



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



We were able to play a RANGE DAY FADE trade - or an intraday reversal - for the main educational trade of the day. It was worth roughly 5 points or \$500 per 2 @ES contracts.

More profit was available if you were willing to trade the tiny "fades" between the upper and lower Bollinger Bands throughout the Range Day session.

Major Companies Reporting Earnings Tomorrow...

NONE

Economic Reports for Tomorrow...

PMI Composite Flash (9:45am)

Quotes from Last Night's Planning

We'll have a FED DAY tomorrow and thus will turn to our Fed Day trading tactics (view the member archives) for our tactics.

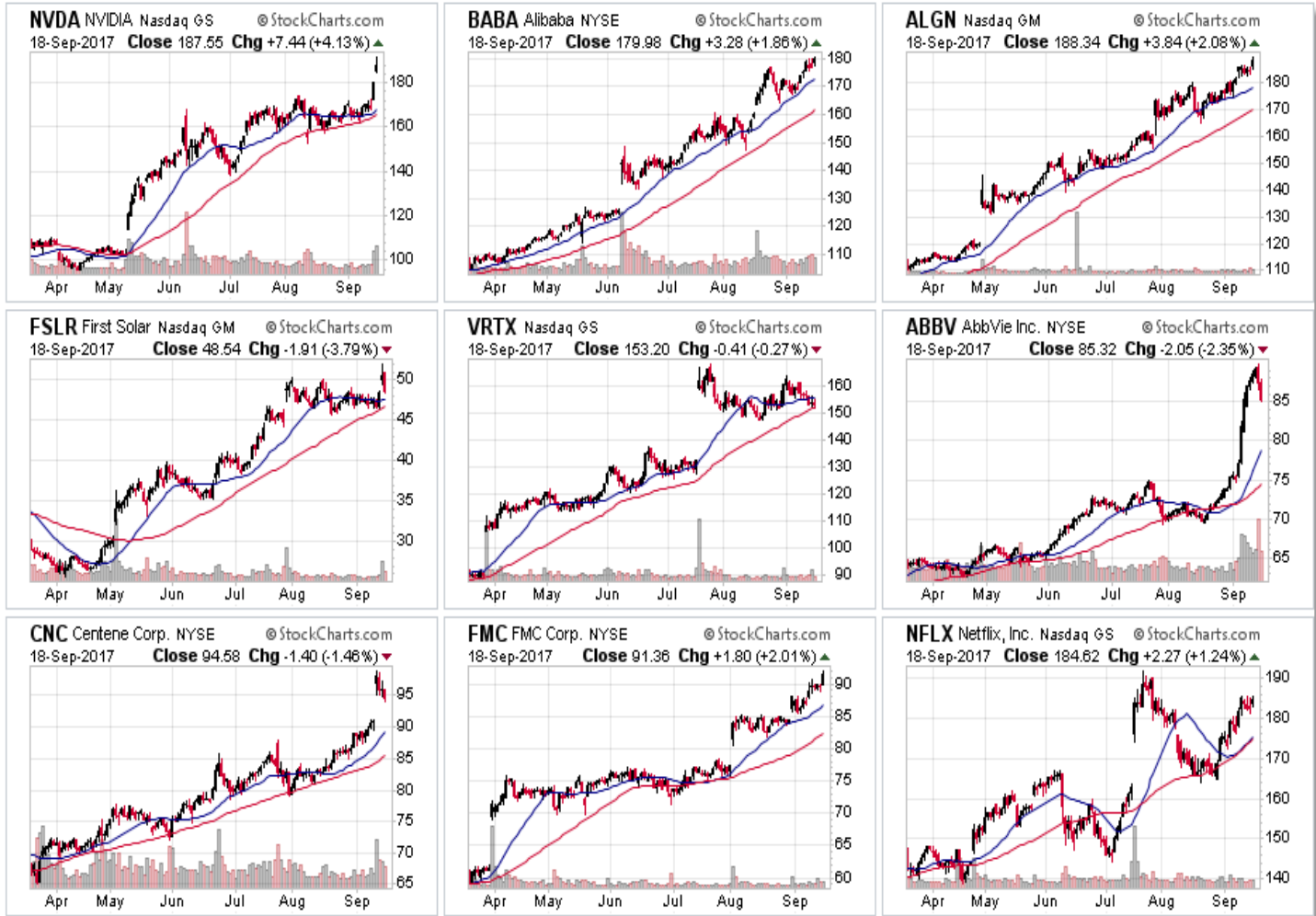
We usually get one or two trades in the morning, a FLAT no-trade (low volatility) range ahead of the announcement, and then an ABC (up/down/up or down/up/down) movement that aggressive traders can play.

Range Day!!

We're STILL within our tight short-term intraday range and that means there's few opportunities for wild and large profits. When the market is in a coil or tight range, our only option is to play WITHIN the range or else back off our active trading tactics awaiting a future breakout and shift to a higher volatility environment.

Note the 1-min chart and the divergences - especially in TICK - that set the stage for the best trade of the range day. Otherwise, there were tiny "bounce between Bollingers" fade trades with minimal profit.

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



Nothing changed in our tiny range - in fact it got tighter - and thus I wanted to repost the updated Professional Volume Profile chart with similar levels to yesterday (as targets).

In simplest terms, the "fattest" or largest parts of the vertical distribution represent the nodes of active volume levels which are targets to play TOWARD and AWAY from.

Should price depart "up away from" the 2,506 and then 2,510 level, then everything I MEAN EVERYTHING goes out the window and we just keep trading long/bullishly through 2,510 and higher.

But if it doesn't - if logic returns to the market - then play toward (and expect bounces AT, just like we saw again with today's reversal) lower volume nodes such as 2,493.

We have an "Open Air Pocket" beneath it toward 2,465 and then beneath that is 2,443.

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



We're seeing the expected PULLBACK from the upper Bollinger Band with reversal candles in the overbought trend. We're still aiming to play the immediate DEPARTURE away from the 2,500 level now that price fully achieved it. We're grossly overextended, so it's still MORE LOGICAL to expect/see a pullback down away from this level (note the reversal candles) 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). Caution is key unless above 2,510 at which point you should probably forget everything and just be bullish no matter how strange it feels or how many indicators suggest a pullback is likely (and they do).