



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



RANGE DAY! But a more volatile one.

#1: "Breakdown" and "Fade Trade" with divergences worth up to 6 @ES points (\$600 per 2 contracts)

There were more trades today but not perfect "fade trades" due to lack of clear divergences especially at 8:30am PST

Major Companies Reporting Earnings Tomorrow...

NONE

Economic Reports for Tomorrow...

Fed's JACKSON HOLE

Durable Goods (8:30am)

Existing Home Sales (10:00am)

Quotes from Last Night's Planning

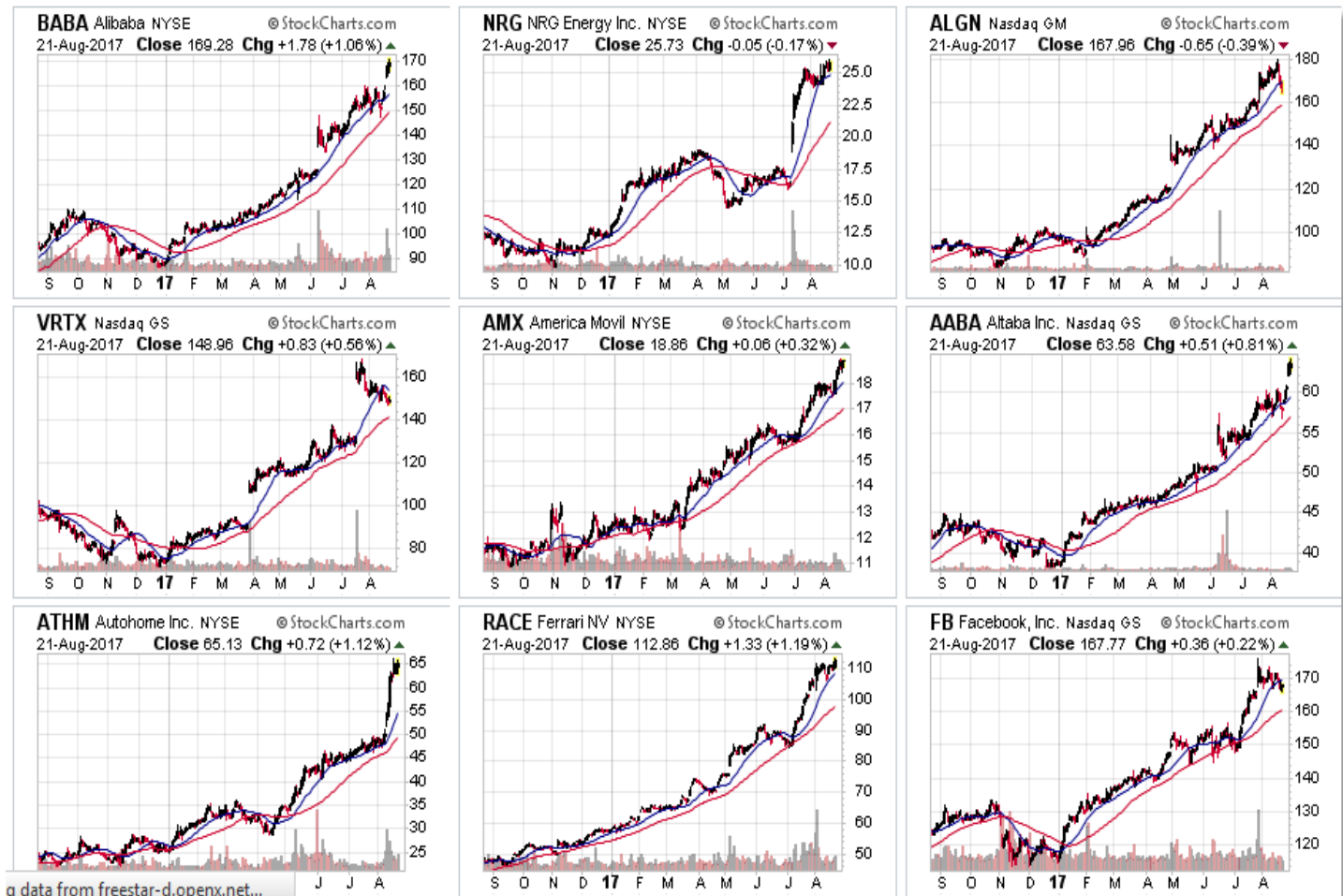
Our levels work! Today is an exciting example of how our 50% and 61.8% Fibonacci Levels played as today's high and low. Our trades - thus - were the movements TOWARD and AWAY FROM these levels.

For Thursday, we'll play the BREAKOUT or EXPANSION out of these boundaries as our dominant "breakout" thesis... and keep playing this tight range in the alternate thesis event it continues another day (we typically expect contractions after Trend Day expansions).

And we had ANOTHER Range Day. Today's session wasn't as clear/simple as yesterday's session (take advantage of them when they are!) due to the heightened volatility and less divergences AND the pierce (bear trap) beneath our 2,440 level.

Still, we caught one bearish 'fade/sell' trade in the morning, and then opted not to go long on the bounce due to the new TICK lows. Count yourself fortunate if you did - and the opportunities declined into the close with the reduced volatility.

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 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



We really don't have any new strategy/update or plan from the one yesterday when price was between the 2,440 and 2,448 Fibonacci Pivots.

Avoid bias and trade the BREAKOUT from this range once it occurs - bullish on a break above 2,448/2,450 and otherwise bearish - on guard for little bear traps/raids like today - if beneath 2,338.

Don't do anything fancy - neither side wins in a consolidation and thus stay patient until one side does (with a breakout).

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



We're at a MAJOR short-term pivot and thus DO NOT have a hard prediction about what's likely to happen next. We use levels as PIVOTS and then seek to trade the real-time DEPARTURE from these levels as our short-term (swing or intraday) trades.

We saw initial DOWNWARD price action today within our tight falling "flag" trendline as drawn. I suggest avoiding bias or making a prediction here - getting ready to play the range expansion/breakout - but if you must, our DOMINANT thesis appears to be the bearish one and thus the BIGGER REACTION OUTCOME Alternate thesis is the bullish short-squeezed one.