



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



Major Companies Reporting Earnings Thursday...

Oracle (ORCL), Adobe (ADBE), Costco (COST)

Major Economic Reports for Tomorrow...

Retail Sales (8:30am)

Initial Unemployment (8:30am)

Quotes from Last Night's Planning

Tomorrow will be a FED DAY so we won't treat it like a normal session.

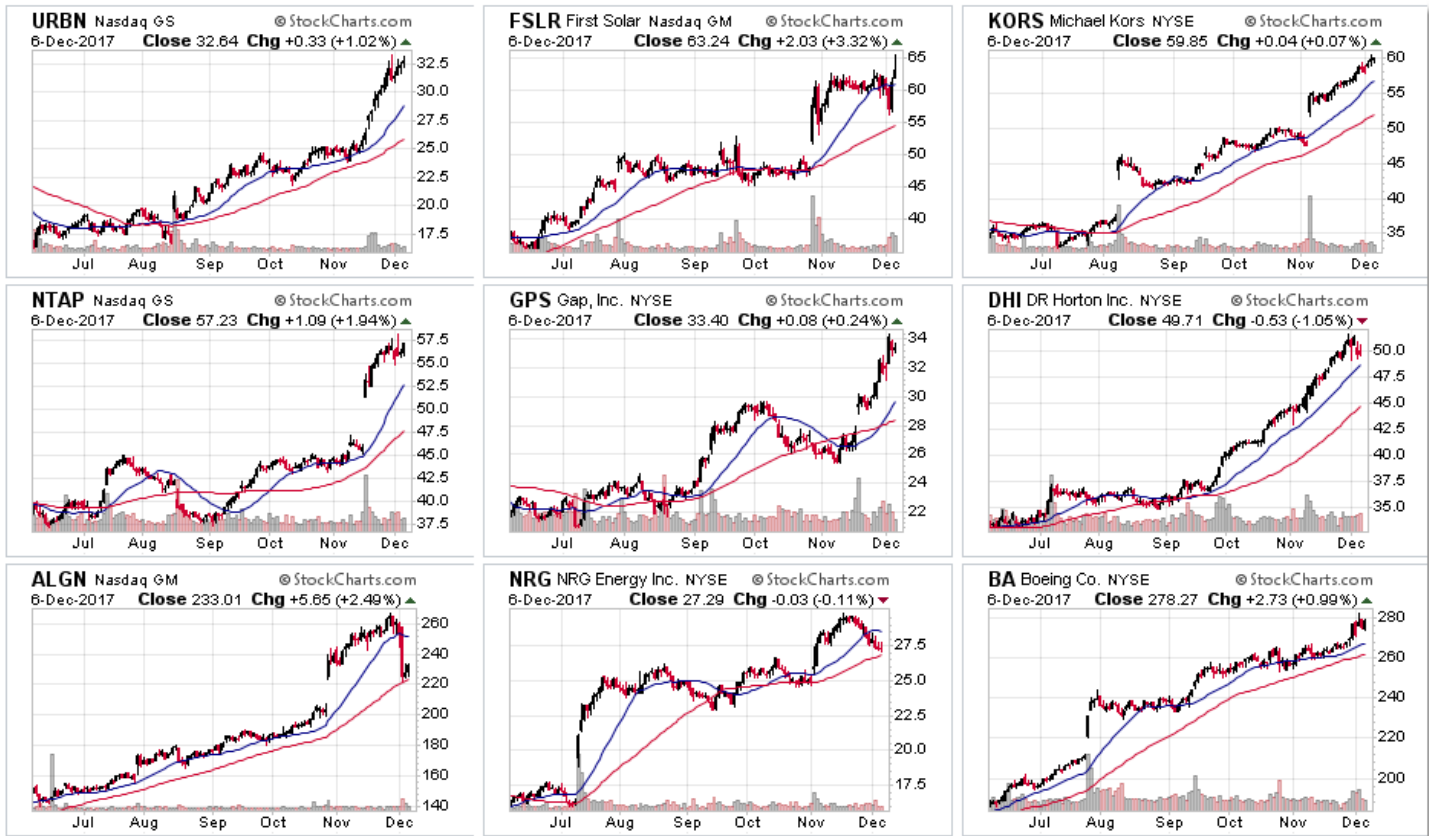
It usually starts with an opening gap, the gap tends to fill (or a move toward the fill takes place), price gets very flat (no opportunities) ahead of the announcement, and then we get a big spring - which usually takes the form of a 1,2,3 (up/down/up or vice versa) after the announcement.

How exciting! Today was the final "Fed Day" of 2017 and - like prior December events - the Fed raised interest rates 0.25% exactly as expected and the stock market yawned.

While you certainly could have taken a pass on trading today's session, there were at least two retracement opportunities as detailed - one bullish one on the way up and one bearish "Cradle Sell" opportunity on the way down BEFORE the announcement.

We got our 1,2,3 (up/down/up) rapid action after the announcement and then a bearish drift or sell-off (somewhat surprising) into the close - only aggressive traders should trade the movement (reactions) after Fed Policy Announcements.

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



There's no major change in our strategy/plan and we'll just clarify it:

Given the overextended and negatively divergent market, odds favor a pullback/sell-swing "down away from" 2,670 "back toward 2,640 or even the 2,630 low. That's our Dominant/Logical Thesis.

However, we've seen our ALTERNATE thesis trigger, and the alternate thesis calls for another powerful bullish breakout and short-squeezed departure up away from 2,670 eventually toward 2,700 BEFORE a reasonable/logical pullback occurs (here).

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



Similarly, we can see on the Daily Chart why odds strongly favor a PULLBACK away from the 2,665 pivot - upper Bollinger Band with reversal candles (and negative divergences) - back TOWARD the rising 20 day EMA near 2,630.

We'll continue to use the new pullback play as our dominant thesis (short-term only) which thus makes us IGNORE IT ALL breakout/short-squeezed bullish above 2,665 and 2,670 in the cash index.