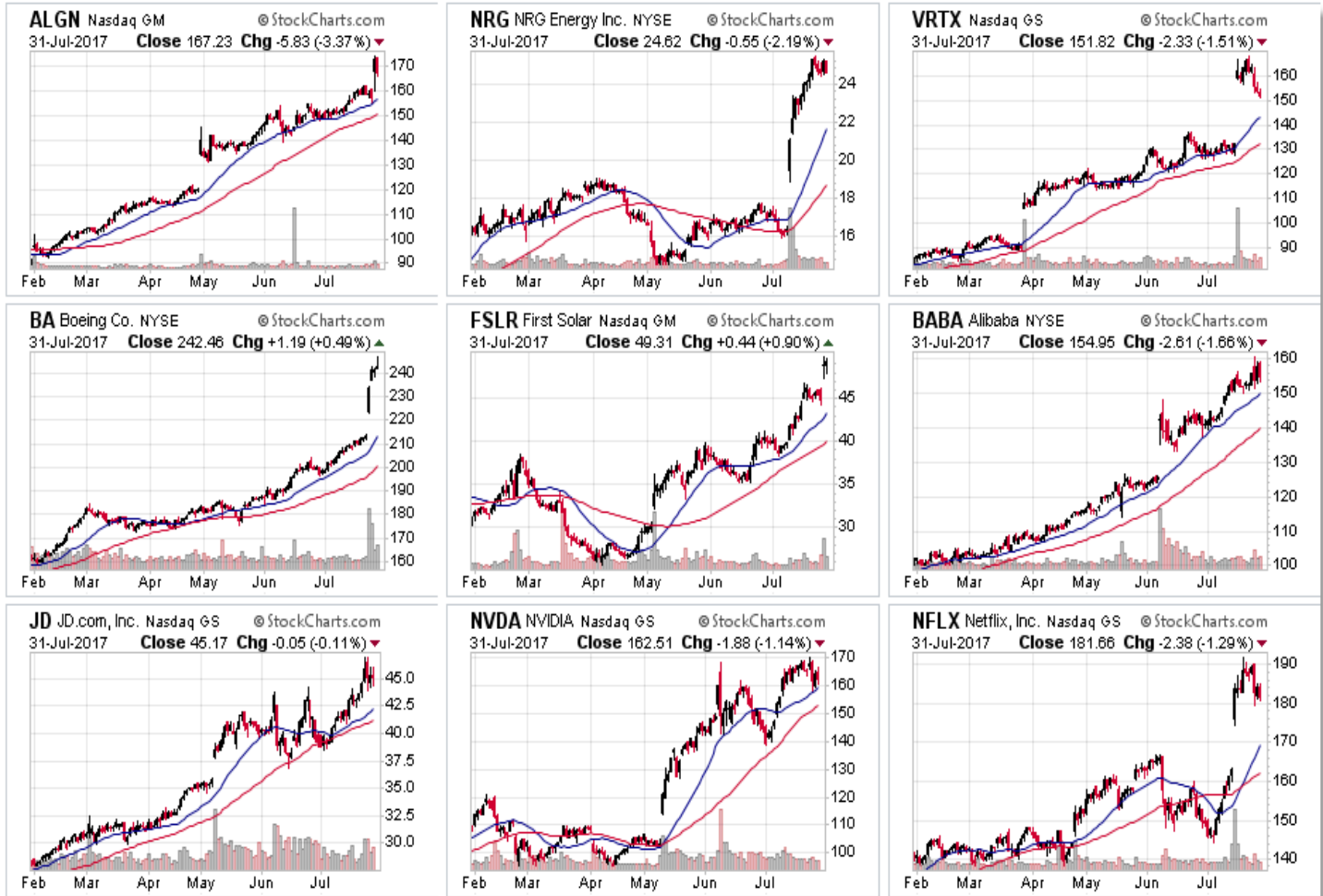
I drew a small Fibonacci Grid - highlighted - which comes into play at 2,471 and 2,466 which were roughly today's high and low.

Simply use these pivots to play "range ping-pong" between them and get ready to trade the red or green breakout pathway as highlighted.

We're officially in a PULLBACK/RETRACEMENT swing for the market toward the rising 20 day EMA (2,460)

Today was ANOTHER weak morning, strong afternoon pattern. While you could have traded the initial fall - there was time - I'm highlighting the positive divergences leading to a bounce. The second trade FAILED as it was a bearish play to retest the low - and when a valid bearish trade fails, it often sets up a play for a LARGER move in the opposite direction. Today that was the more successful Trade #3 and #4 or additional bullish opportunities into the stronger close.

August 1 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 gapped DOWN AWAY FROM the 2,808 level on a New Breadth/Internal Low today. That's a BEARISH development and we'll be poised to trade any bearish follow-through in price.

Remember - as seen on the Daily Chart - that the triple timeframe trend remains BULLISH but we're experiencing a natural/normal PULLBACK or retracement phase.

Use 2,465 as your "bearish beneath" level tomorrow or 2,480 as your "bullish above" level, remaining neutral between these intraday pivots (as was the case today).

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



I wrote yesterday that we're expecting a logical pullback to the 20 EMA and that we may have already seen it - today we saw ANOTHER pullback toward the 20 EMA and a violent mid-day reversal (bullish) up away from this target.

Let's continue to keep it simple - logic/probability still favors a pullback (note the three prior examples) toward the 50 day EMA near 2,450 so trade it if it occurs. Be equally ready - as a trader - to play the ALTERNATE thesis which keeps us going higher toward 2,500 without a pullback.