

Naturus



Daily trading plan for July 31, 2006

1. ESU6 IN PREVIOUS DAY

Open	High	Low	Closing
1274.25	1286.00	1273.00	1284.25

2. PIVOTS FOR ESM6

	Daily	Weekly	Monthly	Yearly
R3	1302.17	1333.50	1267.42	1425.83
R2	1294.08	1309.75	1329.83	1355.42
R1	1289.17	1297.00	1304.67	1305.08
PPT	1281.08	1273.50	1267.08	1234.67
S1	1276.17	1260.50	1241.92	1184.33
S2	1268.18	1236.75	1204.33	1113.92
S3	1263.17	1224.00	1179.17	1063.58

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1288.50 (First Sell#)	1271.25 (First Buy#)
1298.25 (Second Sell#)	1265.50 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1290.00	1295.75	1297.00	1302.25	1304.75
Support	1276.25	1273.25	1267.25	1264.75	1260.50

5. COMMENTARY

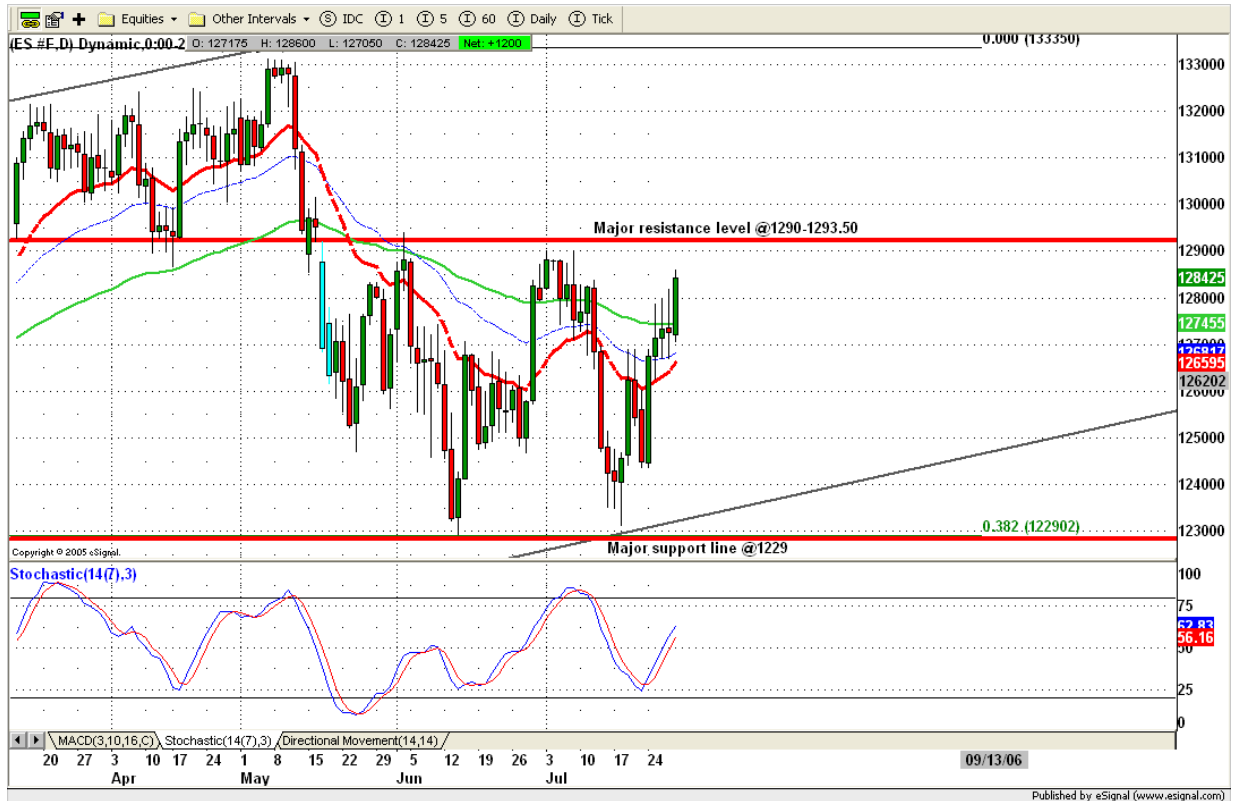
After last option expiration day, put/call ratio hit 1.38. It led market to rally last week. Special last Friday, all major three markets closed at top range. Should markets continue to rally this week? The answer is "maybe".

