



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



The bullish draft STILL CONTINUED with an opening gap and a rising range day. I'm highlighting the mid-day bullish support reversal worth up to 2 points or \$200 per 2 contracts.

Major Companies Reporting Earnings Tomorrow...

IBM, Goldman Sachs (GS), Johnson & Johnson (JNJ)

Economic Reports for Tomorrow...

Industrial Production (9:15am)

Quotes from Last Night's Planning

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.

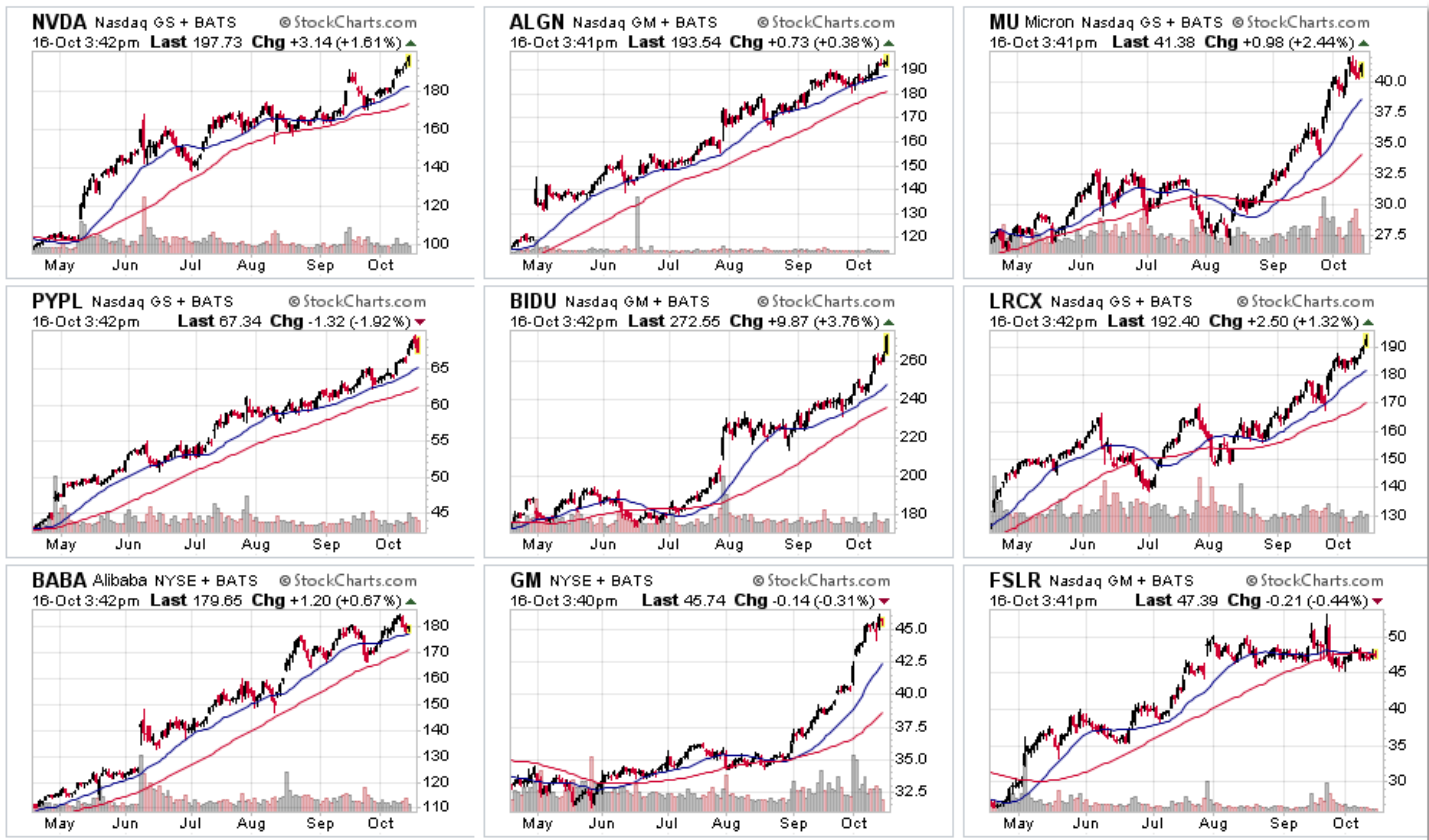
Follow the rising moving averages and price and continue bullish activities intraday until we get breaks beneath these rising moving averages or trendlines.

Ultimately we're going to keep doing the same tactics short-term while the market keeps doing the same thing which is continuing this "impossible" upside drift.

This situation WILL change - very likely this week - but continue **defying logic and ignoring everything** by simply buying little intraday pullbacks in this rising creeping market.

