



Daily trading plan for Jan. 3, 2007

1. ESH7 IN PREVIOUS DAY

Open	High	Low	Closing
1432.75	1437.50	1425.50	1428.50

2. PIVOTS FOR ESH7

	Daily	Weekly	Monthly	Yearly
R3	1447.50	1456.25	1510.67	1722.00
R2	1442.50	1447.50	1477.83	1583.50
R1	1435.50	1438.00	1453.17	1506.00
PPT	1430.50	1429.25	1420.33	1367.50
S1	1423.50	1419.75	1395.67	1290.00
S2	1418.50	1411.00	1362.83	1151.50
S3	1411.50	1401.50	1338.17	1074.00

3. WEEKLY OUTLOOK

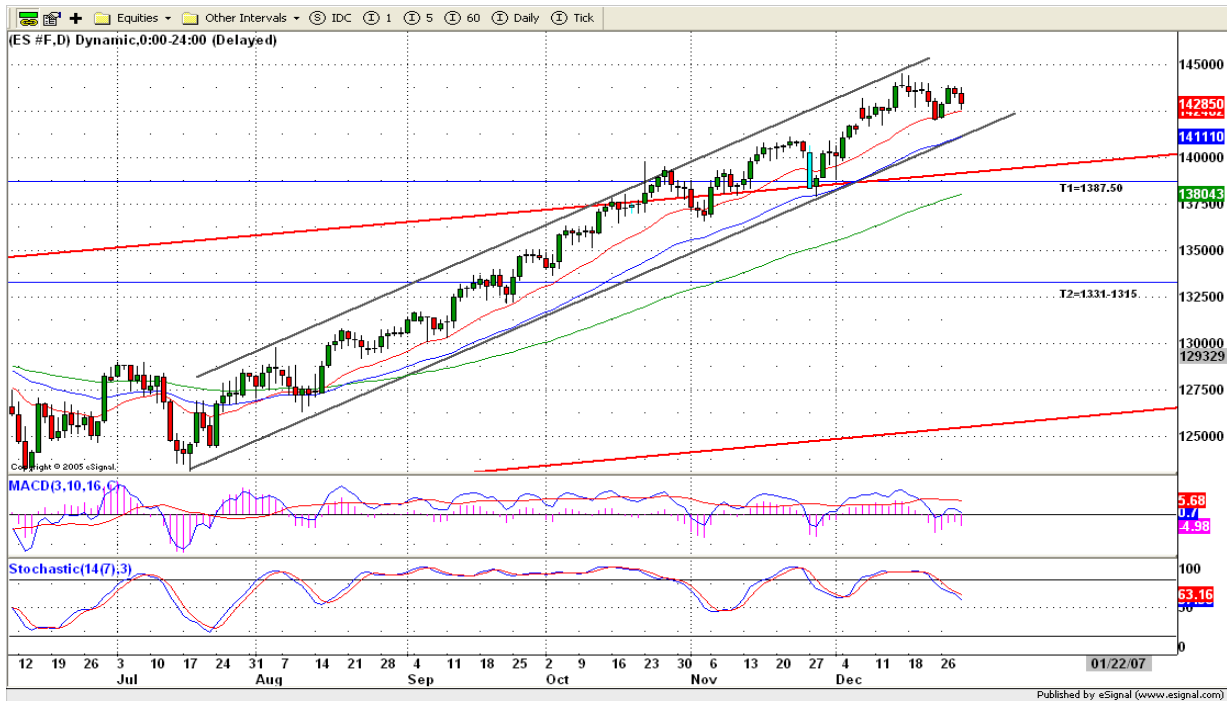
ES broke out of a double bottom pattern in 2003 and has been going higher since then. In all past three years, we can see that 89 periods exponential moving average line is holding up the price very clearly. ES traveled inside the uptrend channel until it recently broke out of the top band of uptrend channel in Nov. 2006. In very short term, ES is in overbought territory. Also ES hadn't had any major correction since July 2006. A pullback to test first support zone 1400-1387 range should be expected in the coming weeks. Weekly major resistance level is 1456 and major support level is 1387.50.



