



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



Trend Day (failure at the end)

It may not have felt like it, but today was a T2 (not a perfect T3) Trend Day with a break beneath the 50 EMA and breakdown/failure into the close.

The two trades were still bullish, worth up to 4 ES points or \$400 per 2 contracts.

Major Companies Reporting Earnings Tomorrow...

NONE

Economic Reports for Tomorrow...

NONE

Quotes from Last Night's Planning

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.

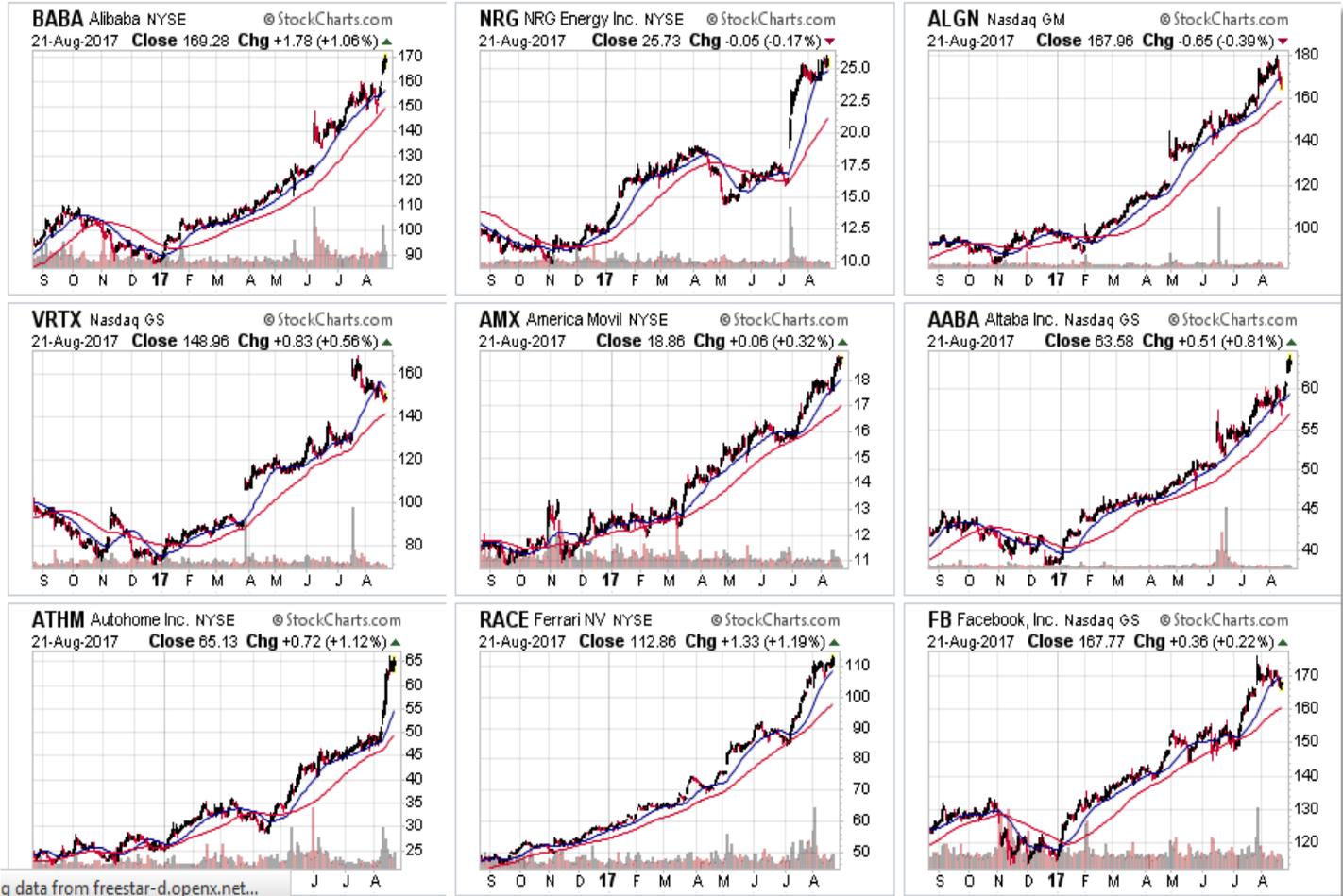
Don't do anything fancy - neither side wins in a consolidation and thus stay patient until one side does (with a breakout).

Today was a difficult-to-define session. I'll officially list it as a T2 "slightly failed" Trend Day.

Note the bullish divergences at the critical support target that set up the first successful bullish play and the second 'pullback' or retracement opportunity that resulted in a small profit.

Divergences developed through the afternoon, making continuation less-likely and indeed price failed to continue trading higher, breaking sharply lower into the close and setting up a reversal candle and potential additional bearishness per our analysis/game-planning.

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



Would you believe we STILL remain within our tiny Fibonacci Range Boundary now for a THIRD session?!

We had a tiny BULL trap (failed breakout) to accompany yesterday's tiny BEAR trap and the market pulled price back within the boundary range.

It's simple - continue to play WITHIN this range as we have the prior sessions UNTIL we get a breakout.

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



We're at a MAJOR short-term pivot and use levels as PIVOTS and then seek to trade the real-time DEPARTURE from these levels as our short-term (swing or intraday) trades. There's still NO CHANGE in our analysis because the market hasn't changed - only today gave us a BEARISH reversal candle at resistance, further tipping the odds to a possible bearish outcome.

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.