



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



While today took the form of a Trend Day down - in that there was an opening gap and downtrend for the majority of the session - the close was on a push off the low making it a less-than-stellar trend day.

Still, all trades were bearish 'flag' or retracement opportunities via Trend Day logic.

Up to 11 points (\$1,100 on 2 @ES contracts) were possible with the four trades today.

Major Companies Reporting Earnings Tomorrow...

Under Armour (UA) and MasterCard (MA)

Major Economic Reports for Tomorrow...

Case Shiller Home Price Index (9:00am)

Quotes from Last Night's Planning

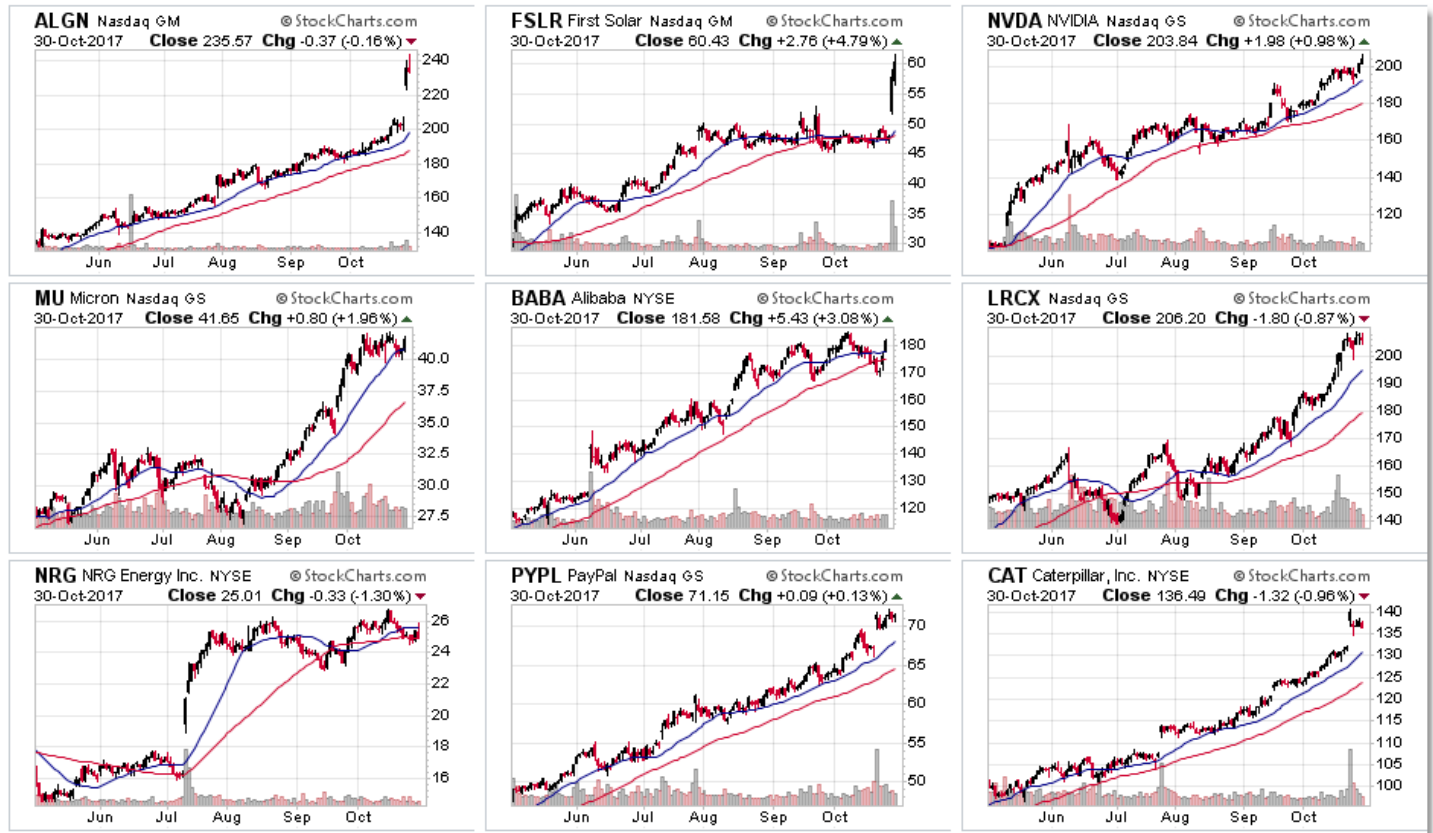
Use 2,580 as your short-term pivot and continue playing "ignore it all" bullish above it and otherwise cautious/consolidation beneath it.

Indeed 2,580 was our objective planning pivot and price did indeed depart AWAY FROM our pivot level.

The initial gap DOWN set the stage for a pullback and possible Trend Day lower, making us more likely to take bearish retracement trades as they developed into the falling 20 or 50 EMAs (5-min).

At least four such opportunities occurred, allowing for up to four successful bearish outcomes though price did ultimately stabilize and rallied up into the close, not giving as good of a trend day as Friday's upward action.

October 30 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



With all the volatility and activity, price is forming a WIDE RANGE between the 2,545 low and the recent 2,580 high.

With price at the MIDPOINT of the range, look to play the departure from 2,570, meaning we'll take another small 'bull flag' rally back toward 2,580 or else play a (more likely) breakdown beneath 2,565 should it occur.

WEDNESDAY will be the big day this week so make note of it (earnings plus a "Fed Day").

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



Price continues its journey toward 2,600 by closing at a new all-time high just above 2,581.

Keep this simple - if you complicate this, you'll either be too defensive/cautious (which is fine - it's better than being overly aggressive) or worse will short/fight this market and lose money.

Note the position of price near the upper-middle of the trading range which tilts the SHORT-TERM odds for another pullback/small bearish swing.

If instead we see a firm breakout above 2,580 via support bounce from 2,570, then we just keep doing what we've been doing - ignoring everything and trading the bullish price action.