

Naturus



Daily trading plan for Jan. 4, 2007

1. ESH7 IN PREVIOUS DAY

Open	High	Low	Closing
1433.75	1440.00	1416.50	1424.75

2. PIVOTS FOR ESH7

	Daily	Weekly	Monthly	Yearly
R3	1461.17	1456.25	1510.67	1722.00
R2	1450.58	1447.50	1477.83	1583.50
R1	1437.67	1438.00	1453.17	1506.00
PPT	1427.08	1429.25	1420.33	1367.50
S1	1414.17	1419.75	1395.67	1290.00
S2	1403.58	1411.00	1362.83	1151.50
S3	1390.67	1401.50	1338.17	1074.00

3. WEEKLY OUTLOOK

ES broke out its double bottom pattern in 2003 and has been going higher since then. During the 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 Nov. 2006, when it broke out to the upside through the top band of uptrend channel. In very short term, ES is in overbought territory. Also ES hasn'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.

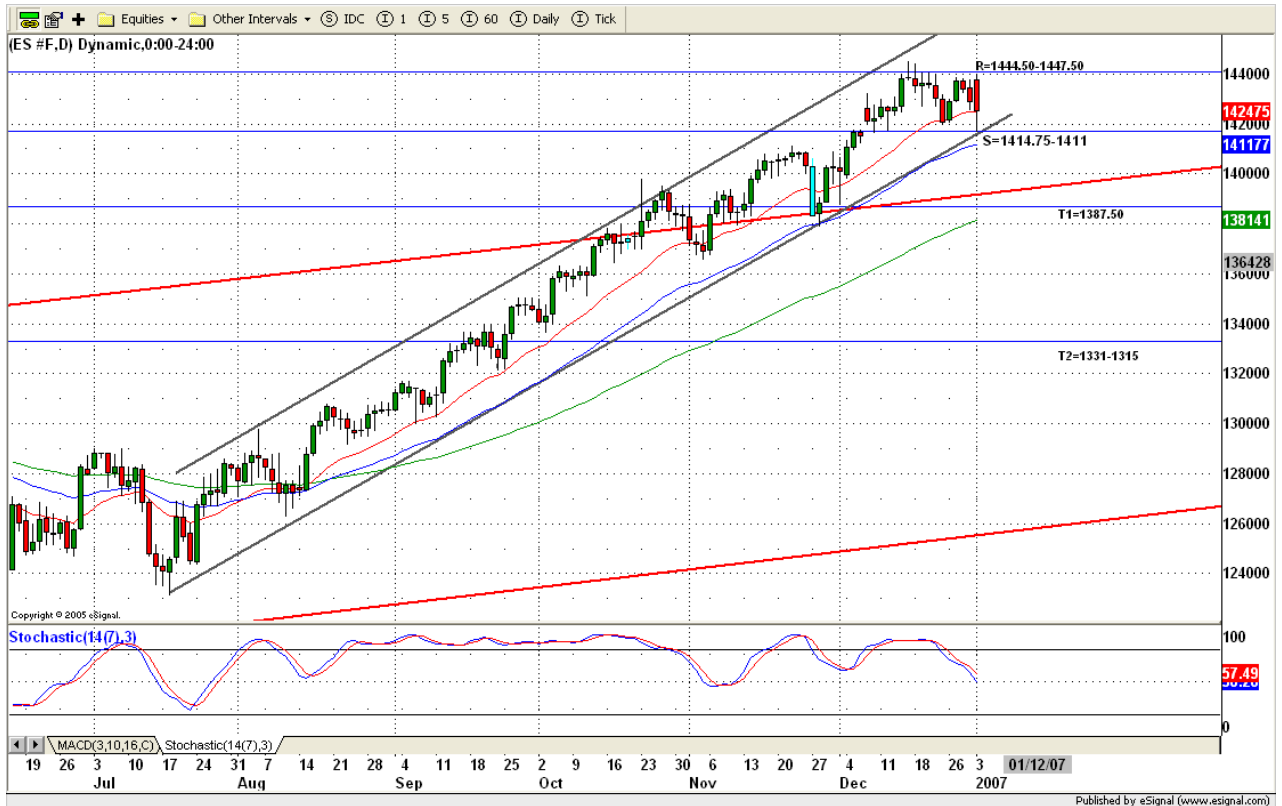


4. DAILY OUTLOOK

First day of New Year, all three major markets gapped up at open with very strong impression. But the internals were selling in an orderly way at the beginning. After first hour trading, price immediately lost its upside momentum and pulled price back into its first 30 minutes range. Trapping bull's movement made all bulls nervous and led to afternoon sold off.

The price hit on the low band of uptrend channel, then immediately bounced up for closing. Today ES could go sideways within the range from 1430.50 to 1414.75 for consolidation. Any bounce to 1430.50-29.50, we could see selling pressure around this level. Any dip into 1414, we could see buying pressure increase. There is one gap created at Dec.7 rollover day around 1414.75.

Daily indicators - MACD and SST all point out the downside movement. As soon as price breaks 1421.75 level, we could see price going down to retest yesterday's low or lower to 1414.75-11 range.



5. TRADING STRATEGY FOR Jan 3, 2007

First day ES sold off in the afternoon. Because its closing price is right on a major weekly live pivot level at 1424.75, today price could go both side ways for consolidation. It could move up to retest yesterday's major breakdown point around 1430.50-1431.50 range first, and then move down to retest yesterday's low again, or it could go down to test yesterday's low first before it moves up again. No matter what ES is going to do, the market bias still should be on the downside. Therefore, we remain on the short side until ES tells us that trend is changing.

Intraday major resistance levels: 1430.50, 1434.75, 1437.75, 1444.50, 1450.25
 Intraday major support levels: 1418.75, 1414.75, 1411.25, 1408.50, 1401.50

Intraday swing position entry on short side: 1431.25 (agg) and 1439.50 (cons)
 Intraday swing position entry on long side: 1411.25 (agg) and 1403.50 (cons)



6. PREDICTION FOR TODAY'S MOVEMENT

Current (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

Up (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

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 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