

110217 Market Condition Scan Analysis Report:

MCA Condition: Prior to the start of the earnings season there was a decided and obvious contraction of trading ranges. Ranges compressed to platforms and consolidations and these MCA Scans number rose. The professional side of the market prepared for a heavy period of speculation and got it. The earnings season is slowing down and that will mean less HFT activity. Gaps and runs will go back to more normal patterns over the next couple of weeks. But then the Holiday Rally will begin.

Trading Condition: pros are doing a fine job or controlling their entry price as they sell into the foray of retail buying mania on earnings news that is deceptively positive with it truly is not so.

MCA SCANS: Momentum Buy is above average and has the bias; Institutional scan is up again at average, bottoming scan is at average, Consolidation is near average, OB is below, and RSI is below. Dark Pools were not as active yesterday. Pro traders are using the EOD /FOD strategy but often holding longer than one day. End of Day surges intraday are pro traders not HFTs. Bias: to the upside

Energy: weak to speculative in some stocks.

How to Trade: earnings will be winding down but there are some big name stocks still to report.

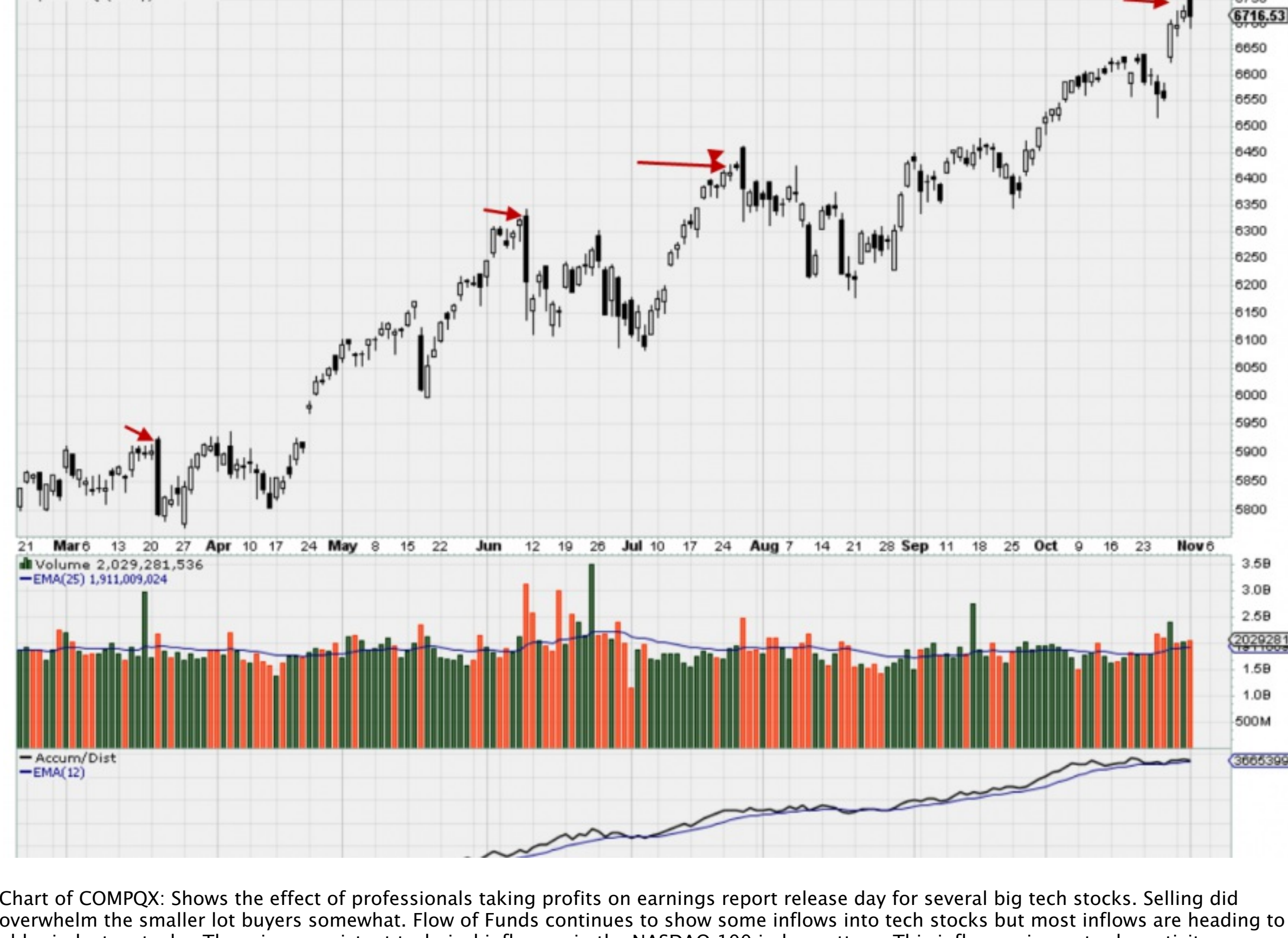


Chart of COMPQX: Shows the effect of professionals taking profits on earnings report release day for several big tech stocks. Selling did overwhelm the smaller lot buyers somewhat. Flow of Funds continues to show some inflows into tech stocks but most inflows are heading to older industry stocks. There is a consistent technical influence in the NASDAQ 100 index pattern. This influence is pro trader activity.

Retail News: Plenty of news about the Armstrong Coal bankruptcy, also several Coal IPOs being pulled. Negative commentary about the president.

Professional News: Europe's Mutual and ETF Funds market is red-hot and poised for a huge growth year. Europe is seeing even more speculation that the US.

110217 Market Open Report:

Stocks poised for a downside open. Overseas markets are mixed. Commodities are mixed. Currencies are mixed. Bonds are down and the yield curve is flattening. Pre-Market Activity to the upside: LB, CHK, FTI, UAA, KMB

Pre-Market Activity to the downside: HBI, FB, MO, AAL, GM, AMZN

High volume on: downside: CHKP, LITE, TVIX,

High volume on the upside: AAPL, MU, FB, QQQ, ADMS, INTC

High volume is large lots transacted earlier this morning from 175,000 – 500,000

Premarket activity: Mostly retail brokers adjusting inventories. Dark Pools are less active today with no block orders at this time. There are some searches for liquidity and some setups for at market open profit taking.



Chart of FTI: this stock has been showing up on pre-market activity regularly on the upside with frequent searches for liquidity by Dark Pools ahead of open. This pattern suggests accumulation is underway and is a longer intermittent trigger of the TWAP. This is an attempt at a bottom. The bottom is incomplete so the stock can easily retrace and retest. The Balance of Power BOP and Accum/Dist indicators show a Shift-of-Sentiment Indicator pattern indicative of Dark Pools taking control of price to commence a bottom. This pattern is highly reliable but position traders need to wait for a completed bottom. Swing traders need to no chase the runs but to wait for the ideal entry setup to earn higher profits and avoid whipsaws when Dark Pool TWAPS pause and to avoid pro trader profit taking during a bottoming momentum action.

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