



## Daily "Idealized Trades" Report

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



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



***We actually had two successful short-term bearish trade opportunities today!***

***The two gap-down bear flags (in a Trend Day at the time) gave us a chance for up to 4.50 points (\$450 per 2 contracts) but that's all we could get in this run-away bull market because a Rounded Reversal developed into the close.***

## Trading Lessons from Thursday's Trend Day



I wrote Wednesday that the market was "breaking" or "crashing" higher and Thursday that was abundantly true. Thursday also was a travel day for me and long-term members (thank you for your ongoing support!) know that when I leave the office to go speak at a Traders Expo or event, THAT is when the market will break into a HUGE T3 Trend Day and I'll miss it. It happened again.

There was no other way to trade yesterday safely/professionally other than to have our Alternate Thesis calling for the "bigger move in the opposite direction" in the event the market didn't retrace or pull back - and it was clear from the opening gap and morning action that it was not. So the first and only SAFE trade was the breakout impulse and short-squeezed "crash" toward 2,550. We do not chase markets EXCEPT when our plan calls for us to do so.

## Major Companies Reporting Earnings Tomorrow...

NONE

## Economic Reports for Tomorrow...

Monday is a Holiday (markets will be open)

## 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.*

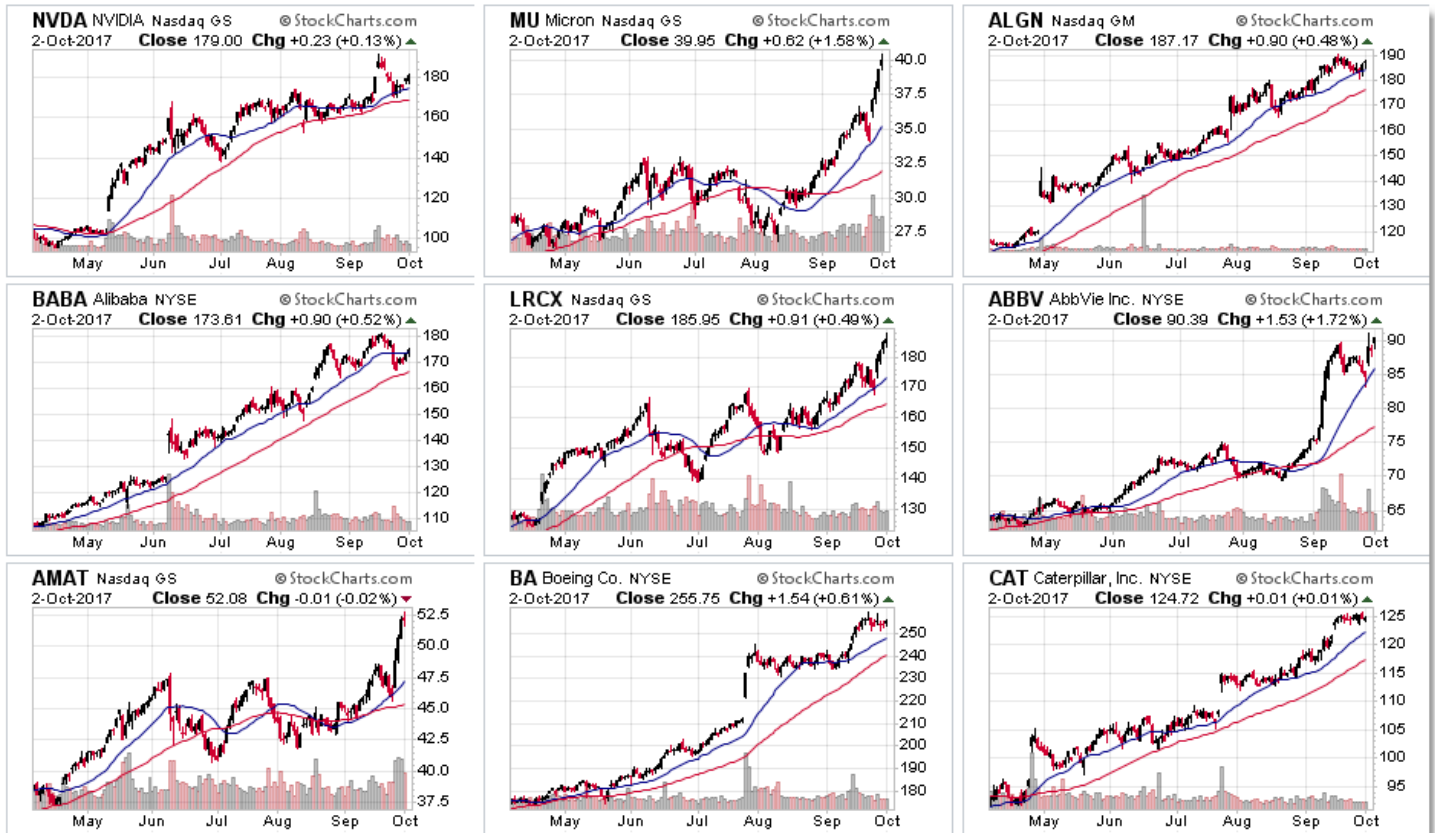
*"Trends have greater odds of continuing than of reversing."*

*That's our first of our three core price principles and it's STILL the only thing keeping us on the right/correct side of this market in this rare extended run.*

Please understand that "trends, once established, DO have greater odds of continuing rather than reversing" and the recent price action reminds us why this is our CORE FOUNDATION principle of price behavior - it works.

However, today FINALLY gave us a little tiny pullback worth two brief bearish trades - if you were inclined to take them - ahead of a lengthy positive divergence and ROUNDED REVERSAL day structure. This trend still continues no matter what - even if the US Economy is losing jobs.

## 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."***

We're in a slightly better or more logical situation given the pullback/retracement Friday just to the rising 20 hour EMA (green). That's where our intraday Rounded Reversal developed.

For next week, we'll have a low volume (likely) session for the holiday Monday and will be more active Tuesday.

Keep doing what's working - expecting/preparing for a logical pullback but trading the "ignore it all" bullish alternate short-squeeze "no pullback ever ever ever again" thesis until price actually does pull back for more than a few intraday hours.

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



Again, expect a pullback in the overbought market but KEEP TRADING THE alternate "bigger move to the upside" thesis in our continued short-squeezed market. Enjoy it while it lasts because I can guarantee you this won't last forever!

Let's note that this extended run has multiple examples just on the chart above - where we can see extended runs up in May, July, late August, early September, and now early October. THIS IS NORMAL; THIS IS EXPECTED. It's also expected that we'll pull back from our swing high.

Focus on your lower frames given the run-away trend and please be safe and enjoy this ride.