

# Naturus



## Daily trading plan for Aug. 17, 2005

### 1. PIVOTS FOR ESU5

|     | Daily   | Weekly  | Biweekly | Monthly | Yearly  |
|-----|---------|---------|----------|---------|---------|
| R3  | 1245.58 | 1263.75 | 1269.17  | 1323.25 | 1428.75 |
| R2  | 1240.17 | 1254.50 | 1258.83  | 1285.75 | 1324.25 |
| R1  | 1230.83 | 1242.75 | 1244.92  | 1261.25 | 1269.00 |
| PPT | 1225.42 | 1233.50 | 1234.58  | 1223.75 | 1164.50 |
| S1  | 1216.08 | 1221.75 | 1220.67  | 1199.25 | 1109.25 |
| S2  | 1210.67 | 1212.50 | 1210.33  | 1161.75 | 1004.75 |
| S3  | 1201.33 | 1200.75 | 1196.42  | 1137.25 | 949.50  |

\* Blue color number turns into major resistance levels.

\* Green color number currently acts as a support level.

### 2. FOCUS NUMBERS (intra-day Position trading)

| Sell levels            | Buying levels                      |
|------------------------|------------------------------------|
| 1231.50 (First Sell#)  | 1223.25 (First Buy #) *Dual number |
| 1233.25 (Second Sell#) | 1209.75 (second Buy #)             |

#### Trading rules for intra-day position trading:

1. **Dual number** could be used for long position when price trades above it. Also it could be used for short position when price trades below it. Inexperienced traders should not trade this number.
2. For intra-day position traders, you have the potential to capture a big move if you are trading in the right direction. If you get stopped out two times in one direction, especially during a strong trend day. **STOP** trading for rest of the day.
3. If you are a scalping trader, **DON'T** hold your position too long if you trading against the direction of a strong trend.
4. If you are in right direction of the market movement, you can hold your position until price hit opposite major resistance or support level target.

### 3. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

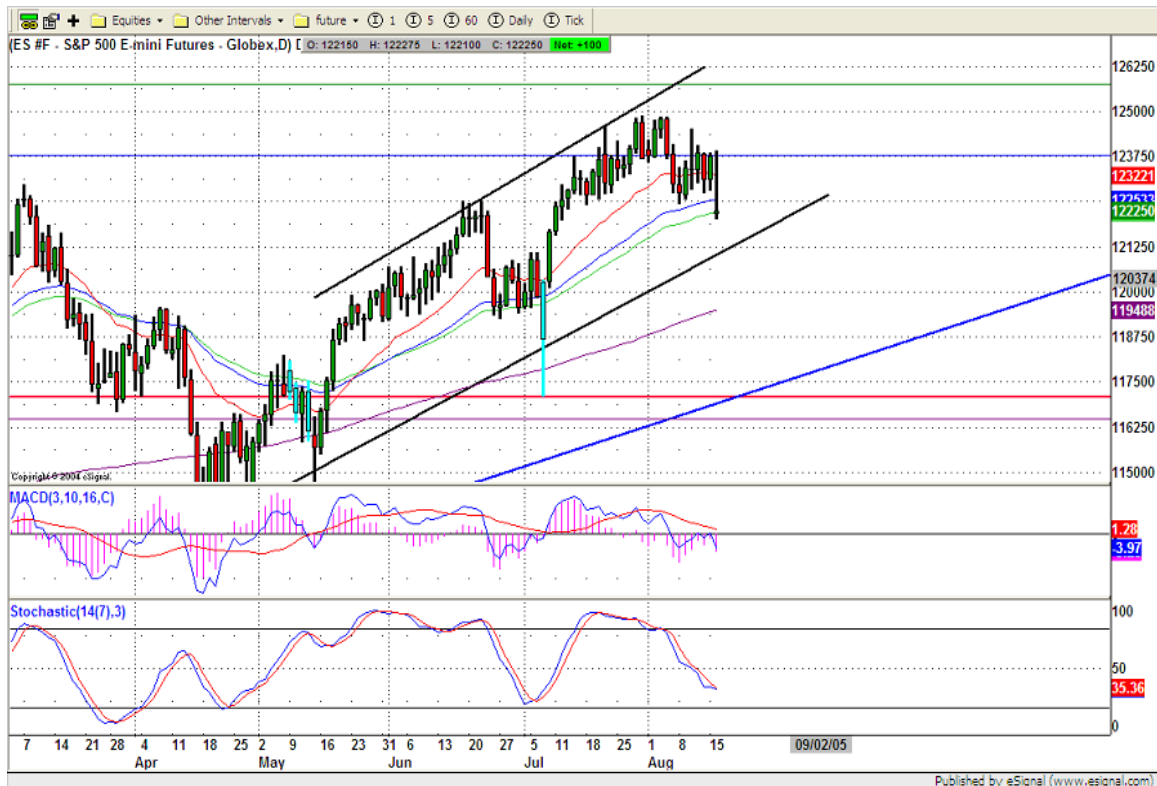
|                   |         |         |         |         |         |
|-------------------|---------|---------|---------|---------|---------|
| <b>Resistance</b> | 1224.75 | 1228.00 | 1229.50 | 1231.25 | 1234.75 |
|-------------------|---------|---------|---------|---------|---------|

|                |         |         |         |         |         |
|----------------|---------|---------|---------|---------|---------|
| <b>Support</b> | 1218.75 | 1216.25 | 1215.00 | 1213.75 | 1209.50 |
|----------------|---------|---------|---------|---------|---------|

