



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



FED DAY!!!!

Remember we treat Fed Days differently as they are a unique (8 per year) Day Structure.

The first trade (a potential trend day support bounce opportunity) failed which set the stage for a reversal and successful Trade #2 (a "Cradle Sell").

With the scratch/small loss of #1 (knowing that most Fed Days BEGIN with an opening gap that fills... which was the case here) and the success of Trade #2, up to 3 points (\$300 / 2 contracts) were possible (also given that WE DO NOT TRADE the aftermath of the Fed).

Major Companies Reporting Earnings Thursday...

Starbucks (SBUX), Alibaba (BABA), Apple (AAPL)

Major Economic Reports for Tomorrow...

Productivity and Costs (8:30am)

Economic Reports Friday...

JOBS REPORT!!! 8:30am (Potential Mover)

ISM Non-MFG (10:00am)

Quotes from Last Night's Planning

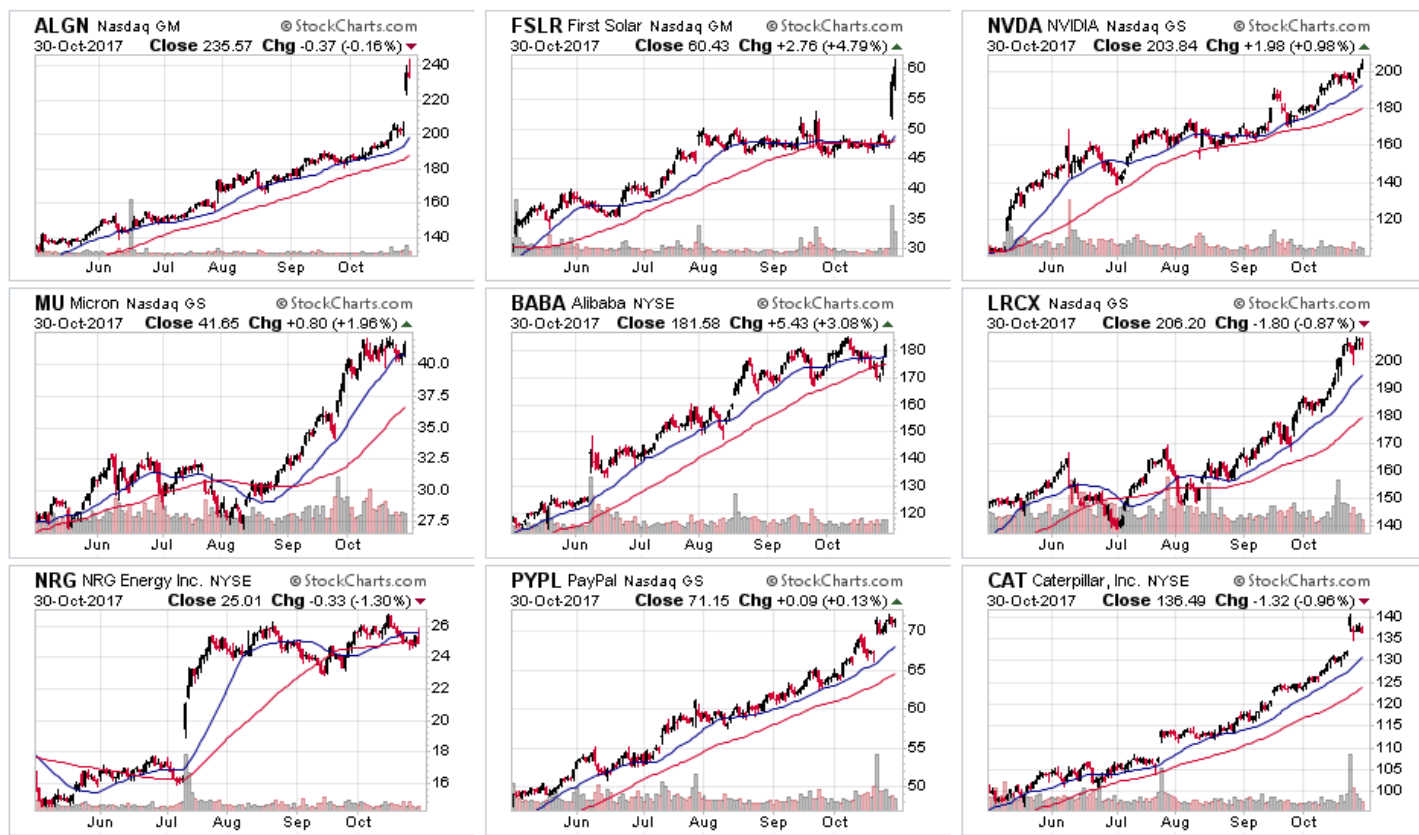
With price at the MIDPOINT of the range, look to play the departure from 2,570, meaning we'll take another small 'bull flag' rally back toward 2,580 or else play a (more likely) breakdown beneath 2,565 should it occur.

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

And what a Fed Day it was! Price didn't take the form of a typical Fed Day - at least not perfectly. The general model calls for an opening gap (check - but smaller), a fill of the gap (check - but again we had a large gap to fill), a flat range before the official announcement (not today), and a big volatile move after the announcement (not today).

Still, the lesson is that Trade #1's failed retracement bounce set the stage for a future breakdown/reversal event which gave us the successful Trade #2.

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.

Planning the 30-min Intraday @ES Futures Chart



Price drifted back toward the highs beneath 2,580 as our "bounce" thesis continued today with a gap-up to new highs. Ultimately, price pulled back/retraced lower toward our trendline and EMA support levels, but carefully note the location on the DAILY chart (doji at Bollinger).

Our "FED DAY" today was a "nothing-burger" with the Fed NOT raising rates as expected and the market NOT reacting to the non-change in policy or forecast.

We're seeing a rising wedge pattern and will frame our trades in terms of the DEPARTURE from these levels - namely dominant thesis breakdown bearish (retracement on Daily Chart) when beneath 2,570 or alternate thesis "ignore it all/short-squeeze" bullish above it to target 2,600.

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 near 2,580..

We're seeing price at the upper edge of its range (intraday) AND Bollinger Band - this still tilts the SHORT-TERM odds for another pullback/small bearish swing.

After market close, we'll have large tech companies including Facebook (FB) reporting earnings so make note of those along with the pre-market activity tomorrow.

Be prepared to trade a firm breakout above 2,580 via the alternate thesis as we just keep doing what we've been doing - ignoring everything and trading the bullish price action.