



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



Major Companies Reporting Earnings Thursday...

Priceline (PCLN), KORS

Major Economic Reports for Tomorrow...

NONE

Quotes from Last Night's Planning

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

Thursday gave us a rapid Sell-Swing down to our daily target and then a V-Spike Reversal up away from it. Please continue framing your trades in terms of movement TOWARD and AWAY FROM key levels on the higher frame. Play retracements or breakouts as price moves TOWARD or AWAY FROM these levels as intraday opportunities develop.

Friday gave a triangle and a continued push UP AWAY FROM the 20 day EMA target with a breakout opportunity and then as price drifted higher, it gave another breakout opportunity or a tiny retracement event.

The bull market continues and we keep playing trades in the direction of the trend, as I discuss in the next session (traders continue to have difficulty doing this).

COREY'S COMMENTS - from the Vegas Traders Expo

It was great seeing a few fellow members and meeting you at the Expo! It's always an honor to meet you in person - it helps keep up the motivation to keep writing and providing commentary to you all!

I wanted to share a few thoughts/observations from my time with fellow traders and colleagues.

First, this really is the most hated bull market in known history. In both my sessions - I taught a four hour intensive class and a one-hour talk on Trend Days - I generally polled the audience on current events and their thoughts about the market. In the four-hour class, I comically asked how many in the room think the market will go higher into the end of the year... about 80% said YES that the market would close 2017 higher. I tend to agree but seeing a room full of traders agree on the direction of a market is usually a scary thing that argues in favor of that expected outcome NOT happening. But I digress.

Most traders with whom I spoke were struggling with the non-stop upward drift and extremely low volatility environment. Over dinner/drinks with fellow colleagues (fellow speakers), some of them are having trouble as well trading this market. I polled the room and found only ONE trader (in my 80+ person room) happened to catch the big \$80 move up in Amazon (earnings).

Many traders wanted to learn new strategies or even how to diversify to trade OTHER markets than the equity futures market. I also saw more content and interest - and conversations randomly - about Bitcoin or cryptocurrencies in general. I didn't run into many traders who were happy with where they were and had no trouble/worries about the current low volatility upward creeping market.

Most people - if not all - had attempted to short/fight/fade the trend or else stayed aside and watched it drift higher without them. It reminds me exactly why I - in the membership here and in presentations - stress the importance of identifying the trend and trading IN the direction of that trend, especially on Trend Days. It's because traders DO NOT DO IT. That's too bad because they increase their stress and frustration and reduce their accounts by fighting/fading trends in motion.

As always, this low volatility environment will change. Many experts/educations repeatedly said that this would change and they're right - it will. We DO NOT FIGHT OR FADE trends in motion, knowing that while the situation will change, it hasn't changed right now.

As such, the market made a new all-time high on Friday via a Trend Day. We discuss Trend Days repeatedly and document every single one of them here in the membership. We have a model for recognizing and then trading Trend Days. The same is true for Range Days. We do our evening game-planning to develop a Dominant and Alternate Thesis and then play out the expectation depending on what price actually does off the open and through the session.

A lot of traders asked me specific and even detailed questions about indicators. They - like I once did - wanted to find that holy grail or special indicator that will generate wins and grow their account through many winning trades. There is no such indicator.

The secret is price and the supply/demand relationship. The secret is to identify who (bull/bear) is in charge, how likely they are to continue their dominance, and when they are losing strength. In other words, the secret is identifying trending activity, going with the trend, but being aware of divergences or warning signs - always assume the trend will continue until clear signals prove it has reversed.

