



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



The FAILED outcome of the morning bear flag (loss of 2 points or \$200 per 2 contracts) set the stage for the eventual afternoon reversal. Trade #2 was the breakout at the confirmation spot and the final trade(s) was a simple bullish retracement into a new uptrend - both of which were worth roughly 2 points each or \$400 per 2 contracts (making up for the morning loss at least).

Major Companies Reporting Earnings Tomorrow...

GE

Economic Reports for Tomorrow...

Existing Home Sales (10:00am)

Quotes from Last Night's Planning

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

The situation DID change! Finally! Well, at least temporarily.

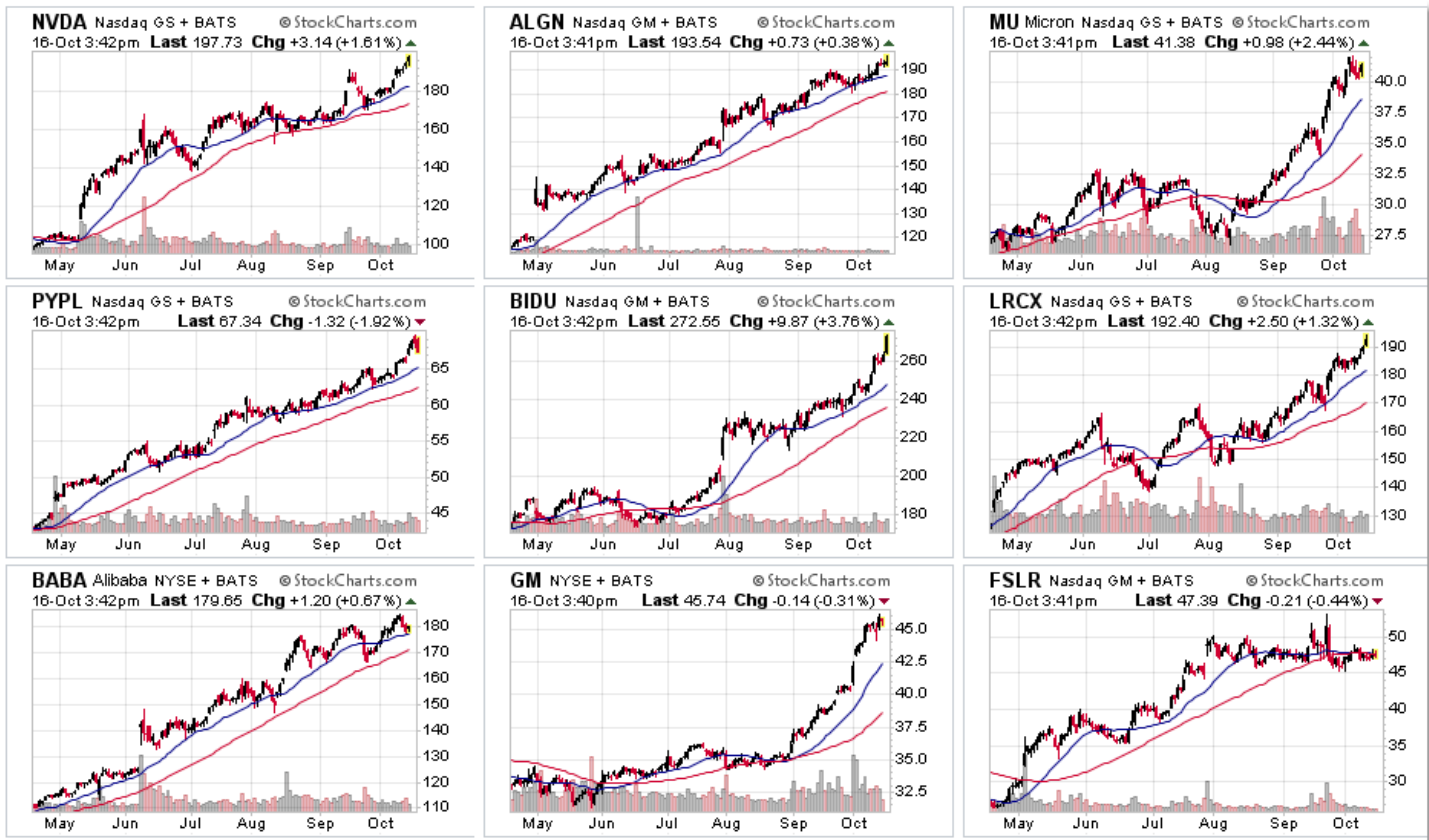
Price gapped down this morning and we attempted to play it as a possible T3 Trend Day Down in the morning. HOWEVER, when price FAILED to trade back to the lows from the first bear flag (into the EMAs) opportunity, it set the stage for a BIGGER move to the upside via a FAILED Trend Day. That's the big lesson of today's session - a failed bear turns into a bull.

With the first trade stopped out, it gave us valuable information that we didn't have in real time - that the BUYERS/BULLS are stronger than expected. We know this from the ongoing bullish creep to the market and today was simply no exception.

Ultimately when price broke above the 50 EMA (5-min) it officially triggered a BREAKOUT and REVERSAL play via a FAILED T3 TREND DAY. Today was more of a V-Spike Reversal and the breakout/confirmation pivot (above the 50 EMA) triggers an aggressive trade.

From there, we had one or more simple pro-trend pullback trades to buy into the close.

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.

Planning the 30-min Intraday @ES Futures Chart



The market treated us to a HIGHER VOLATILITY session today but ultimately the BULLS/BUYERS won the supply/demand situation again as they trapped the bears into a forced short-squeeze into the close.

We're still within our ongoing "Market Crash" as I indicate ('crash' as in it is destructive to the bears with the one-sided, non-retracing action). I'm showing you the quad-index perspective to show a DIRECT REPEAT of the Dow Jones performance yesterday (gap into relentless upward trend day).

The Russell remains our weakest market with a short-term downtrend - today's action was simply a steep retracement in a strongly trending/creeping market. Follow the new price levels created from today's action and the broken/updated trendlines.

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



Ultimately price closed RIGHT BACK within our ongoing (rising) trading range so nothing has changed in regard to a breakout - price continued within the range - though of course we had a big downside sell-off at the opening.

However, with price testing the high of the short-term rising trendline pattern, continue the ongoing logic of playing within this range until we get an actual breakout that closes outside the range - not just one morning (half a day). Keep focusing on your charts and applying the "bullish until proven otherwise" plan. Even with the gap-down, our bearish trade failed today.