

Naturus



Daily trading plan for Dec. 4, 2006

1. ESZ6 IN PREVIOUS DAY

Open	High	Low	Closing
1403.25	1404.50	1387.50	1400.50

2. PIVOTS FOR ESZ6

	Daily	Weekly	Monthly	Yearly
R3	1424.50	1441.58	1466.75	1425.83
R2	1414.50	1425.17	1439.00	1355.42
R1	1404.50	1412.83	1421.00	1305.08
PPT	1397.50	1396.42	1393.25	1234.67
S1	1390.50	1384.08	1375.25	1184.33
S2	1380.50	1367.67	1347.50	1113.92
S3	1373.50	1355.33	1329.50	1063.58

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1411.50 (First Sell#)	1390.75 (First Buy#)
1416.25 (Second Sell#)	1386.50 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1407.00	1408.50	1412.75	1417.25	1422.50
Support	1398.25	1396.25	1394.00	1390.25	1386.75

5. COMMENTARY

In last month (November), Dow Jones industrial Average (DJIA) and S&P500 (SPX) made a new high, and market volatility (\$VIX) hit its lowest level in 13 years. Based on price movement, ES successfully won back the high (1394) of Jan 2001. In the coming month, it is possible for ES to continue moving up to test its previous breakdown zone (1453.75-1420.25) in year 2000. Monthly indicator (MACD) shows lower high on histogram which means either WAVE3 or B top is in process. Slow Stochastic shows ES still is in overbought territory, and ADX line needs to cross positive market direction line to confirm downside correction move is on the way. December month is holiday season, we may see choppy move towards 1420-1457 range if 1394-1386 range can be held. In meantime, we may see this high range in our new contract (ESH7), not current one.



Since last July, ES made low around 1330 area and moved up to make a new high around 1411.25 in mid-November. Last Friday, ES made a surprise move which went down sharply in the afternoon and then moved back sharply. This could be a TOP formation process - Painful, Exciting; Greed and Panic all could show up in the coming weeks. Choppy week should be expected due to ROLL-OVER day on coming Thursday.

This week, we need to see how last Friday's bullish close affects Monday's open. It could be positive this week if 1394-1386 range holds. Weekly indicators suggest ES may go sideways.



Let us take a close look at Daily chart of ES. Since last July, ES performed impulse upside sub-wave. It is almost close to sub-wave 5 top. Whether ES should make its TOP around 1411.25 or 1425 or 1456 area, it depends on recent triangle pattern (Green lines) breakout movement. Last Friday's movement showed lots of struggle between Bulls and Bears. Today, if ES breakout 1409-1411.25, price could continue moving up to 1416.25. If ES fails to hold price up above 1395-1394 range, it is possible to retest last Friday's low around 1388-1386 range. If ES doesn't make any of above breakout movements, Bulls and Bears will continue fighting within those triangle lines until one side gives up the fight.



6. TODAY'S TRADING

Based on 60min chart, ES made higher lows and lower highs last week. Bulls want to push price back up the uptrend line (Red) and Bears want to hold price down below that uptrend line.

Today 1403.50 is key line for trading. Price trades above this level, it will courage Bulls to push price higher to 1407-1408 or higher to 1416.25 if Bull can breakout 1409 level. Price trades below this level, it will courage Bears to push price down. How far price should go down depends on how strong Bears fight for 1394.75 level. It is possible to retest last Friday's low around 1386-88 range if ES fails to hold 1394.75 level.



7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

1410.16	+2/8
1408.20	+1/8
1406.25	8/8
1404.30	7/8
1402.34	6/8
1400.39	5/8
1398.44	4/8
1396.48	3/8
1394.53	2/8
1392.58	1/8
1390.63	0/8
1388.67	-1/8
1386.72	-2/8

Up (Interval=1.95)

1417.97	+2/8
1416.02	+1/8
1414.06	8/8
1412.11	7/8
1410.16	6/8
1408.20	5/8
1406.25	4/8
1404.30	3/8
1402.34	2/8
1400.39	1/8
1398.44	0/8
1396.48	-1/8
1394.53	-2/8

Down (Interval=1.95)

1402.34	+2/8
1400.39	+1/8
1398.44	8/8
1396.48	7/8
1394.53	6/8
1392.58	5/8
1390.63	4/8
1388.67	3/8
1386.72	2/8
1384.77	1/8
1382.81	0/8
1380.86	-1/8
1378.91	-2/8

8. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.42	0.47	13.61	10.20	1401.88
neutral	neutral			

9. WEEKLY ECONOMIC CALENDAR

Projected Economic Releases for This Week					
(Consensus Forecasts vs. Previous Report)					
12/5	08:30	Productivity-Rev.	Q3	0.5%	0.0%
12/5	10:00	Factory Orders	Oct	-3.7%	2.1%
12/5	10:00	ISM Services	Nov	56.0	57.1
12/6	10:30	Crude Inventories	12/1	NA	-360K
12/7	08:30	Initial Claims	12/2	320K	357K
12/7	15:00	Consumer Credit	Oct	\$4.5B	-\$1.2B
12/8	08:30	Nonfarm Payrolls	Nov	115K	92K
12/8	08:30	Unemployment Rate	Nov	4.5%	4.4%
12/8	08:30	Hourly Earnings	Nov	0.3%	0.4%
12/8	08:30	Average Workweek	Nov	33.9	33.9
12/8	10:00	Mich Sentiment-Prel.	Dec	92.5	92.1