



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



ALL TRADES:

1. **Bullish Breakout (Dominant Thesis) worth 7 points**
2. **Bearish Reversal and "Cradle" Retracement (breakdown) worth 9 points**

Total: 16 points or \$1,600 per two contracts

Major Companies Reporting Earnings Tomorrow...

None

Economic Reports for Tomorrow...

JOLTS (10:00am)

Quotes from Last Night's Planning

*Price "crept" back toward the high today, reminding us that we were to be **BREAKOUT BULLISH** above 2,475 which was (so far) correct.*

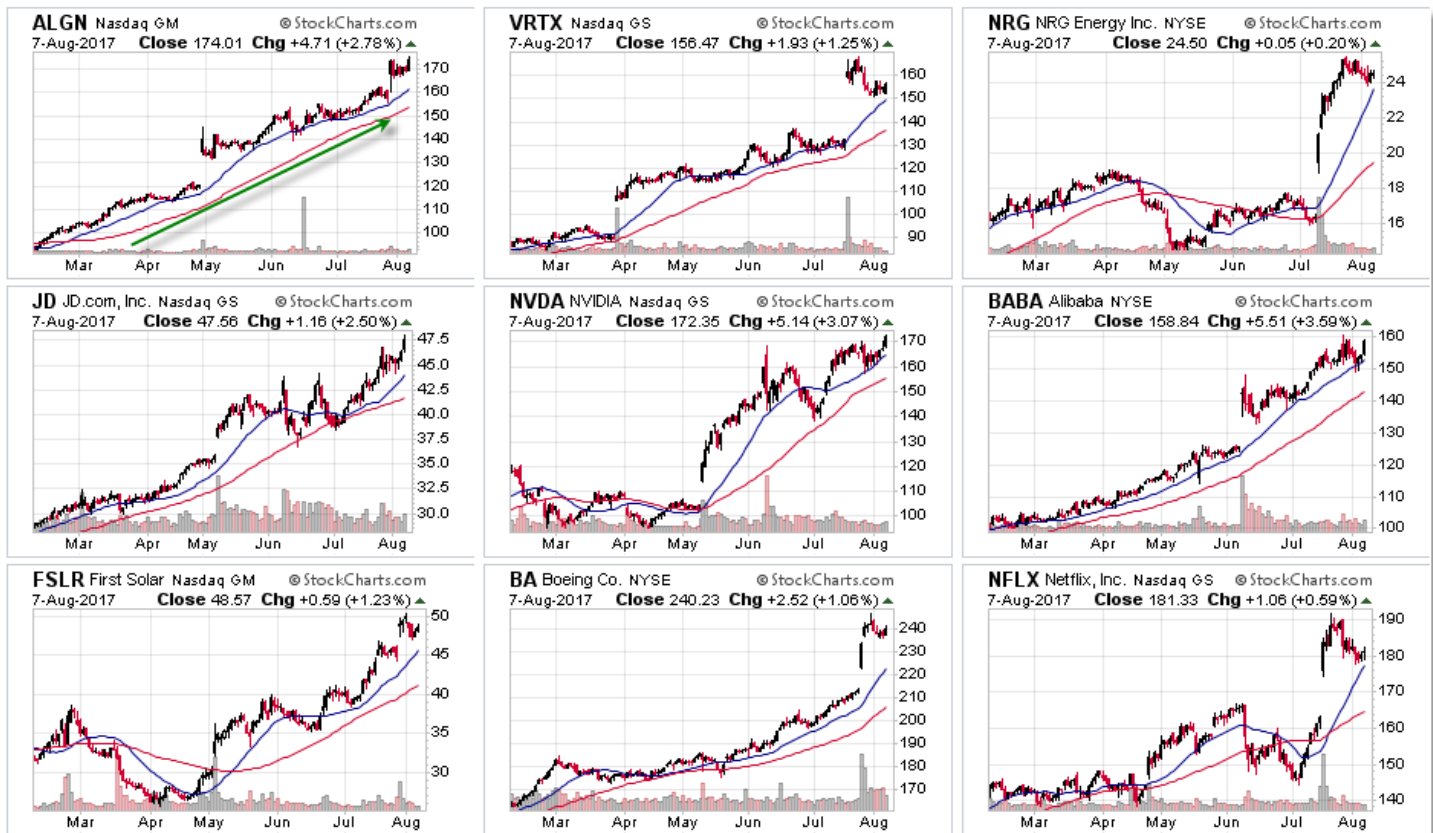
*With price near 2,480, simply play the immediate **DEPARTURE** from 2,480 - **bullish** on a breakout eventually toward 2,500 if above and otherwise **cautious/bearish** beneath (toward 2,475/2,470) if beneath this level.*

What a day! After a series of extremely low volatility sessions, today gave us a wide range (relatively speaking) with valid/efficient trades in the direction of the price movement.

We had our dominant thesis toward 2,490 confirmed (playing the departure from 2,480) with an early breakout impulse trade.

