



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...

Durable Goods (8:30am)

New Home Sales (10:00am)

Quotes from Last Night's Planning

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.

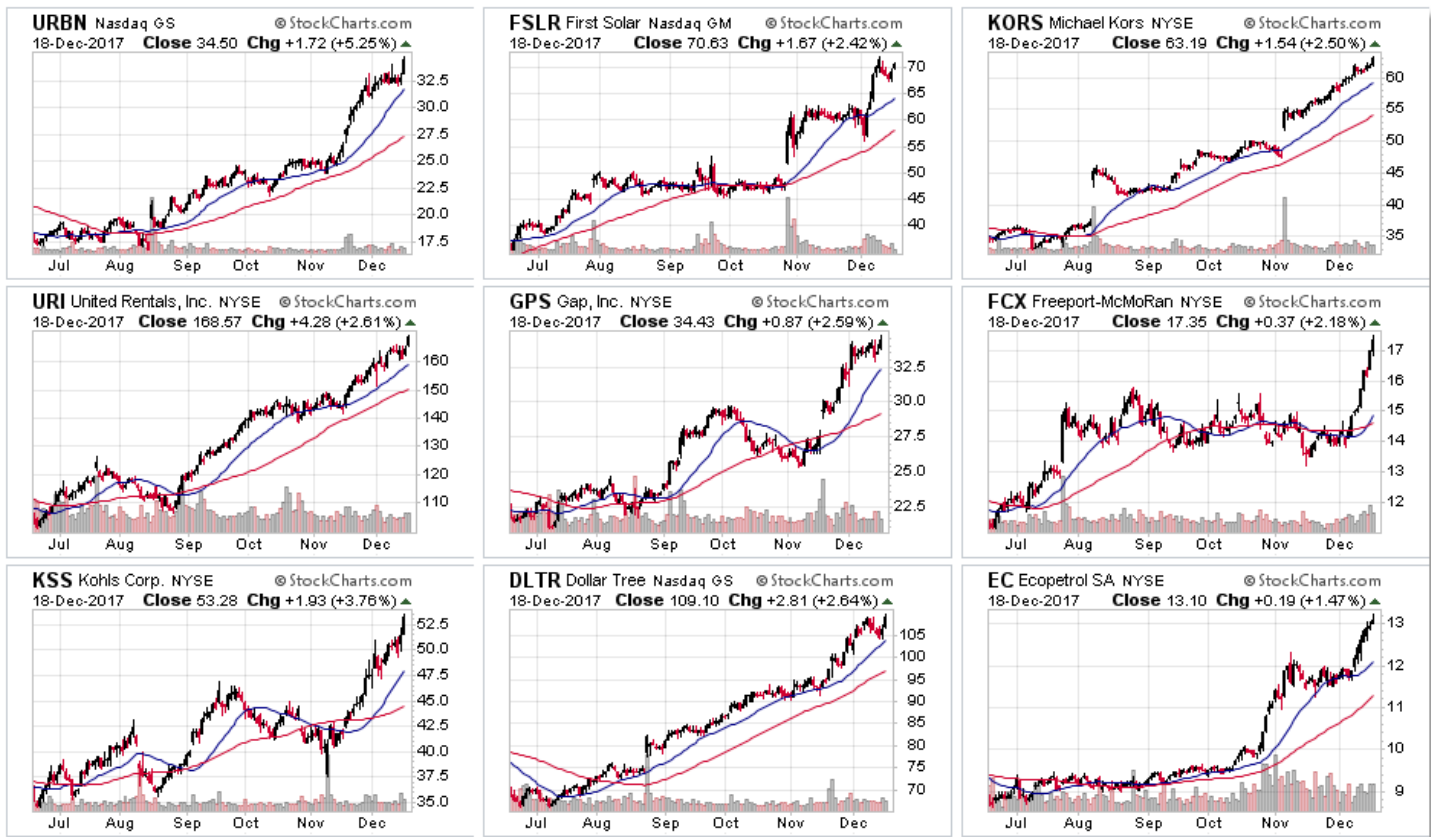
Use this as your pivot for planning your trades Thursday.

It perhaps should not surprise us that the BULL MARKET continued with a departure UP AWAY FROM our 2,680 key pivot level as a TREND DAY developed during today's session.

Three possible flag/bullish retracement opportunities triggered as labeled with up to 8 points or \$800 (per 2 contracts) possible in today's textbook Trend Day.

We're approaching the bullish holiday drift period as Christmas approaches Monday!

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



Price trended back toward the prior high but REVERSED shy of our retest target. A NEW short-term TRADING RANGE has developed at the high as we keep a similar game-plan:

Note that price is BETWEEN the 2,680 and 2,700 pivot/target levels and we'll use those as our reference levels.

Friday could be a low volatility, low volatility RANGE style session within our boundaries before Monday's holiday so plan any short-term trades WITHIN these boundaries.

Prepare for a future breakout beyond 2,680 or above 2,700.

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



Despite the bullish trend day morning activity, today was indeed another bearish close and bearish doji/reversal 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. Do note that we have a "holiday drift" in motion.

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). Be more cautious - again - due to the historical bullish drift or "Santa Claus" rally.