



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...

Home Price Index (9:00am)

Quotes from Last Night's Planning

Focus on the Daily Chart for the specific "trade the departure" plan away from 2,600 like all other times we've encountered a round number reference/resistance target.

We've been officially targeting 2,600 for weeks if not a few months now and FINALLY it's here - price achieved the full 2,600 target today.

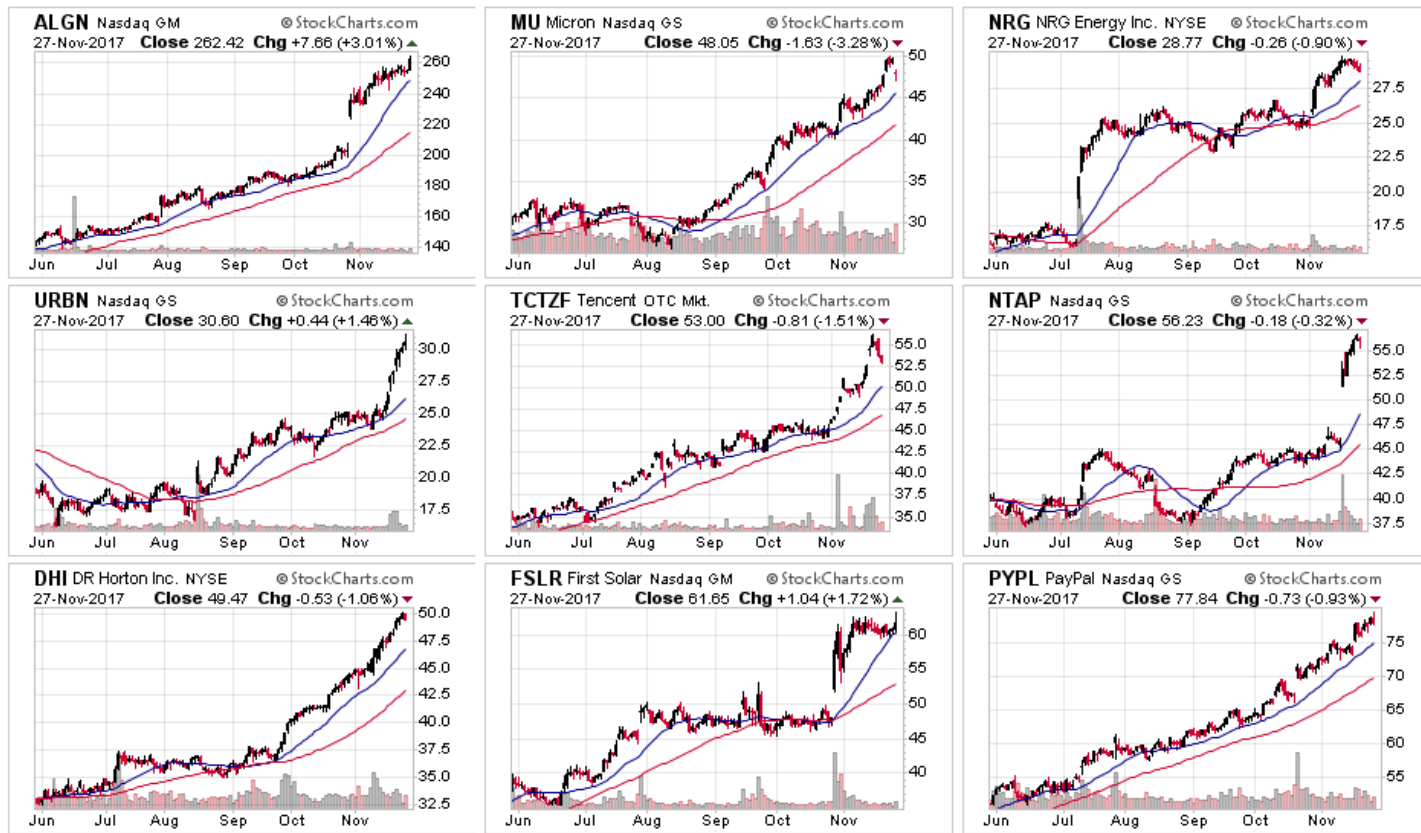
What happens next and how do we trade it? Simple - look at prior outcomes like we're seeing right now because the plan was the same.

We'll turn our attention toward the PLANNING section of today's report as there isn't much to teach from the flat, range-bound action.

The BIG lesson of the day to study is the DIVERGENCE (non-confirmation) with price on the morning rally and Market Internals - including TICK. This divergence set the stage for TRAP or FAILURE outcome with an aggressive trade trigger entry (which I don't highlight as most members tend not to be aggressive) on the breakdown beneath the Symmetrical Triangle Pattern.

Price then trapped the bears, rallying/reversing up off the full 2,600 key target.

November 27 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



The market is CLEARLY setting the stage for another bearish reaction/snap swing lower on a departure swing AWAY FROM 2,600.

Note the two Bearish Rising Wedge Patterns on negative momentum divergences (especially early November) and the violent snap-back that collapsed price in one session from 2,600 to 2,565.

Yes, we're expecting a similar outcome to develop on a break beneath 2,600 as our DOMINANT thesis; but are fully aware that buyers can intervene and short-squeeze this market higher on a breakout, resulting in a violent upward path above 2,605 (stop-losses).

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



The forecast/probability is ABUNDANTLY clear. Does that mean the market will do what it is "supposed" to do? No, of course not.

Our DOMINANT (if not overwhelming) thesis expects a snap-pullback away from 2,600 toward 2,575 (the 20 day EMA and support pivot) or the 2,550 level (the 50 day EMA and lower Bollinger Band overlap). Multiple factors suggest a pullback is far more likely so prepare to swing or aggressively trade it intraday in the event price does depart from 2,600. It's not guaranteed, so please be prepared for a manipulation swing to trigger big short-squeezed bullish surge up away from 2,600.