

AFRAID to TRADE[®]

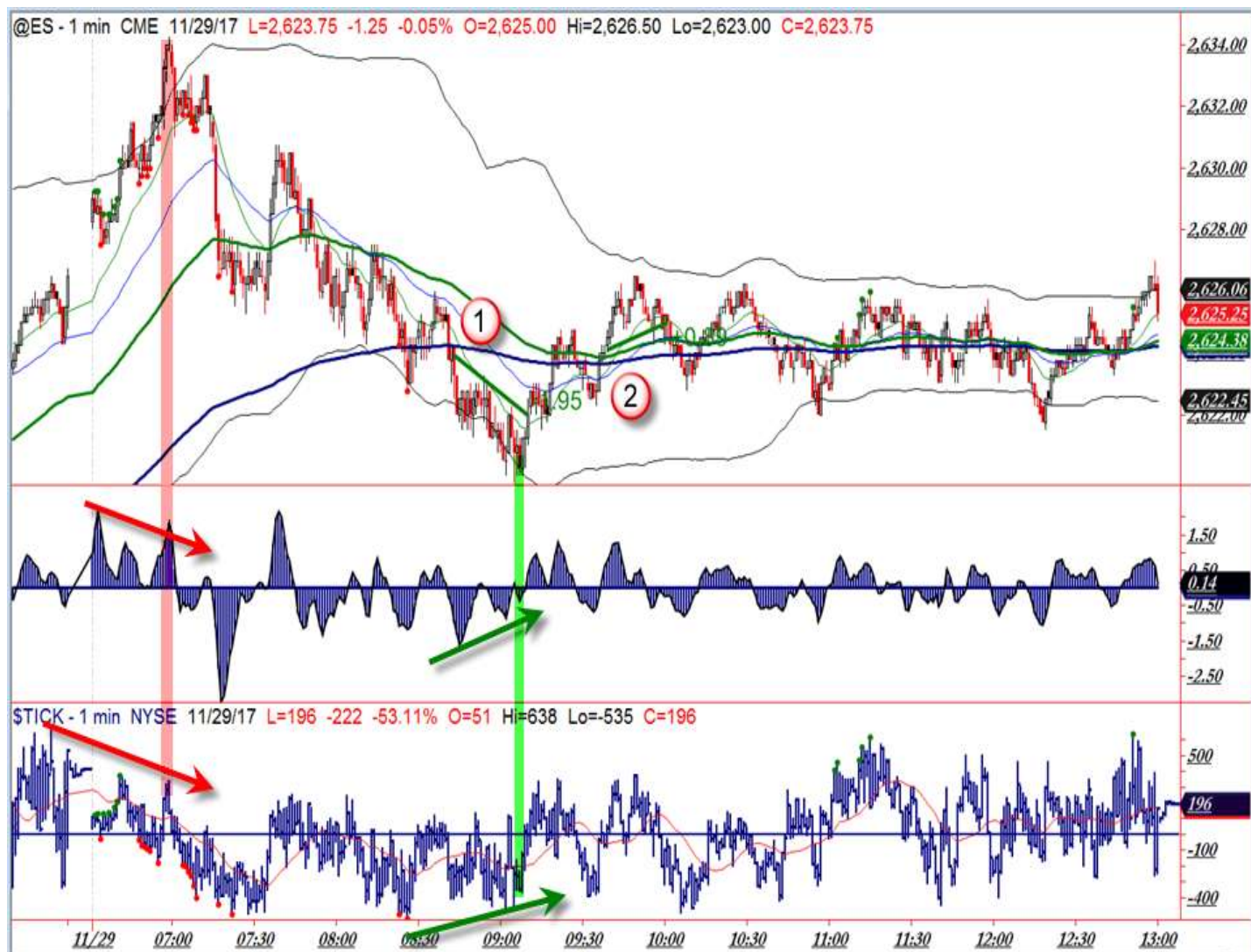
overcoming stock market fears with Corey Rosenbloom

Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



Major Companies Reporting Earnings Thursday...

Ambarella (AMBA)

Major Economic Reports for Tomorrow...

Initial Jobless Claims (8:30am)

Chicago PMI (9:45am)

Quotes from Last Night's Planning

Follow your lower timeframes in this short-squeezed, now-chaotic market.

Be on guard for any reaction/retracement (which is logical) tomorrow but if we keep extending higher - on news of the tax cut moving closer to law - then join the bulls or stay out of their way.

