



## Daily "Idealized Trades" Report

### Trading Lessons from the Intraday Frame (study)



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



**When the market is in such a strong price action bull rally, your ONLY allowable trades are the long/bullish ones.**

**At least three triggered today (retracements), allowing for up to 6 points or \$600 per 2 contracts.**

## ***Major Companies Reporting Earnings Tomorrow...***

NONE

## **Economic Reports for Tomorrow...**

NONE

## ***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.*

It's the end of Quarter 3 of 2017 and large-scale momentum chasing and "window dressing" occurred across the market today. Fund managers tend to "chase performance" and rush to buy (or add) shares in their portfolios of stocks that outperformed so that those stocks will show up in their portfolios on official statements. They also don't want to be caught holding underperforming names and thus weak stocks tend to get liquidated (weaker) at the end of the quarter for the same reason.

Logic aside, the bull market uptrend continued on the DEPARTURE from 2,500, making us BULLISH ONLY today.

At least three trades developed in the ongoing uptrend as noted.



## 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.

# 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



With respect to the rally from August, we're seeing a minor (small) FIVE WAVE structure completing into the 2,520 level. This makes us cautious instead of rambunctiously bullish - in fact, I suspect most traders are cautious and doubting this rally, not really participating aggressively in it.

Follow the 1-min chart and 5-min charts closely with price into new all-time high territory.

There's not many boundaries - except price itself - to guide our intraday trading decisions in run-away markets like these. Don't short just because it's overbought - that's a horrid strategy.

## 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." So far, so good.

We're now seeing divergences and a 5-wave structure taking us through 2,520 in an extended bull market. From a trend perspective - as mentioned above - this is EXACTLY what should be happening. Keep playing long/bullishly in the short-squeezed bullish market above 2,520 (keep it simple as bears capitulate) and be cautious beneath 2,520 or bearish beneath 2,500.