



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



Today was a FAILED T3 Trend Day with the break beneath the 50 EMA.

We attempted ONLY bullish trades in the educational section - worth up to 2 points.

Aggressive traders could have played the break under the 50 EMA which is the "Line in the Sand" for Trend Day confirmation (they fail if price is beneath the 50 EMA).

Major Companies Reporting Earnings Tomorrow...

Adobe (ADBE), FedEx (FDX)

Economic Reports for Tomorrow...

Housing Starts (8:30am)

FED MEETING BEGINS (Wednesday is a FED DAY)

Quotes from Last Night's Planning

Just like the last phase, get ready to trade the breakout and thus the immediate DEPARTURE from the 2,500 level.

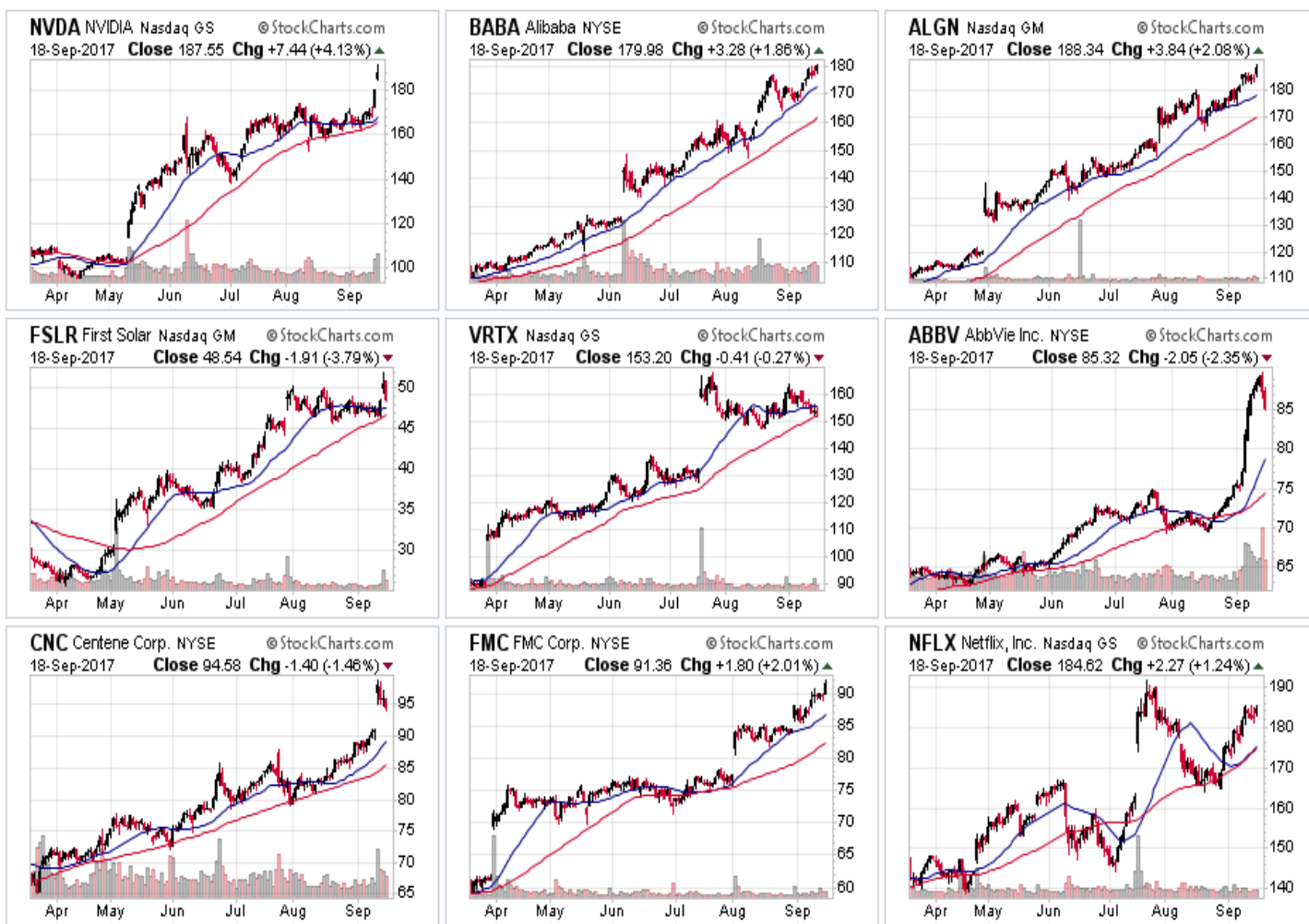
However, should the bull market continue with yet another bullish breakout event, then play bullishly (NO SHORTS) above the 2,500 pivot. Prepare for this bullish action as price closed EXACTLY at our 2,500 level in the cash S&P.

Aggressive traders could have confidently played the breakout after the open - we expected it - but all the rest of us conservative traders weren't rewarded for our efforts as much.

Those of us who waited to trade (buy) the pullback after the gap-up opening were treated to two small-profit (less than expected) bullish opportunities. We DO NOT fight or fade trend days in motion.

Once again, AGGRESSIVE traders had the advantage when they were able to short-sell the break beneath the 50 EMA - our "Line in the Sand" for Trend Days (they fail when price moves beyond them, triggering an aggressive trade). Bears weren't victorious for long, however as price rallied and closed back above the 50 EMA and 2,500 level.

September 18 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



Our initial breakout event resulted in a quick snap-back to retest the 2,500 which is common in breakouts - often if you miss the initial breakout, you get a chance to play the "first retest" of the breakout level (2,500).

Be on GUARD tomorrow for a breakdown BENEATH 2,500 which would put us on BULL TRAP (failed breakout) watch. Aggressive traders may short a breakdown beneath 2,500 ahead of a sharp potential pullback in an overextended market.

However, WHILE the market is above 2,500, AVOID ALL SHORT-SALES, knowing that a quick impulse (short-squeeze) higher may quickly occur (and cause financial losses to short-sellers).

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



There's still no major change in the strategy or plan.

We're aiming to play the immediate DEPARTURE away from the 2,500 level now that price fully achieved it. We're grossly overextended, so it would be MORE LOGICAL to expect/see a pullback down away from this level but if that doesn't happen, your only option would be to trade WITH the buyers as a short-squeeze propels the market higher (on an "alternate thesis/failure to retrace" outcome).

Know that Wednesday is a Fed Day and thus Tuesday could be a contraction session.