

# **Daily "Idealized Trades" Report**Trading Lessons from the Intraday Frame (study)



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



Trade #1 was your typical "Bearish Trend" retracement play worth 4.00 points.

AGGRESSIVE traders had a chance to play the reversal UP away from 2,418 on positive divergences, but new traders should avoid major reversal plays.

Trade #2 was a classic "Cradle" bullish retracement worth up to 3.00 points while Trade #3 - a bear flag opportunity - only allowed for 1.00 point before and end-of-day surge.

# Major Companies Reporting Earnings Tomorrow...

Salesforce.com (CRM)

# Economic Reports for Tomorrow...

FHFA Home Price Index (9:00am)

# Quotes from Last Night's Planning

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 2,420 and 2,440 and breakout/support-bounce "ignore it all" bullish above the key 2,440 pivot.

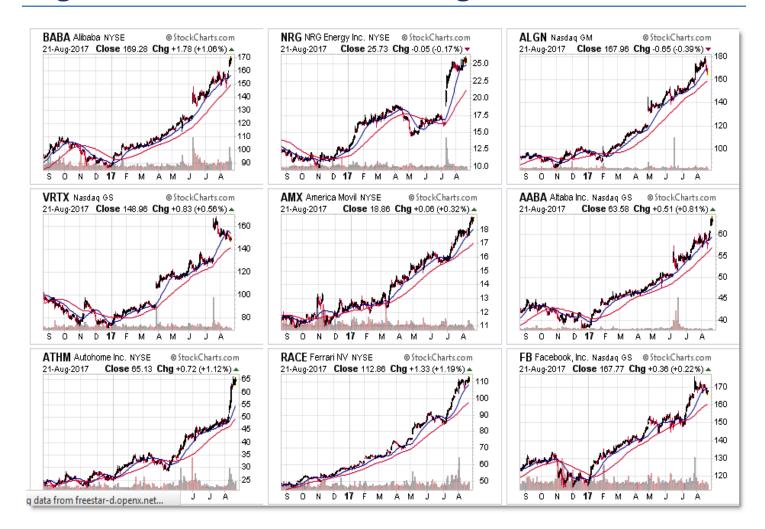
Friday marks a possible bullish reversal candle just shy of this critical support

We didn't initially get our bullish bounce UP AWAY FROM the 2,420 pivot and instead played short beneath this key reference pivot early this morning (as planned) for a successful bear flag trend day play.

We turned neutral once again as price rallied sharply higher - on divergences - breaking BACK above our 2,420 level on a possible BEAR TRAP. Aggressive traders could have attempted the reversal trade while all other traders had the safer "Cradle" support retracement to play.

Today devolved into a RANGE style day, trapping both sides of the market as price settled back into our RANGE NEUTRAL zone between 2,420 and 2,440 - also as planned.

## August 21 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 out 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: Facebook FB Holding Pivot



I just wanted to highlight the BULLISH RETRACEMENT support pivot for FB shares just above the \$165.00 price level. We have TWO days of bullish reversal candles and a Bull Flag in an uptrending market suggesting greater odds of a bullish bounce occurring rather than a breakdown. As always, we don't forecast - we prepare - and often do so in terms of the DEPARTURE from key levels. Bear beneath \$165 (toward \$163's 50 day EMA) or otherwise bullish pivot play off support for FB here.

# Planning the 30-min Intraday @ES Futures Chart



It appears the market is prone to BEAR TRAPS in our Fibonacci Grid and a little Bull Trap above 2,470. Once again, we'll go into Tuesday as we did today with a NEUTRAL RANGE bias (pingpong) between 2,420 and 2,440 (simple levels).

That 2,420 level has been a critical short-term support pivot, so use it as a bullish foundation. However, eagerly play BEARISHLY should sellers crack the index beneath this pivot, opening the market for a quick liquidation/popped-stops swing down toward 2,410 or even a full retest of the simple 2,400 level.

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



Make or Break BULL! Like Facebook (FB) shares above, the market is into a critical support-test pivot and "should" be trading higher (dominant thesis) due to the reversal candles at support. The market "should" trade up away from the 2,420 level toward our 2,440 EMA overlap (daily) so play bullishly if we do see intraday rallies here. Otherwise, have your "alternate thesis bearish breakdown" play ready on a fall toward 2,400... or collapse beneath it