### 4. COMMENTARY

Market finally recognized there is inflation in US. Previous day panic buying turned into today's panic selling in the end. Market may be over react yesterday. Nerveless, this market was overheated. Correction should be expected.

ES closed right on 50 simple moving average line. If today ES can hold this line, 20/40 daily ema lines could be retested before it heads down further. Symmetrical daily bearish pattern completion is on 1209.50 level. Short term downside correction target still remains. Only ES Breakdown 1210 level and stays down, then shorts will push price down to 1187 level.



### 5. TODAY'S TRADING

On 30min chart, ES just completed its bearish gartley pattern at 1220.25 level. But based on elite wave, it may be a wave 3 bottom. There is still wave 4 and wave 5 on the way. Watch for divergence on the indicators, if

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price goes lower to 1216 with higher MACD histogram, that means ES is very closed to its short term low level. Can't do too aggressive short if we see that situation appears. Bounce should be expected.



## 6. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=1.95)

|         |      |
|---------|------|
| 1238.28 | +2/8 |
| 1236.33 | +1/8 |
| 1234.38 | 8/8  |
| 1232.42 | 7/8  |
| 1230.47 | 6/8  |
| 1228.52 | 5/8  |
| 1226.56 | 4/8  |
| 1224.61 | 3/8  |
| 1222.66 | 2/8  |
| 1220.70 | 1/8  |
| 1218.75 | 0/8  |
| 1216.80 | -1/8 |
| 1214.84 | -2/8 |

### Up (Interval=1.95)

|         |      |
|---------|------|
| 1238.28 | +2/8 |
| 1236.33 | +1/8 |
| 1234.38 | 8/8  |
| 1232.42 | 7/8  |
| 1230.47 | 6/8  |
| 1228.52 | 5/8  |
| 1226.56 | 4/8  |
| 1224.61 | 3/8  |
| 1222.66 | 2/8  |
| 1220.70 | 1/8  |
| 1218.75 | 0/8  |
| 1216.80 | -1/8 |
| 1214.84 | -2/8 |

### Down (Interval=1.95)

|         |      |
|---------|------|
| 1222.66 | +2/8 |
| 1220.70 | +1/8 |
| 1218.75 | 8/8  |
| 1216.80 | 7/8  |
| 1214.84 | 6/8  |
| 1212.89 | 5/8  |
| 1210.94 | 4/8  |
| 1208.98 | 3/8  |
| 1207.03 | 2/8  |
| 1205.08 | 1/8  |
| 1203.13 | 0/8  |
| 1201.17 | -1/8 |
| 1199.22 | -2/8 |

## 7. OTHER INDICATORS

|               |              |               |                     |
|---------------|--------------|---------------|---------------------|
| <b>NatRSI</b> | <b>ATR 5</b> | <b>ATR 10</b> | <b>Waist number</b> |
| <b>0.78</b>   | <b>10.96</b> | <b>9.58</b>   | <b>1234.50</b>      |
| overbought    |              |               |                     |

- NatRSI >80-90                      overbought  
 NatRSI >30 or <70                neutral  
 NatRSI <20                            oversold
- ATR** (Average true range) can be used for predicting intra-day's high and low.
- Waist number** is MMline number, acting pivot number, can be used for support or resistance. Price trades above its level, market is bullish; price trades below its level, market is bearish.

## 8. WEEKLY ECONOMIC CALENDAR

| <b>Date</b> | <b>ET</b> | <b>Release</b>     | <b>For</b> | <b>Actual</b> | <b>Consensus</b> | <b>Prior</b> |
|-------------|-----------|--------------------|------------|---------------|------------------|--------------|
| Aug 17      | 08:30     | PPI                | Jul        |               | 0.5%             | 0.0%         |
| Aug 17      | 08:30     | Core PPI           | Jul        |               | 0.1%             | -0.1%        |
| Aug 18      | 08:30     | Initial Claims     | 08/13      |               | 310K             | 308K         |
| Aug 18      | 10:00     | Leading Indicators | Jul        |               | 0.2%             | 0.9%         |
| Aug 18      | 12:00     | Philadelphia Fed   | Aug        |               | 14.5             | 9.6          |