A classic textbook trend reversal - from dual negative divergences and Kick-Off signals - took place. VERY aggressive traders could have attempted a short earlier, but safer/conservative traders had a spot when price rallied back into the underside of the 20/50 EMA or the "Cradle Sell" trade (#2). In today's session, \$1,600 per two contracts was possible!

August 7 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.

Planning the 30-min Intraday @ES Futures Chart



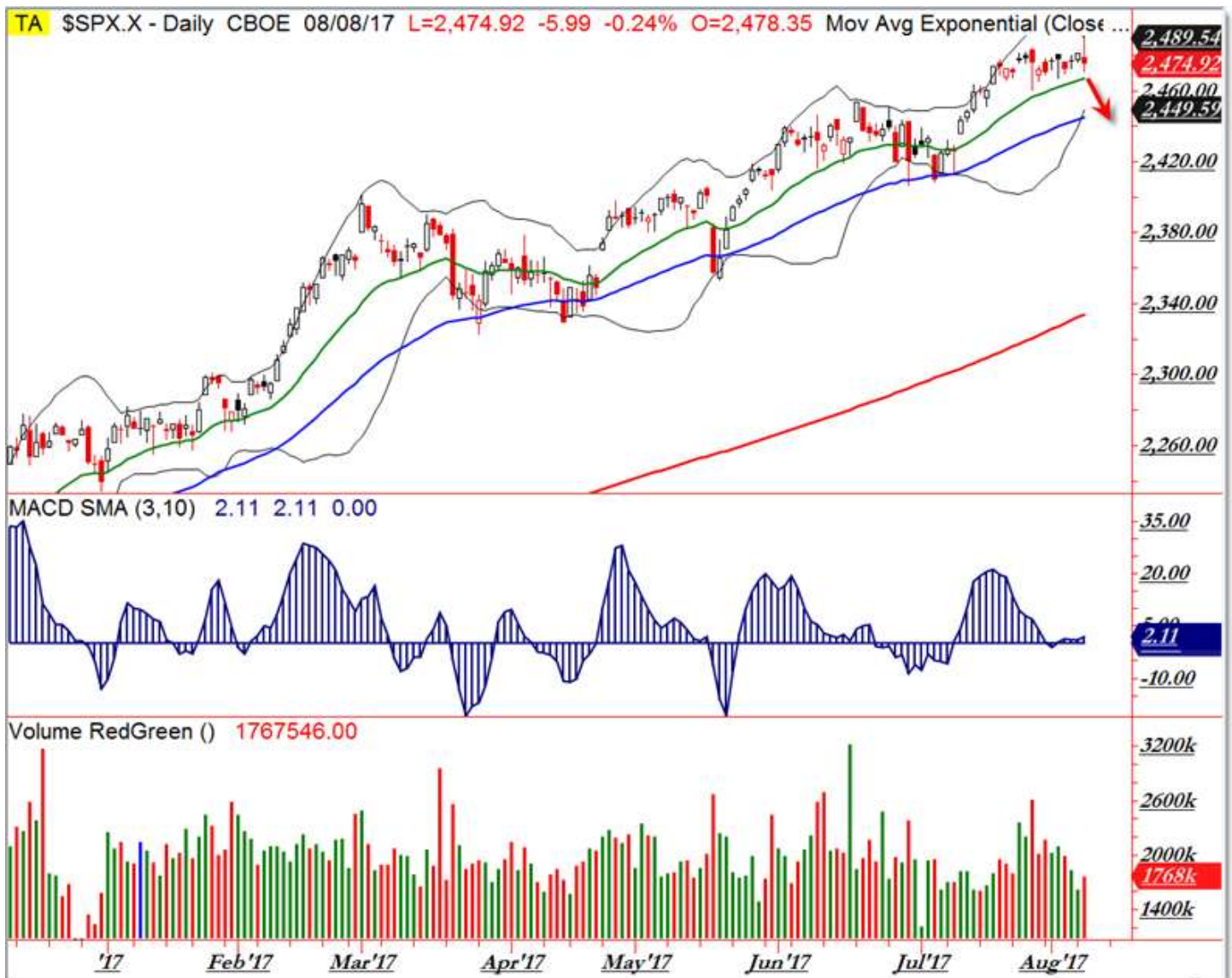
Volatility!!!

Price continued our bullish dominant thesis and the "bullish short-squeezed creep" toward 2,500. We played the "departure" from 2,480 and the ongoing bounce "up away from" 2,470.

Again, today gave us a textbook intraday reversal and now a V-Spike Reversal on the hourly chart.

BE CAREFUL going into the rest of the week with the news and announcements. Play the immediate departure again from 2,470 (bullish above) or into the steep retracement/breakdown sell phase if beneath 2,470 (toward 2,460).

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



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.

Today's "failure to break out" session does tip the scales back to the BEARISH side and given the divergences and collapse in bull/buy volume, odds are strong for a pullback toward 2,450.

Per our plan, BIGGER movements tend to occur when the market surprises traders, and that would be a continued "no pullback" breakout through 2,490 toward 2,500. Play long if so like this morning - otherwise be cautious/bearish on a break beneath 2,470.