

# Naturus



## Daily trading plan for Oct. 17, 2005

### 1. ESZ5 IN PREVIOUS DAY

| Open    | High    | Low     | Closing |
|---------|---------|---------|---------|
| 1184.00 | 1191.50 | 1178.75 | 1190.00 |

### 2. PIVOTS FOR ESZ5

|     | Daily   | Weekly  | Biweekly | Monthly | Yearly  |
|-----|---------|---------|----------|---------|---------|
| R3  | 1207.50 | 1233.08 | 1296.00  | 1292.25 | 1428.75 |
| R2  | 1199.50 | 1217.17 | 1267.50  | 1271.25 | 1324.25 |
| R1  | 1194.75 | 1203.58 | 1228.75  | 1252.75 | 1269.00 |
| PPT | 1186.75 | 1187.67 | 1200.25  | 1231.75 | 1164.50 |
| S1  | 1182.00 | 1174.08 | 1161.50  | 1213.25 | 1109.25 |
| S2  | 1174.00 | 1158.17 | 1133.00  | 1192.25 | 1004.75 |
| S3  | 1169.25 | 1144.58 | 1094.25  | 1173.75 | 949.50  |

\* Blue color number turns into major resistance levels.

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

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

| Sell levels            | Buying levels          |
|------------------------|------------------------|
| 1193.00 (First Sell#)  | 1177.25 (First Buy #)  |
| 1204.25 (Second Sell#) | 1176.00 (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.

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

|                   |         |         |         |         |         |
|-------------------|---------|---------|---------|---------|---------|
| <b>Resistance</b> | 1193.50 | 1197.50 | 1199.75 | 1201.50 | 1204.75 |
|-------------------|---------|---------|---------|---------|---------|

|                |         |         |         |         |         |
|----------------|---------|---------|---------|---------|---------|
| <b>Support</b> | 1187.00 | 1183.75 | 1181.25 | 1179.25 | 1177.25 |
|----------------|---------|---------|---------|---------|---------|

#### 5. COMMENTARY

ES lost 10 points to close at 1190 level. It is a lot better than the low of 1171.75 we saw on Thursday. The bottom was probably made on that day. But we still need to see some indicators' changing before we can get fully bullish.

Based on ES weekly chart (below), price hasn't closed above its 20 weeks moving average line, even not 40 weeks moving average line yet. Second, all indicators still point down. Whether this week, those indicators can turn up or not, it depends on 1185 level can be held or not this week.





Based on daily chart (above), ES closed above its major uptrend line along its previous day bullish doji pattern. That means ES likes to do its correction or rally from here. Also ES has oversold condition since last Thursday. Market volatility hit yearly high and sharply fell down. That also indicates that lots of upside pressure needs to be unleashed.

## 6. TODAY'S TRADING

On 30min chart, ES has little overbought situation in very short time. Today, 1185 level is key. If ES can hold itself above that level, price could push up into 1204 level.

If ES couldn't hold at 1185, 1178 could be retested again. Also this week is option expiration week. Market could be choppy.



