



Daily "Idealized Trades" Report

Trading Lessons from the Intraday Frame (study)



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



Major Companies Reporting Earnings Thursday...

Nike (NKE)

Major Economic Reports for Tomorrow...

Philly Fed (8:30am)

Initial Unemployment (8:30am)

Quotes from Last Night's Planning

*Using the typical strategies and probabilities, we should label our **DOMINANT (short-term) thesis as the BEARISH or steeper pullback outcome, taking price back toward the rising 20 day EMA once again (moving "down away from" the upper Bollinger Band at 2,695).***

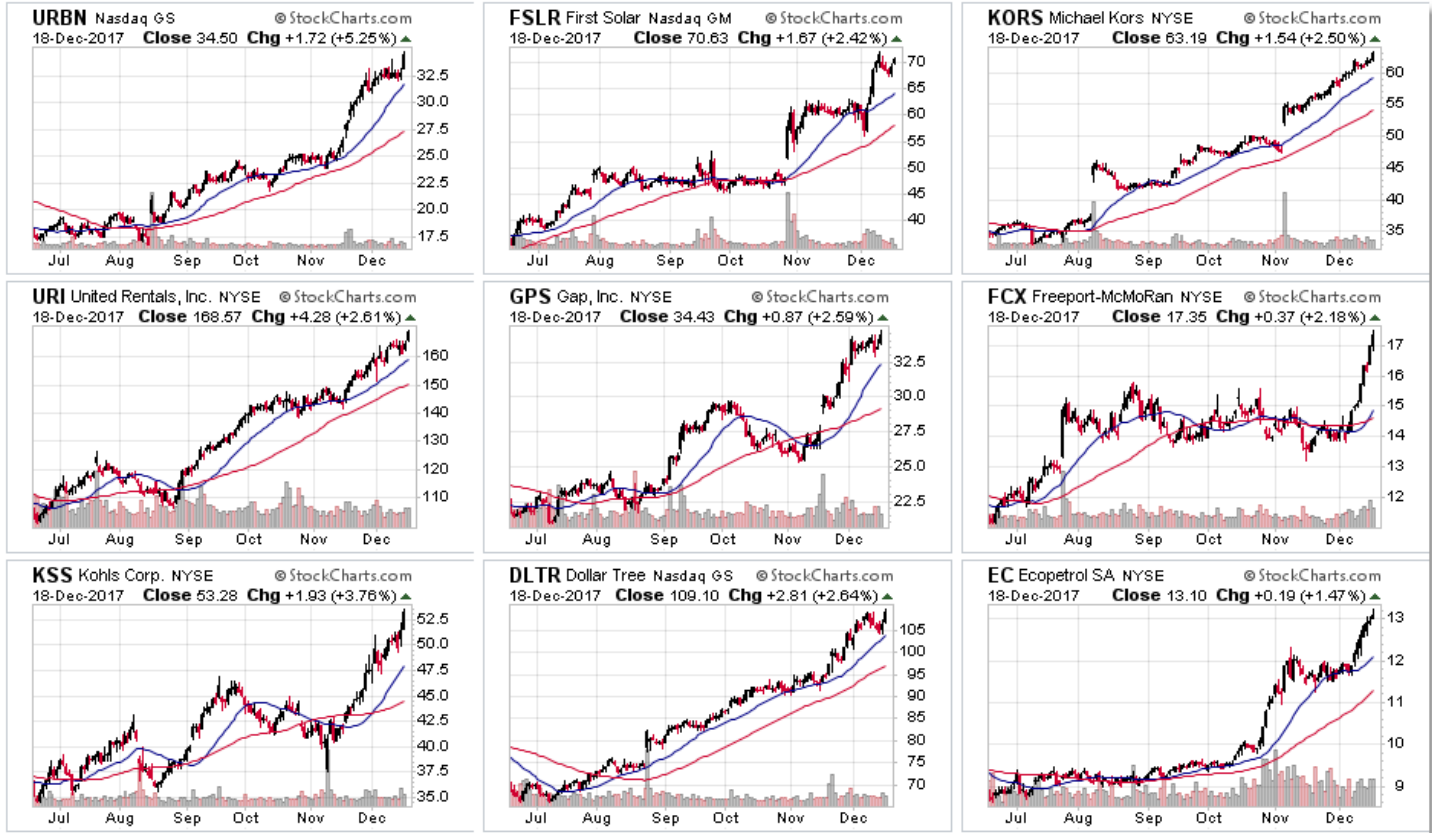
Today was a challenging CONSOLIDATION or RANGE day that featured a BEAR TRAP reversal.

We had a big opening gap that 1) FILLED INSTANTLY and 2) Had DIVERGENCES in volume and internals. These are factors that tend to precede RANGE days.

Trend Days - by contrast - begin with opening gaps on high internals/volume and DO NOT fill within the first hour.

As such, you may have attempted more trades than I did but the remainder of the session did play out like a Range Day where the best trades were to short the highs and buy the lows (into the Bollinger Band).

December 18 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



Ultimate we're going to keep the same strategy/game-plan as we used today as it was effective (price pulled back to support). Here's a slight update:

In this type of big run-away, non-swinging market, we focus our attention on PRICE and key PRICE Levels.

Today continued the play DOWN AWAY FROM 2,700 toward the gap-fill and 2,680 level.

Use this as your pivot for planning your trades Thursday, playing bearish toward the 2,675 prior high or even the 2,660 level IF - and only if - price falls beneath today's low.

Otherwise, ignore it all and play a bullish bounce and pro-trend action that carries price higher "up away from" 2,685 back toward 2,700.

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



Today was indeed a bearish close and bearish daily candle and thus using the typical strategies and probabilities, we label our DOMINANT (short-term) thesis as the BEARISH or steeper pullback outcome, taking price back toward the rising 20 day EMA once again (moving "down away from" the upper Bollinger Band at 2,695) at the 2,655/2,650 target.

Just to be safe and prepared, if the dominant thesis does NOT happen, then it triggers the ALTERNATE thesis which has triggered recently in November and December - it's the "keep going long" on a short-squeezed impulsive breakout if buyers can overpower the bears above 2,690 and 2,695, ultimately triggering a breakout above 2,700 (alternate thesis before we get a pullback).