



## Daily "Idealized Trades" Report

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



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



***We finally got a higher volatility session! We'll discuss the trades in more detail but in this section, we look at potential profit - with the four bearish morning trades, up to 17 @ES points (\$1,700 per two contracts) were possible and the afternoon retracement allowed for up to 3 more points (\$300) for a total of 20 possible points at \$2,000 per two contracts.***

***Volatility and opportunity returned!!!***

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

Microsoft (MSFT), Intel (INTC), Amazon (AMZN), Ford (F), Gilead (GILD), Google (GOOGL), Twitter (TWTR), Baidu (BIDU), First Solar (FSLR)

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

Numerous Central Bank Decisions/Announcements Tomorrow

US Durable Goods (8:30am)

## ***Quotes from Last Night's Planning***

*Still, we'll begin Tuesday's session AT the key target pivot near 2,560 which makes us SUPPORT BOUNCE BULLISH if above (dominant short-term thesis) and BEARISH COLLAPSE (alternate thesis) beneath it.*

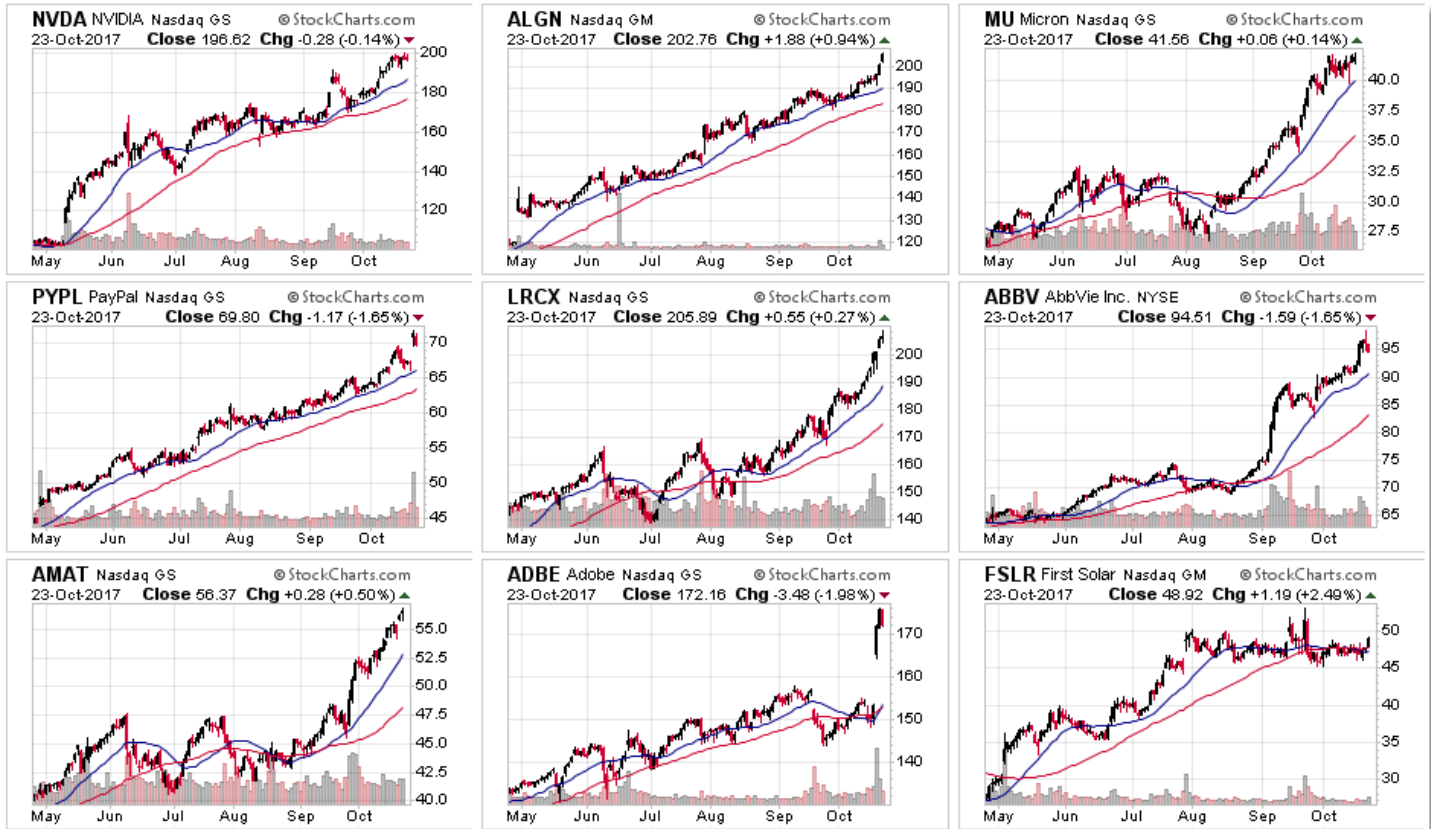
*Be patient! Protect your capital for our upcoming higher volatility environment.*

*We got the initial bounce but it was weak so get ready to trade a sell-swing should it occur beneath 2,560 toward 2,550.*

We're happy for volatility and opportunities! The session began with our bearish/retracement (pullback) dominant thesis which set the stage for a fall toward 2,550 then 2,540 which is the rising 20 day EMA target. We had four or more short-term bearish retracement "flag" trades (best seen on the 1-min chart) on the pathway toward our target support prices.

From there, VERY aggressive traders had a chance to play the V-Spike (with positive divergences) reversal OFF our support target or all traders could play the "first reaction" or first pullback (flag) after the afternoon breakout (our Trade #5).

## October 23 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



Price did what it was supposed to do! It's felt like a long time since this occurred as we've been playing this short-squeezed bullish alternate thesis for so long without a decent pullback.

Nevertheless, price fell straight toward our first target of the prior swing low which also formed a confluence at the 38.2% Fibonacci Retracement at 2,540 which ALSO formed a confluence with our rising 20 day EMA target.

It's not surprising then that price bounced sharply UP AWAY FROM this confluence target after trading successfully DOWN TOWARD IT.

For Thursday's session, we'll have A LOT of major companies reporting earnings so watch your price action closely and be on guard for surprises. Trade the departure from 2,560 again.

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



It feels GREAT when price does exactly what it is supposed to do - which was simply retrace toward the rising 20 day EMA. Now we're seeing a bounce UP AWAY FROM it as the uptrend continues.

Again, Thursday gives us many major companies reporting earnings and we'll remain attentive the whole day, monitoring open positions carefully for any surprise volatility.

Frame your trades in terms of the departure - which right now is bullish - away from the 2,550 pivot noting the bullish pathway above it and bearish (toward 2,520) beneath it.