

Naturus



Daily trading plan for Nov. 6, 2006

1. ESZ6 IN PREVIOUS DAY

Open	High	Low	Closing
1376.25	1377.25	1365.50	1368.50

2. PIVOTS FOR ESZ6

	Daily	Weekly	Monthly	Yearly
R3	1387.08	1403.75	1466.25	1425.83
R2	1382.17	1395.50	1430.75	1355.42
R1	1375.33	1382.00	1407.00	1305.08
PPT	1370.42	1373.75	1371.50	1234.67
S1	1363.58	1360.25	1347.75	1184.33
S2	1358.67	1352.00	1312.25	1113.92
S3	1351.83	1338.50	1288.50	1063.58

3. FOCUS NUMBERS (intra-day Position trading)

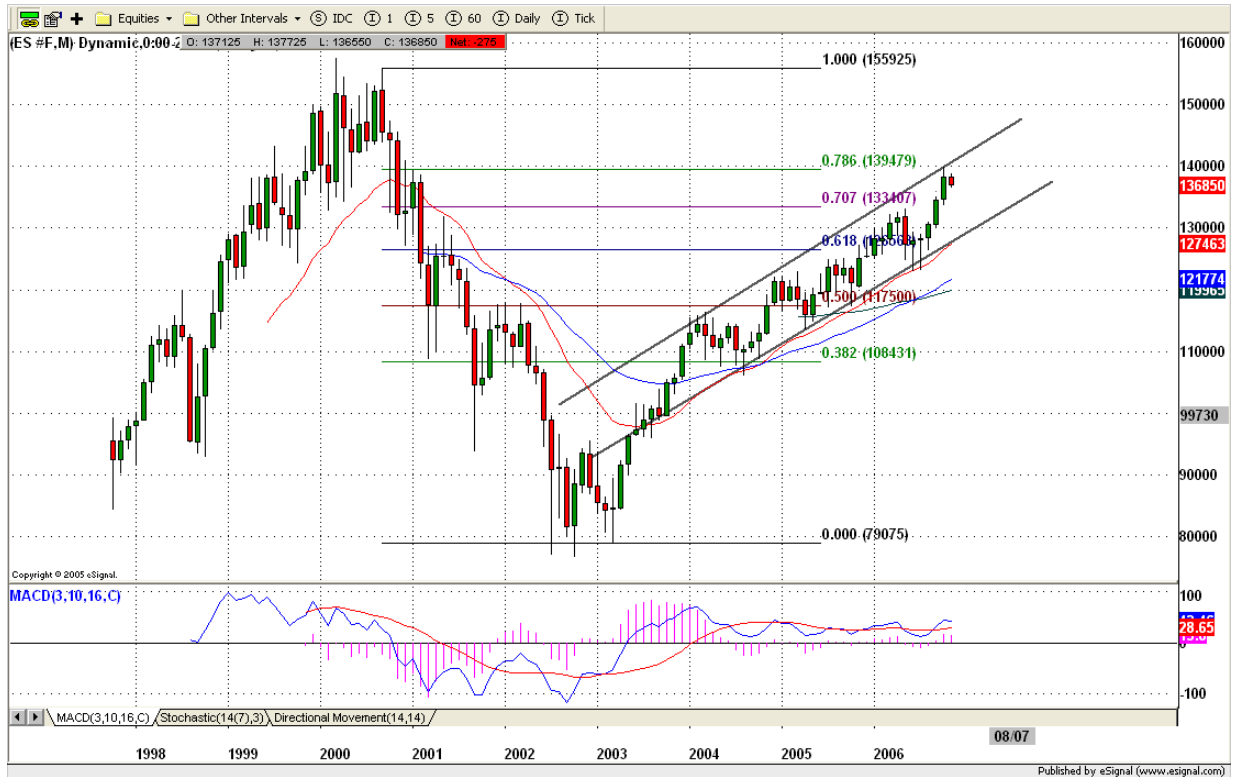
Sell levels	Buying levels
1377.25-1378.75 (First Sell#)	1357.00 (First Buy#)
1382.25 (Second Sell#)	1349.25 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1373.75	1375.50	1378.25	1382.25	1385.25
Support	1363.25	1360.25	1355.25	1353.25	1349.25

