



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



Today was interesting! We framed everything in trading the DEPARTURE from 2,500.

While the first trade failed for a scratch, it set in motion the "alternate thesis" play which allowed for a very successful breakout and first reaction or up to 8 points today (\$800 per 2 contracts).

Major Companies Reporting Earnings Tomorrow...

Blackberry (BBBY)

Economic Reports for Tomorrow...

GDP (8:30am)

Jobless Claims (8:30am)

Quotes from Last Night's Planning

Note the bullish reversal that developed today and the potential for an extended run back toward the highs.

We look to play movement TOWARD and AWAY FROM targets so try to remain without a directional bias as we play the immediate breakout and movement away from 2,500 tomorrow.

Today was one of the most interesting days we've had in a while! We continued to play our "UP AWAY FROM" the 20 day EMA TOWARD 2,500 and then later in the session, UP AWAY FROM 2,500 on a powerful short-squeezed breakout (and first reaction).

Note how the FAILED first bearish retracement (beneath 2,500) set the stage for the "larger move in the opposite direction" outcome. Failed (valid) trades can set the stage for big intraday reversals, especially when many traders are trapped on the wrong side of a logical move.

In this case, the failed morning bearish retracement set the stage for the future breakout above 2,500 -a buy - and then the safer "first reaction/retracement" play (#3).

September 25 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



It sure seems like this market may never really pull back. That's fine - we will keep playing the "bigger moves to the upside" because the majority of traders logical seem very bearish on this overbought market.

Here we are with big rallies that take the form of a rising parallel trendline channel with clear short-term boundaries that serve as your pivot points for intraday trading. Keep playing within this rising channel until we get a break beneath 2,500 again which puts us bearish.

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



Strangely enough, the market is doing exactly what it should (what is logical) from the perspective of "expect a pullback to the rising 20 day EMA and then expect a continued rally/bounce up away from this level."

Price did achieve its new intraday high but closed at the 2,507 level which will be our focal point; it's the prior price swing high from earlier in September. Simply play the bullish breakout intraday should it occur or else remain cautious/neutral - with respect to the rising parallel trendline channel - while price is within it. Stay alert! This is fun again.