



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



Major Companies Reporting Earnings Thursday...

NONE

Major Economic Reports for Tomorrow...

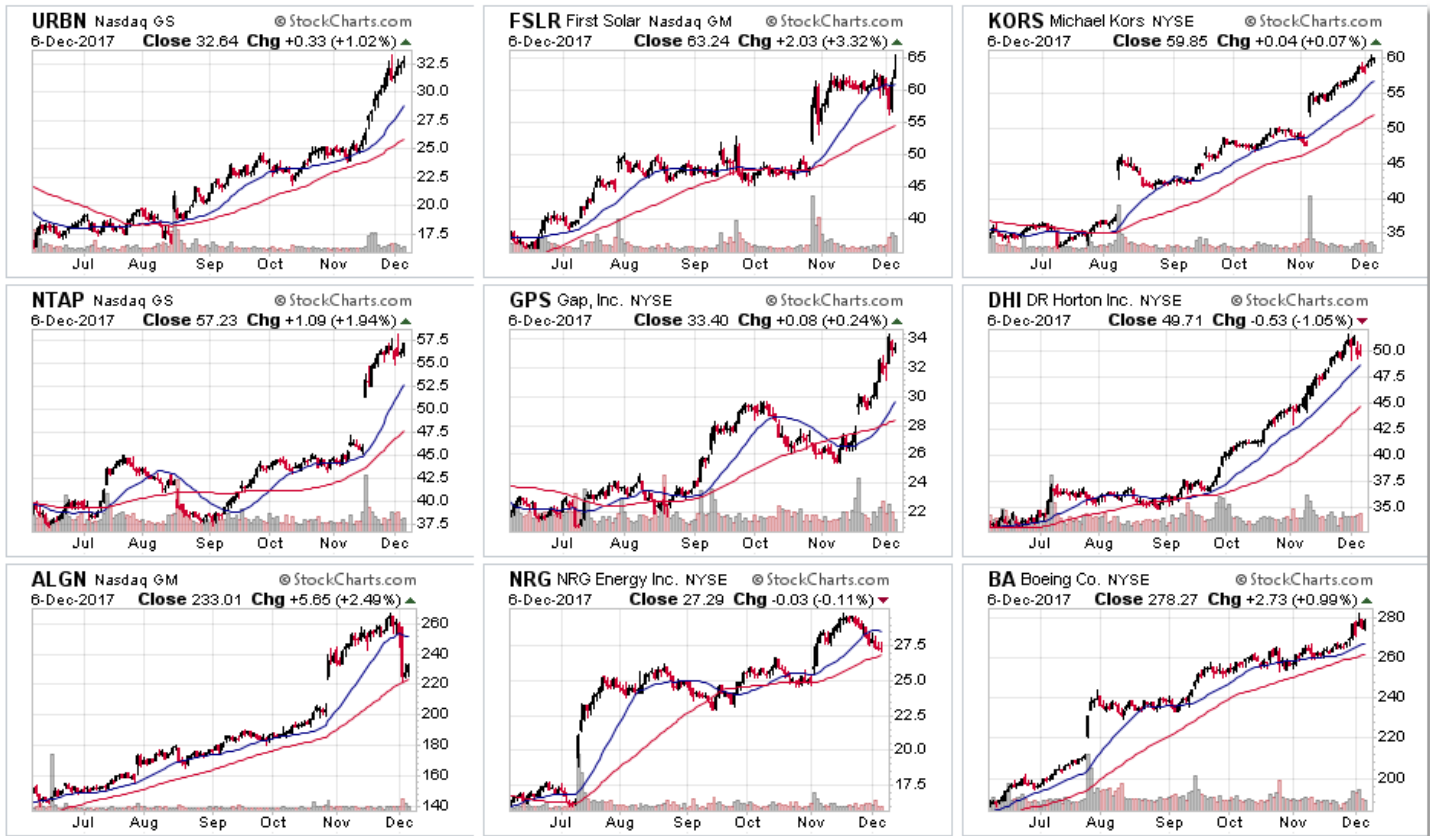
Initial Jobless Claims (8:30am)

Quotes from Last Night's Planning

We have a BIG lesson from today's lesson and let's discuss. First, we had a logical (overdue?) pullback take us BACK toward the rising 20 day EMA target in an extended market - so far so good. Today's session took place on a Rounded Reversal pattern at the TARGET of the 38.2% Fibonacci Retracement at 2,625. That should have been evidence enough to suspect a possible BOUNCE/RALLY session. The clear dual positive momentum and TICK divergences also gave us a clue that odds favored a bounce and certainly you could have captured the aggressive reversal ("A" on the chart).

However, given the downtrend and bearish action, I highlighted two simple and profitable retracement (flag) opportunities as price traded down toward our target before reversing off it

December 6 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



Ultimately price retraced all the way back to the known 38.2% Fibonacci Retracement I highlighted for you Monday and then found support with a rounded (bullish) reversal off this critical pivot - 2,625 - for the afternoon part of today's session.

For Wednesday, we'll take a standard "bullish until proven otherwise" stance with the market given today's positive divergences at a critical target. Use the 2,625 level as your bull/bear pivot, playing aggressively bullish on a swing UP AWAY FROM it or else bearishly on a break under 2,620 toward the 2,600 target.

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



After temporarily surprising us with an "alternate thesis" bullish (WAY bigger than expected) breakout, price is normalizing and behaving reasonably with a retracement DOWN AWAY FROM the 2,650 pivot TOWARD the 2,625 known pivot.

With the initial pullback complete, use the intraday chart and 2,625 as your bull/bear pivot, knowing that a break beneath 2,625 sets in motion a logical full retracement toward 2,600 (the 20 day EMA and 61.8% Fibonacci Level). Otherwise, we remain bullish above 2,630.