



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



In the continued low volatility bullish creep, ONLY bullish trades were allowed today.

These two opportunities allowed up to 4 points or \$400 per 2 @ES contracts.

To make more money in low volatility environments, increase your position size.

Major Companies Reporting Earnings Tomorrow...

JP Morgan (JPM) Citigroup (C)

Economic Reports for Tomorrow...

PPI (8:30am)

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.

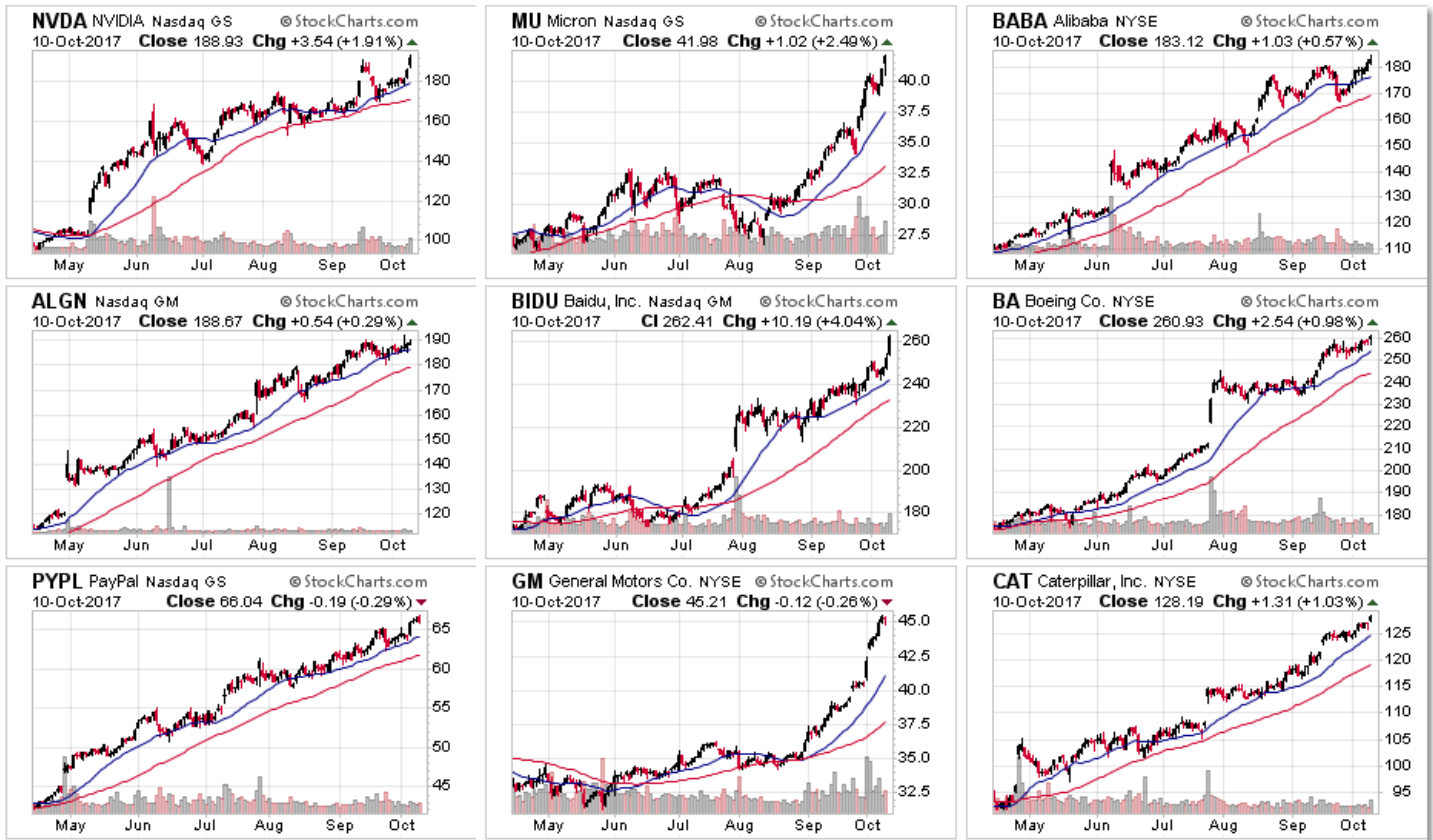
Our goal here is to plan the very next trading day and we keep the narrative that this market is in a triple timeframe bullish alignment but the "failure to retrace" even slightly continues to trigger the ALTERNATE THESIS which is the bullish upward action play.

Today the Fed released their Minutes from the last meeting with the market largely yawning in response. In fact, if you don't look closely, you won't even see the moment the Fed Minutes were released.

It was another profitable low-volatility bullish creep session bound within a rising range; it was a rising range day where we ONLY take bullish 'fade' trades at the rising trendline.

There's not much else to do in these low volatility environments except trade other markets such as Oil or Gold as your strategy and experience sees appropriate.

October 10 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



"Trends, once established, have greater odds of continuing than of reversing."

There's still no major change - especially on the Daily Chart - when price continues to form reversal candles at the extended high - right now at 2,550. KEEP THIS SIMPLE. Keep making money from this situation - when so many traders are losing money - while it lasts.

SIMPLIFY YOUR CHART. Any complex strategy or indicator will have you short-selling this market and that's the wrong thing to do.

Follow the rising moving averages and price and continue bullish activities intraday until we get breaks beneath these rising moving averages or trendlines.

The eventual pullback target is near 2,500 but DO NOT THINK ABOUT THAT until price is beneath 2,540.

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



As has been our ongoing accurate plan, expect a pullback in the overbought market but KEEP TRADING THE alternate "bigger move to the upside" thesis in our continued short-squeezed market. We're still seeing reversal candles that aren't resulting in the expected pullback. Enjoy it while it lasts because I can guarantee you this won't last forever!

Extended runs like this take place because sellers are painfully exiting the market while buyers/bulls either are also painfully entering the market (removing the pain of missing out) or

buying without emotion (which seems unlikely). Either way, this situation will continue until the supply/demand dynamic shifts and price breaks trendlines, at which point bears will enter aggressively and buyers will lock in profits. DO NOT FIGHT THIS until then.