4. DAILY OUTLOOK

ES made its pre-market high at 1445 on Dec. 15, 2006, and was unable to make higher price since then. In past two weeks, ES tested 1438 level six times; all failed to breakout that level. This failure warns bulls to watch their movement carefully. It is possible for price to move down toward 1411 if today ES still can't breakout 1438 level.

Daily indicators – MACD and SST – all point out the downside movement. As soon as price breaks 1419.75 level, it will create downside bias, and downside momentum could be speed up to push price lower to the bearish pattern target 1413.50- 1411 range.



5. TRADING STRATEGY FOR Jan 3, 2007

Last day of year 2006 trading, ES sold off in late afternoon. Volume was thin due to holiday week. Today is first trading day of New Year, everything is hard to predict what will happen in the market. What we can do is go step by step to follow the market's move.

Today the key level for controlling both sides move is 1431.75-1432.75 range. Price moves above that range, it will give a signal that ES intends to go up to retest 1437.50-39 range again. Any breakout 1439 level movement will create upside momentum to push price higher to 1444.50-45 range for testing last year's high. On the other hand, Price fails to move above 1431.75 level, it is likely for ES to go down to test 1420.50-19.75 range. Any breakdown 1418.75 level, price could dip fast down to 1413.50-1411 to complete its recently bearish pattern.

After market opens, we need to wait for 10-15 minutes to let market settle itself down first, and then we look for which direction ES intend to go. Using 30 minutes range breakout direction for our first trading.

Intraday major resistance levels: 1436.25, 1438.75, 1444.50, 1447.50, 1453.25

Intraday major support levels: 1418.75, 1413.50, 1411.25, 1408.50, 1401.50

Intraday swing position entry on short side: 1436.75 (agg) and 1444.50 (cons)

Intraday swing position entry on long side: 1419.25 (agg) and 1411.50 (cons)



6. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

1441.41	+2/8
1439.45	+1/8
1437.50	8/8
1435.55	7/8
1433.59	6/8
1431.64	5/8
1429.69	4/8
1427.73	3/8
1425.78	2/8
1423.83	1/8
1421.88	0/8
1419.92	-1/8
1417.97	-2/8

Up (Interval=3.95)

1445.31	+2/8
1441.41	+1/8
1437.50	8/8
1433.59	7/8
1429.69	6/8
1425.78	5/8
1421.88	4/8
1417.97	3/8
1414.06	2/8
1410.16	1/8
1406.25	0/8
1402.34	-1/8
1398.44	-2/8

Down (Interval=1.95)

1433.59	+2/8
1431.64	+1/8
1429.69	8/8
1427.73	7/8
1425.78	6/8
1423.83	5/8
1421.88	4/8
1419.92	3/8
1417.97	2/8
1416.02	1/8
1414.06	0/8
1412.11	-1/8
1410.16	-2/8

7. WEEKLY ECONOMIC CALENDAR

Date	ET	Release	For	Actual	Consensus	Prior
Jan 03	10:00	Construction Spending	Nov		-0.6%	-1.0%
Jan 03	10:00	ISM Index	Dec		50.0	49.5
Jan 03	14:00	FOMC Minutes	Dec 12			
Jan 03	17:00	Auto Sales	Dec		5.2M	5.1M
Jan 03	17:00	Truck Sales	Dec		7.3M	7.2M
Jan 04	08:30	Initial Claims	12/30		318K	317K
Jan 04	10:00	Factory Orders	Nov		1.4%	-4.7%
Jan 04	10:00	ISM Services	Dec		57.0	58.9
Jan 05	08:30	Nonfarm Payrolls	Dec		110K	132K
Jan 05	08:30	Unemployment Rate	Dec		4.5%	4.5%
Jan 05	08:30	Hourly Earnings	Dec		0.3%	0.2%
Jan 05	08:30	Average Workweek	Dec		33.9	33.9