



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



Today gave us a successful (aggressive) bearish retracement off the opening gap but the positive divergences set the stage for a bullish trending session for the rest of the day.

The one bearish trade was worth 1 point while the three small pro-trend retracements were worth 1.00 to 1.50 points each.

Major Companies Reporting Earnings Tomorrow...

Blackberry (BBBY)

Economic Reports for Tomorrow...

Consumer Sentiment (10:00am)

Quotes from Last Night's Planning

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.

That's exactly what happened and that was indeed the correct strategy!

We played bullishly in this non-stop bull market with the exception of an aggressive retracement or "first reaction" play following the strong downside gap.

The positive divergences into 2,500 set the stage for a reversal (again, aggressive traders ONLY) which allowed for bullish retracement trades following the breakout back above the 20 and 50 EMAs (5min).

It was just bull bull bull buy buy buy from there.

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



Like yesterday, the plan was to play WITHIN this rising trendline structure UNTIL we get a breakout. For Friday, we'll CONTINUE playing within this rising trendline structure UNTIL we get a breakout!

Continue to use 2,500 as your support-shelf and the 2,510 level as your "breakout bullish into short-squeeze" if above.

Don't complicate this bull market or expect it to collapse... until it ACTUALLY does.

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." Today continued the bullish rally above 2,500.

Price did achieve its new intraday high but closed at 2,510 which will be our focal point; it's just above the prior wing 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. As weird as it seems, this bullishness is logical.