## 7. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=1.95)

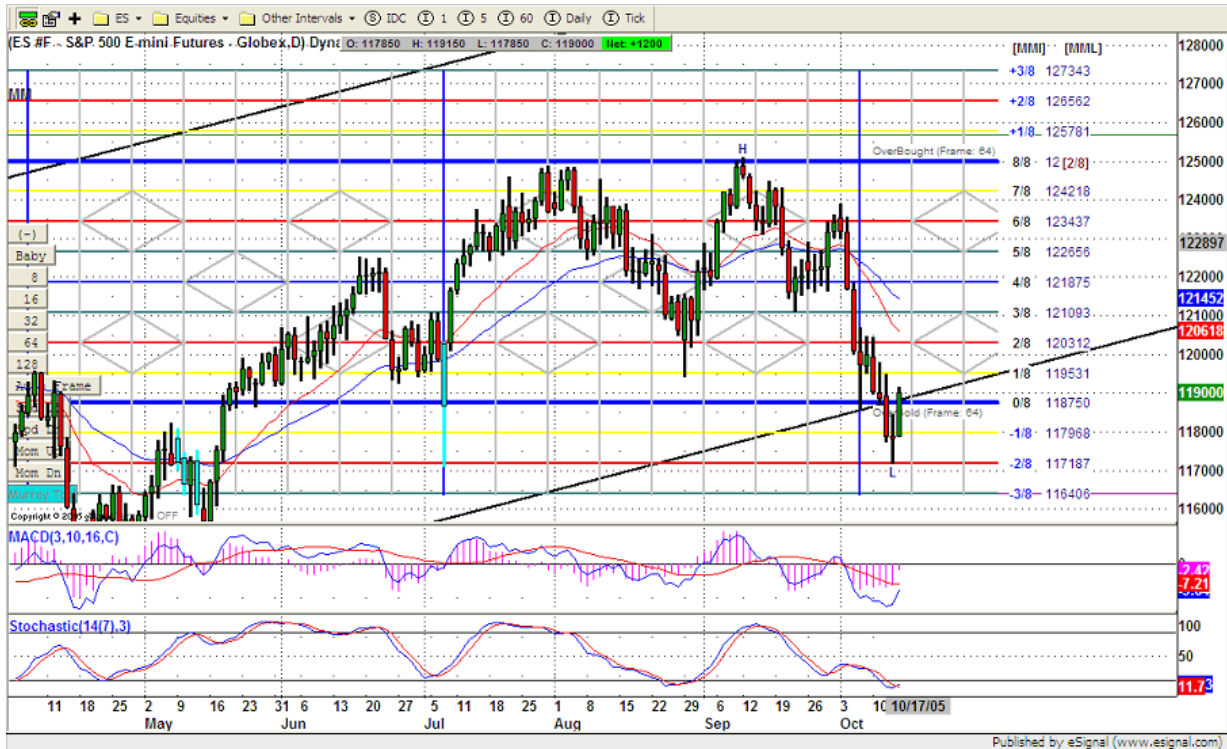
|         |      |
|---------|------|
| 1199.22 | +2/8 |
| 1197.27 | +1/8 |
| 1195.31 | 8/8  |
| 1193.36 | 7/8  |
| 1191.41 | 6/8  |
| 1189.45 | 5/8  |
| 1187.50 | 4/8  |
| 1185.55 | 3/8  |
| 1183.59 | 2/8  |
| 1181.64 | 1/8  |
| 1179.69 | 0/8  |
| 1177.73 | -1/8 |
| 1175.78 | -2/8 |

### Up (Interval=1.95)

|         |      |
|---------|------|
| 1207.03 | +2/8 |
| 1205.08 | +1/8 |
| 1203.13 | 8/8  |
| 1201.17 | 7/8  |
| 1199.22 | 6/8  |
| 1197.27 | 5/8  |
| 1195.31 | 4/8  |
| 1193.36 | 3/8  |
| 1191.41 | 2/8  |
| 1189.45 | 1/8  |
| 1187.50 | 0/8  |
| 1185.55 | -1/8 |
| 1183.59 | -2/8 |

### Down (Interval=1.95)

|         |      |
|---------|------|
| 1191.41 | +2/8 |
| 1189.45 | +1/8 |
| 1187.50 | 8/8  |
| 1185.55 | 7/8  |
| 1183.59 | 6/8  |
| 1181.64 | 5/8  |
| 1179.69 | 4/8  |
| 1177.73 | 3/8  |
| 1175.78 | 2/8  |
| 1173.83 | 1/8  |
| 1171.88 | 0/8  |
| 1169.92 | -1/8 |
| 1167.97 | -2/8 |



## 8. OTHER INDICATORS

| NatRSI  | ATR 5 | ATR 10 | Waist number |
|---------|-------|--------|--------------|
| 0.71    | 13.05 | 14.20  | 1186.63      |
| neutral |       |        |              |

- 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.

## 9. WEEKLY ECONOMIC CALENDAR

| Date   | ET    | Release               | For   | Consensus | Prior |
|--------|-------|-----------------------|-------|-----------|-------|
| Oct 17 | 08:30 | NY Empire State Index | Oct   | 20.0      | 17.0  |
| Oct 18 | 08:30 | PPI                   | Sep   | 1.1%      | 0.6%  |
| Oct 18 | 08:30 | Core PPI              | Sep   | 0.2%      | 0.0%  |
| Oct 19 | 08:30 | Housing Starts        | Sep   | 1950K     | 2009K |
| Oct 19 | 08:30 | Building Permits      | Sep   | 2050K     | 2138K |
| Oct 19 | 10:30 | Crude Inventories     | 10/14 | .         | NA    |

|        |       |                    |       |       |       |
|--------|-------|--------------------|-------|-------|-------|
| Oct 19 | 14:00 | Fed's Beige Book   | .     | .     | .     |
| Oct 20 | 08:30 | Initial Claims     | 10/15 | NA    | 389K  |
| Oct 20 | 10:00 | Leading Indicators | Sep   | -0.5% | -0.2% |
| Oct 20 | 12:00 | Philadelphia Fed   | Oct   | 10.0  | 2.2   |