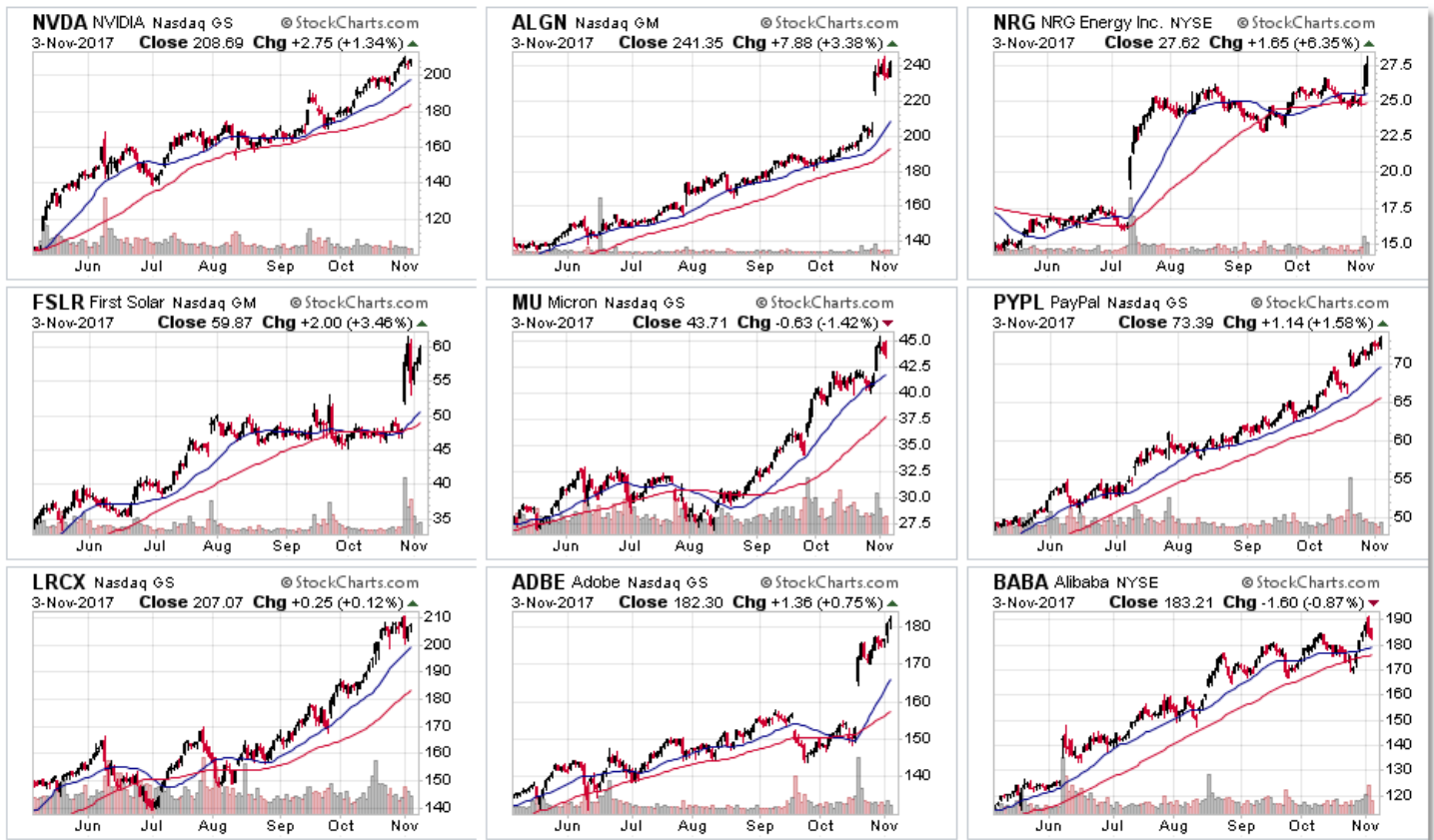
In short, many traders with whom I interacted are struggling, are seeking a special indicator/secret, are begrudgingly trading bullishly when everything inside them says to go short or fight this market (they've switched perspective by losing money so many times by fighting a trend in motion), and they're just ready for volatility to return to the market.

Stay patient. Keep doing what's working. Leave logic behind - don't over-think this. Identify the trend, believe in the trend, and trade with the trend as long as it lasts. This is the core essence of what it means to be a trader - it's finding which side is in control and trading with them (in a risk-controlled environment) until they lose control.

It takes time, it takes work, it takes practice trades, and ultimately it takes real trades (actual performance). Through learning from me or learning from your mistakes/losses, you'll gather enough evidence to change your plan and adapt to what's working in terms of indicators/methods or strategies.

You can be successful, but it does take time. And there's no easy-fix. Certainly there's no indicator. And there's no long-term success in fighting/fading trends.

November 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



We did get our Thursday pullback from the highs but we also got a V-Spike "BUY THE DIP" reversal. Traders are trained to buy dips like Pavlov's dogs were trained to salivate at the ringing of a bell.

We keep using our dominant/alternate thesis game-planning logic that continues to be tilted to the uptrend and bullish activity.

Like Wednesday's plan, look to play a bearish swing down away from 2,585 toward 2,570 or lower or else keep referencing the larger trend and play "ignore it all" bullish above 2,585.

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



We did get our expected pullback to the rising 20 day EMA Thursday as price moved down away from the upper Bollinger on Negative Divergences TOWARD the rising 20 day EMA. While our analysis was absolutely correct, it was tough to play it out in real-time as the market crashed down and then triggered a V-Spike Reversal higher.

Friday ended higher and thus we keep playing the market up toward - and perhaps above 2,600. That's probably going to happen and we need to be fully prepared to trade the extended bullish activity above 2,585 toward 2,600. Otherwise, note your intraday chart and play a short-term sell-swing via the intraday resistance level planning.