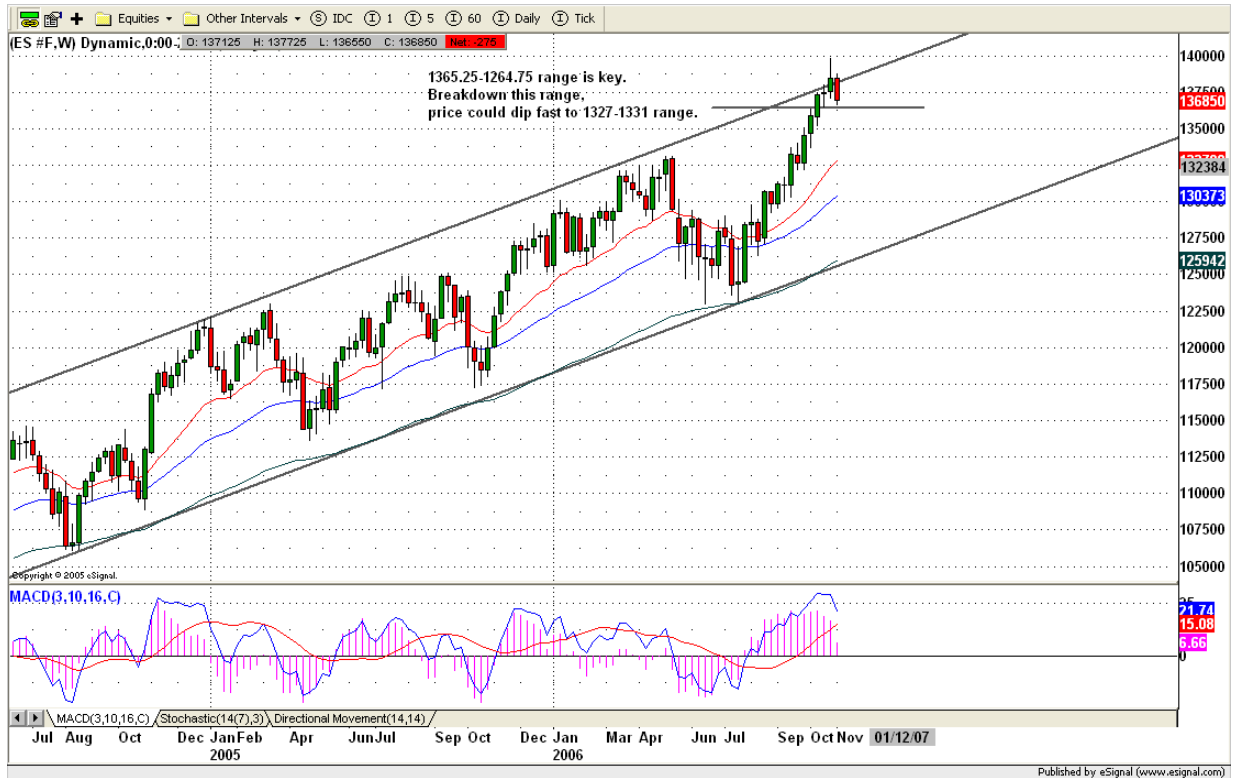
5. COMMENTARY

In the past three and half months, ES had a very nice run up for almost 170 points. It pushed most indicators into their extremely overbought territory. Should this market continue going up? In the long run, as long as ES doesn't break down its major uptrend channel (lowest level=1285-74), it remains bullish. In the short term, ES needs some correction. How much this correction should be may depend on election results.



Weekly chart shows ES was in correction process quite clearly from last week movements. It was gap down at open on Last Monday and never was able to fill that gap. That was a first warning signal for us -- correction is on the way. Second, it tried to breach its 18 day bullish cycle last Friday. That is also a bearish signal. This week, 1365-1364.75 level is major key level. Holding above it and close above 1380 on coming Friday, it indicates 1395 high correction is completed. Fail to hold 1365-1364 range, ES is likely to dip down further to 1331-1329 range.

Based on MACD indicator, Histogram turns down (see chart below). If it goes below zero line, price could have a fast dip move.



Let us look our ES daily chart, we have seen five DOME tops in the past two month. Last week, last DOME top had been formed. Also ES broke its latest uptrend channel and closed below it. Should price continue going down? Maybe:

First: based on Tuesday Election Day. We may see price bounce from Friday's low today.

Second: MACD is approaching oversold area, and ADX line shows little weaker on shorts side.

Third: based on last Friday price action, we may see price goes down further if ES fails to hold above 1365-1364 range.

Nevertheless, we are trading step by step. If market is not good for trading today or tomorrow, we will stand aside these two days.



6. TODAY'S TRADING

Friday ES broke its first hour range and made its bearish symmetrical move. After it completed that bearish pattern, it bounced right up to 1371.75 level and closed around 1368.50.

Today two moves could occur. First, in the morning ES may fail to test or to breakdown the 1365 level, instead it leads price bounce back up to 1372/73 range. If we see this movement, be expected that ES could go higher, possible to 1377-80 range.

Second, ES fails to breakout 1373.75 and later on it breaks down 1365 level instead. If we see it, we should expect that ES goes down further to 1360 or lower.



Caution:

We are in election period. Many charting patterns and indicators suggest the market is on its top, but political considerations may limit any decline. Be cautious in the pre-election period. Normal trading methods may not work.

7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

1378.91	+2/8
1376.95	+1/8
1375.00	8/8
1373.05	7/8
1371.09	6/8
1369.14	5/8
1367.19	4/8
1365.23	3/8
1363.28	2/8
1361.33	1/8
1359.38	0/8
1357.42	-1/8
1355.47	-2/8

Up (Interval=1.95)

1386.72	+2/8
1384.77	+1/8
1382.81	8/8
1380.86	7/8
1378.91	6/8
1376.95	5/8
1375.00	4/8
1373.05	3/8
1371.09	2/8
1369.14	1/8
1367.19	0/8
1365.23	-1/8
1363.28	-2/8

Down (Interval=1.95)

1378.91	+2/8
1376.95	+1/8
1375.00	8/8
1373.05	7/8
1371.09	6/8
1369.14	5/8
1367.19	4/8
1365.23	3/8
1363.28	2/8
1361.33	1/8
1359.38	0/8
1357.42	-1/8
1355.47	-2/8

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8. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.17	0.14	-49.48	10.45	1372.38
Oversold	Oversold	Over-bearish		

9. WEEKLY ECONOMIC CALENDAR

Projected Economic Releases for This Week

(Consensus Forecasts vs. Previous Report)

Nov 7

Consumer Credit	15:30	Sep	\$5.0B vs \$2.6B
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Nov 8

Crude Inventories	10:30	11/03	NA vs 1910K
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Nov 9

Export Prices ex-ag.	8:30	Oct	NA vs -0.5%
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Import Prices ex-oil	8:30	Oct	NA vs 0.1%
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Initial Claims	8:30	11/04	NA vs 327K
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Trade Balance Sep	8:30		-\$66.0B vs -\$69.9B
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Wholesale Inventories	10:00	Sep	0.6% vs 1.1%
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