



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 two triggered today (retracements), allowing for up to 3 points or \$300 per 2 contracts.

Major Companies Reporting Earnings Tomorrow...

NONE

Economic Reports for Tomorrow...

NONE

Quotes from Last Night's Planning

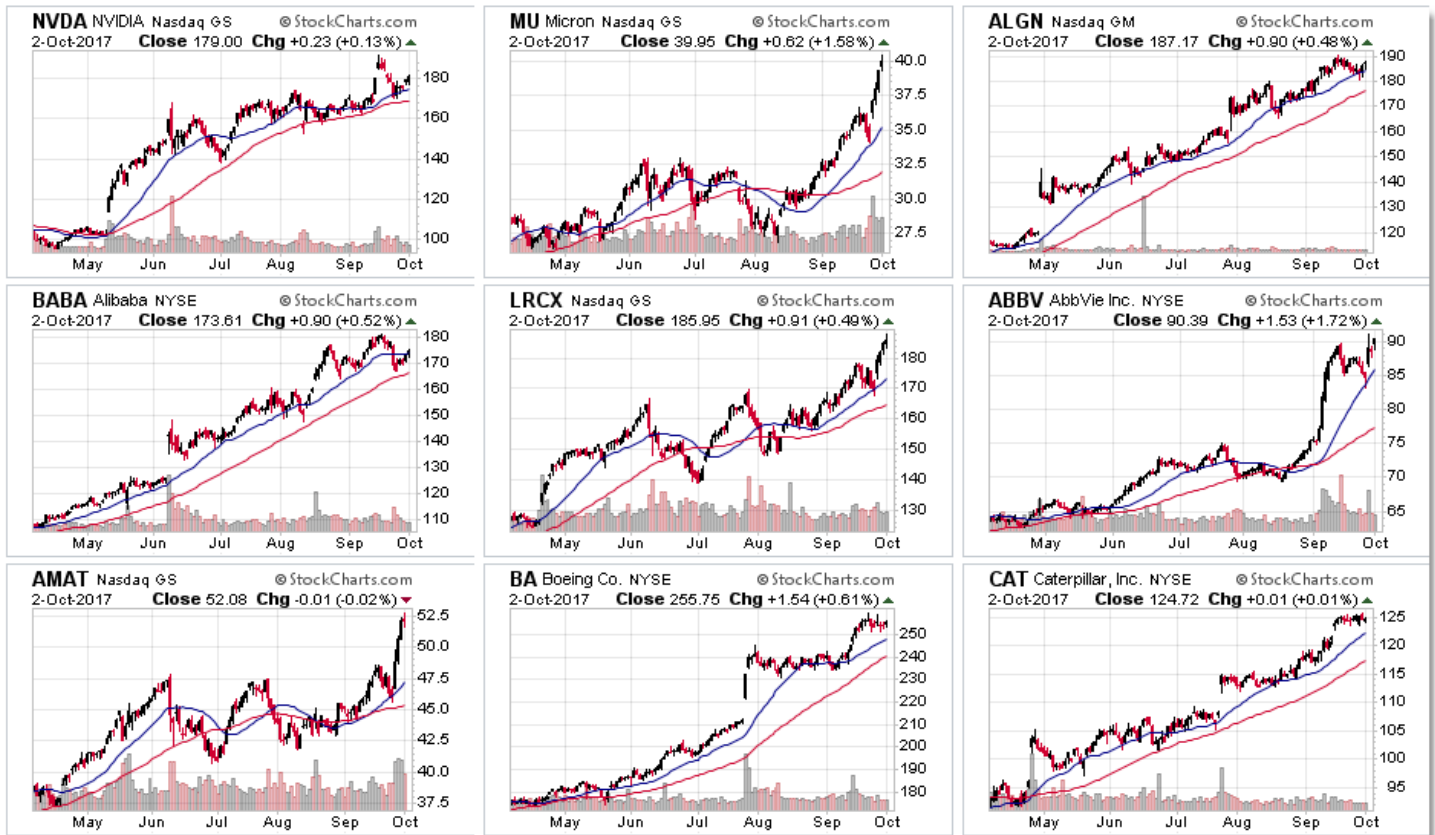
It sure seems like this market may never really pull back. That's fine - we will keep playing the "bigger moves to the upside" because the majority of traders logical seem very bearish on this overbought market.

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.

It truly was a "horrid strategy" today to short-sell the bullish market breaking out to new all-time highs. If you did so, please review our strategies on Trend Days and trading with the trend (especially when the 5-min rising moving average structure is as bullish as it was today).

While it was a horrid strategy to short-sell today, price didn't give us many perfect opportunities to profit from the non-stop never-pulling-back bullish price action. I'm noting the best trade of the day - except for just going long at the open - as the flag retracement opportunity (Trade #1). Other than that, we just had a drift move higher in a short-squeeze.

October 2 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."

That's our first of our three core price principles and it's probably the only thing keeping us on the right/correct side of this market - where so many other traders are shorting or fading it.

We had a target toward 2,530 if price held above 2,500 and we're achieving that target now.

In momentum or run-away (extended run) markets like these, the SIMPLER tactics work best - everything else will have you doubting and thus shorting this market.

Follow your intraday and short-term charts in this momentum market that is simply continuing a triple timeframe alignment.

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



As we've stated, 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 with five days in a row straight up.

Again, 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 and now 2,530 (keep it simple as bears capitulate in an ongoing short-squeeze) and be cautious beneath 2,520 or bearish ONLY if beneath 2,500.