Based on weekly indicators, bounce should be expected due to market oversold situation in past weeks. But this bounce could be ended soon. As soon as ES exceeds its sideways range, increasing selling pressure could be seen around 1298.50 or 1311.00 area.



Let us look at daily chart of ES, ES intends to retest its top band of sideways channel. It is likely to pop into 1296-1298 range if ES breaks out 1292 level today morning. Otherwise I expect today should be a down day.

Based on daily SST indicator, it shows ES still could move up, but based on last Friday index option movement, majority of traders expected ES would go down Monday. Also today it is last day of July, ES could go down a little for its monthly closing.



6. TODAY'S TRADING

Based on 60 mins chart, ES formed upside wedge pattern with selling divergence on MACD indicator. That is not a bullish pattern. I expect ES could pullback into 1272-1270 for testing and fill last Friday's gap.

Second, ES needs to close below 1265 for July settlement to maintain the bearish trend. If today turns into a strong down trend day, maximum low could be around 1260.50 level.



7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

1292.97	+2/8
1291.02	+1/8
1289.06	8/8
1287.11	7/8
1285.16	6/8
1283.20	5/8
1281.25	4/8
1279.30	3/8
1277.34	2/8
1275.39	1/8
1273.44	0/8
1271.48	-1/8
1269.53	-2/8

Up (Interval=1.95)

1300.78	+2/8
1298.83	+1/8
1296.88	8/8
1294.92	7/8
1292.97	6/8
1291.02	5/8
1289.06	4/8
1287.11	3/8
1285.16	2/8
1283.20	1/8
1281.25	0/8
1279.30	-1/8
1277.34	-2/8

Down (Interval=1.95)

1285.16	+2/8
1283.20	+1/8
1281.25	8/8
1279.30	7/8
1277.34	6/8
1275.39	5/8
1273.44	4/8
1271.48	3/8
1269.53	2/8
1267.58	1/8
1265.63	0/8
1263.67	-1/8
1261.72	-2/8

8. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	ATR 5	ATR 10	Waist number
0.88	0.74	15.30	15.35	1279.25
Overbought	Overbought			

9. WEEKLY ECONOMIC CALENDAR

Projected Economic Releases for This Week

(Consensus Forecasts vs. Previous Report)

Jul 31

Chicago PMI	10:00	Jul	56.0 vs 56.5
-------------	-------	-----	--------------

Aug 1

Auto Sales	12:00	Jul	5.5M vs 5.3M
Truck Sales	12:00	Jul	7.5M vs 7.2M
Personal Income	8:30	Jun	0.7% vs 0.4%
Personal Spending	8:30	Jun	0.4% vs 0.4%
Construction Spending	10:00	Jun	0.3% vs -0.4%
ISM Index	10:00	Jul	53.5 vs 53.8

Aug 2

Crude Inventories	10:30	07/28	NA vs NA
Initial Claims	8:30	07/29	NA vs 298K
Factory Orders	10:00	Jun	1.1% vs 0.7%
ISM Services	10:00	Jul	56.5 vs 57.0

Aug 4

Average Workweek	8:30	Jul	33.9 vs 33.9
Hourly Earnings	8:30	Jul	0.3% vs 0.5%
Nonfarm Payrolls	8:30	Jul	145K vs 121K
Unemployment Rate	8:30	Jul	4.6% vs 4.6%