Be prepared for a retracement - but so far buyers continue to overpower sellers and this gives us plenty of small chances to buy pullbacks intraday in this rare extended environment. We only had one valid (ideal) trade today - the divergent intraday bullish reversal.

October 16 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

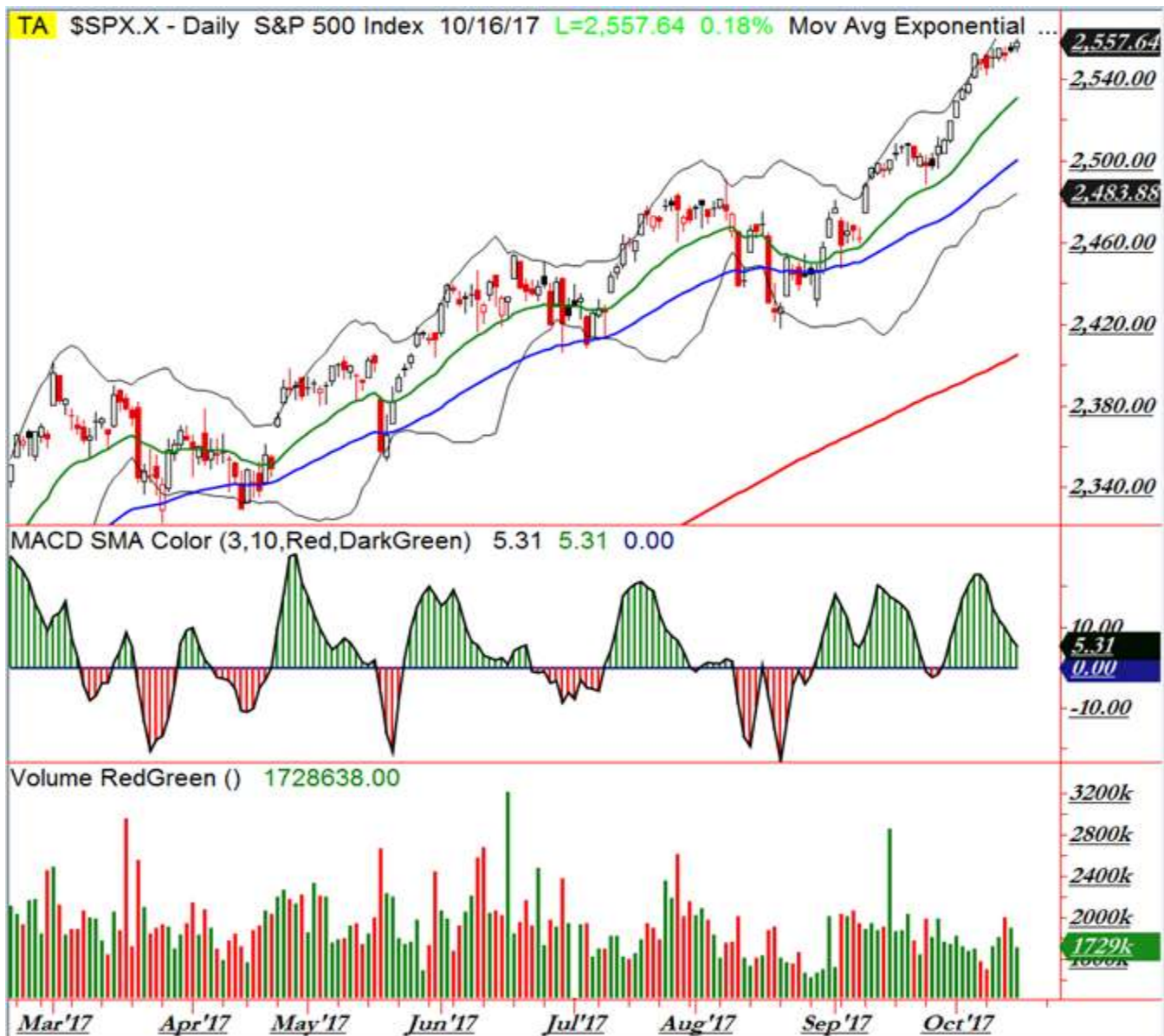


"Trends, once established, have greater odds of continuing than of reversing."

I wish I could write you a more detailed, sophisticated plan but we must trade the market we HAVE, not the market we WANT. Thus, there's still no major change - especially on the Daily Chart - when price continues to form reversal candles at the extended high - right now just above 2,550. This impossible situation can continue longer, though the longer it extends in choppy, overlapping movement, the harder/faster/lower the market will fall once selling pressure resumes.

When the market changes, our forecast/strategy will change but not until then. Stick with what's working until it doesn't.

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



When the market does something different, WE will do something different but NOT UNTIL. As has been our ongoing accurate plan, we expect a pullback in the overbought market but we 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). Keep playing bullishly until we break lower.