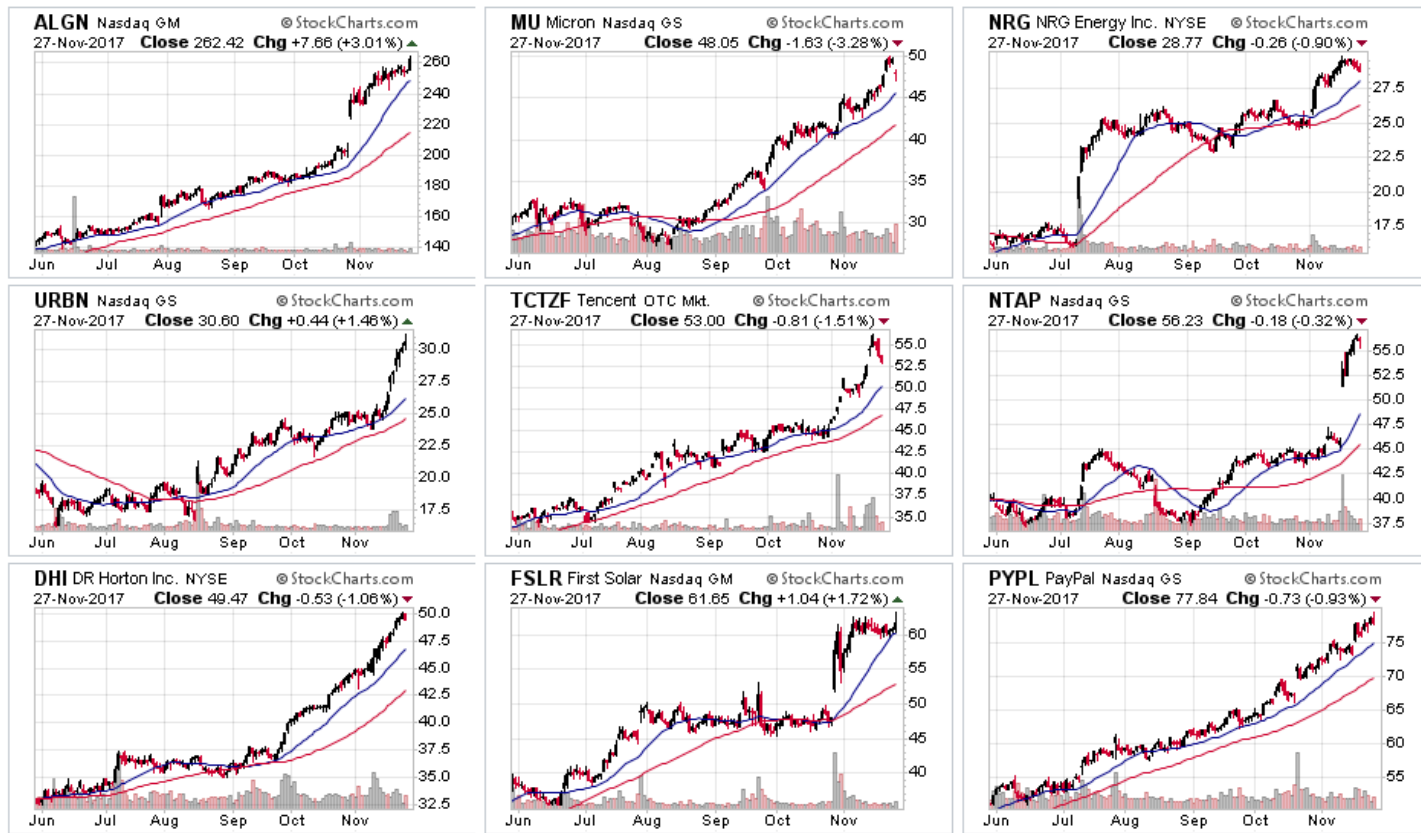
We have no levels up here to guide us at the moment.

Logic suggested that a PULLBACK was more likely than extended irrational emotional bullish action to the upside and ultimately that's what we got in today's session. We typically get range or consolidation action after powerful T3 Trend Days and today was no exception - if you don't count the opening bullish action that was met with negative divergences.

Your LESSON for the day is the non-confirmation or divergences in internals while price crept higher - it suggested a reversal/failure was likely and that was indeed the case.

However, our initial breakdown (beneath the 50 EMA) short failed as did our attempted bullish breakout as price consolidated into a range to close the session (despite the rout in tech).

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.



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 bull market continued with a logical retracement/reaction swing to yesterday's Alternate Thesis bullish breakout and short-squeezed event.

The Tax Cut Bill looks more likely to pass Congress which sent shares surging yesterday. Today gave us a pause in the bullish action as we get more information.

Ultimately price retraced to the rising 20 EMA at the 2,620 pivot level, making it our Bull/Bear price point for tomorrow.

Remain bullish above 2,650 (bull flag) and bearish for a retracement toward 2,610 if under 2,620.

The NASDAQ Does it Correctly



So, this is what the market **SHOULD** have done yesterday instead of breaking up into a huge T3 Trend Day. The NASDAQ - tech-heavy index - collapsed from the upper Bollinger Band with reversal candles toward the support target of the rising 20 day EMA and the 6,800 index level.

It's a great example and very interesting given that the Dow was up 100 points while the NASDAQ fell almost 100 points (and the S&P 500 was completely flat).

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



Today was a consolidation or DOJI session above the upper Bollinger Band on the Daily Chart near the 2,630 level.

Note prior events like this when price pulled back away from the Bollinger toward the 20 EMA; note that a close OUTSIDE the upper Bollinger Band is a sign of strength for the market.

In extended conditions like this, we MUST pay attention to the lower timeframes and use the past (events) as examples of what to expect in this extended, non-stop bullish environment.