



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



While you could have taken additional bullish trades, I'm highlighted two pullbacks and an additional breakout opportunity.

Combined, today's bullish "alternate thesis breakout" session was worth up to 10 @ES points or \$1,000 per 2 contracts.

Major Companies Reporting Earnings Tomorrow...

Lululemon (LULU)

Economic Reports for Tomorrow...

Initial Jobless Claims 8:30am

Chicago PMI (9:30am)

Quotes from Last Night's Planning

We REMAIN with a NEUTRAL/RANGE bias between our overhead resistance into 2,448 and lower support near 2,438.

I'm not sure what if anything can bring this market lower; the buyers/bulls are unwilling to let it fall and are too active buying the dips.

In the two market panel forecasts I presented last week, and of course in the membership, I've been stating that classical odds do favor a pullback but it probably won't happen due to the resiliency - and conditioning - of the bulls. I think we got our answer today - you may not be able to explain WHY the market is going up (or, why it WON'T go down), but now we know it IS going higher.

With that, we had aggressive buying/bullish trades today all the way up on a REPEAT DAY from yesterday's gap-down and bullish surge all day.

This is why we take the time to study each day's price action - sometimes it repeats the very next day (and all lessons you learn WILL APPLY on future sessions).

August 28 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



Once price broke above our 2,448 @ES Fibonacci Pivot, our only play was to go aggressively LONG/BULLISH on a swing TOWARD our 2,458 target and it was very successful.

With price INTO a falling Trendline and Fibonacci Target, we remain NEUTRAL, equally ready to play a breakout swing that triggers above 2,460 tomorrow or the - perhaps - more logical sell-swing retracement that triggers on a departure down away from our dual target at 2,458.

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



You do NOT have to know the reasons or the "why" for what happens - you only need a PLAN for what you will do either in the dominant or alternate thesis scenario. Most traders correctly assume the market "should have" gone lower against the 2,450 level but that was NOT the case - it merely set up our powerful T3 Trend Day today.

It could be the catalyst for an additional run toward 2,500 IF price breaks and holds firmly above 2,460. If so, ONLY PLAY LONG above 2,460. Otherwise, be cautious here and "overlapping resistance" short-term bearish beneath 2,458/2,460 for short-term traders. My assumption is that if sellers can't win the game here, then we'll see a rally above 2,500 quickly.