



Daily trading plan for Jan. 22, 2007

1. ESH7 IN PREVIOUS DAY

Open	High	Low	Closing
1433.25	1439.00	1432.50	1436.75

2. PIVOTS FOR ESH7

	Daily	Weekly	Monthly	Yearly
R3	1446.17	1454.83	1510.67	1722.00
R2	1442.58	1448.92	1477.83	1583.50
R1	1439.67	1442.83	1453.17	1506.00
PPT	1436.08	1436.92	1420.33	1367.50
S1	1433.17	1430.83	1395.67	1290.00
S2	1429.58	1424.92	1362.83	1151.50
S3	1426.67	1418.83	1338.17	1074.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1448.75-47.75 (First Sell#)	1428.75-27.75 (first Buy#)
1451.25-53.75 (Second Sell#)	1424.75-23 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1439.75	1444.75	1448.25	1451.00	1453.25
Support	1431.00	1427.75	1424.50	1420.25	1417.25

5. WEEKLY OUTLOOK

Last week was option expiration week. S&P 500 (SPX) and \$INDU had a divergence with Nasdaq and Russell 2000. Even though SPX and \$INDU stayed up near the top of the range, smaller stocks started to turn down. Sooner or later, the blue chips will reach its turning point.

In the past week, ES mainly went sideways and made its broad range from 1445 to 1412. Last week, it made a narrow week seven (NR7) which told us this market is in contraction mode. Expansion should be happened this week.

Based on weekly indicators, even though the MACD histogram is on negative side, for the long run ES remains bullish. As long as price doesn't breach 1431-29 support range, bulls still take of control. As soon as price breaks out 1445-47 range, it should head toward its major resistance level 1455. If ES fails to breakout, it is likely to go down to test 1431 level or lower to the 1414-12 range.

Major resistance level is 1455 and major support level is 1412.



6. DAILY OUTLOOK

Last Friday ES made its narrow range day again, but this time it was an inside day. Today expansion movement should be expected. Which direction should ES head? It depends on first hour breakout direction.

Based on the indicators, ES could go either direction. But upside has more chance than downside if 20 day moving average line can be held. It is likely for ES to go up to 1449 or higher 1452-55 if it can breakout 1445 level. If ES breaks down 1427 level, all upside moves will be cancelled, and then it is possible for ES to go down further to 1418-17 range.



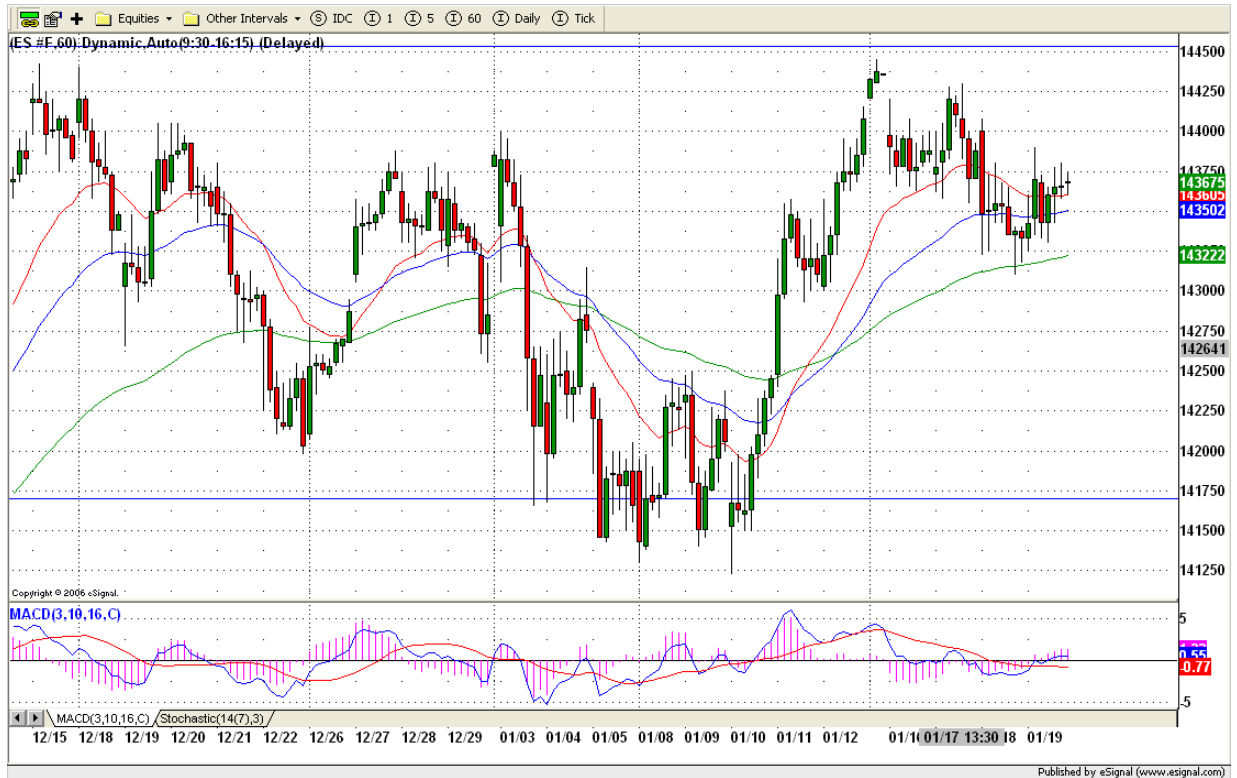
7. TRADING STRATEGY FOR Jan 22, 2007

Due to last Friday's narrow range with inside day pattern formed by ES, it likely we will see a wild day and perhaps a strong trend day today. Which direction? So far nobody knows, all depend on this morning early move. What we look for is the first breach of last Friday's high or low, which will be the direction for the rest of the day.

For upside, breakout 1439 level, it is likely that price could pop into 1445 level. Breakout 1445 and confirmed by 1447.25, all shorts will be squeezed and could push price higher to 1449-1452.75 range.

For downside, breakdown 1431 level, it is possible for ES to go down 1425-24 range. Breakdown 1424, all longs will be squeezed and could push price lower to 1418-1417 range for searching support.

Intraday swing position entry on short side:
1444.75 (Agg.scalping) 1447-48.75 (agg) and 1451-53.25 (cons)
Intraday swing position entry on long side:
1427.50 (agg.scalping) 1424.25-23 (agg) and 1417.75 (cons)



8. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=0.95)

1439.45	+2/8
1438.48	+1/8
1437.50	8/8
1436.52	7/8
1435.55	6/8
1434.57	5/8
1433.59	4/8
1432.62	3/8
1431.64	2/8
1430.66	1/8
1429.69	0/8
1428.71	-1/8
1427.73	-2/8

Up (Interval=1.95)

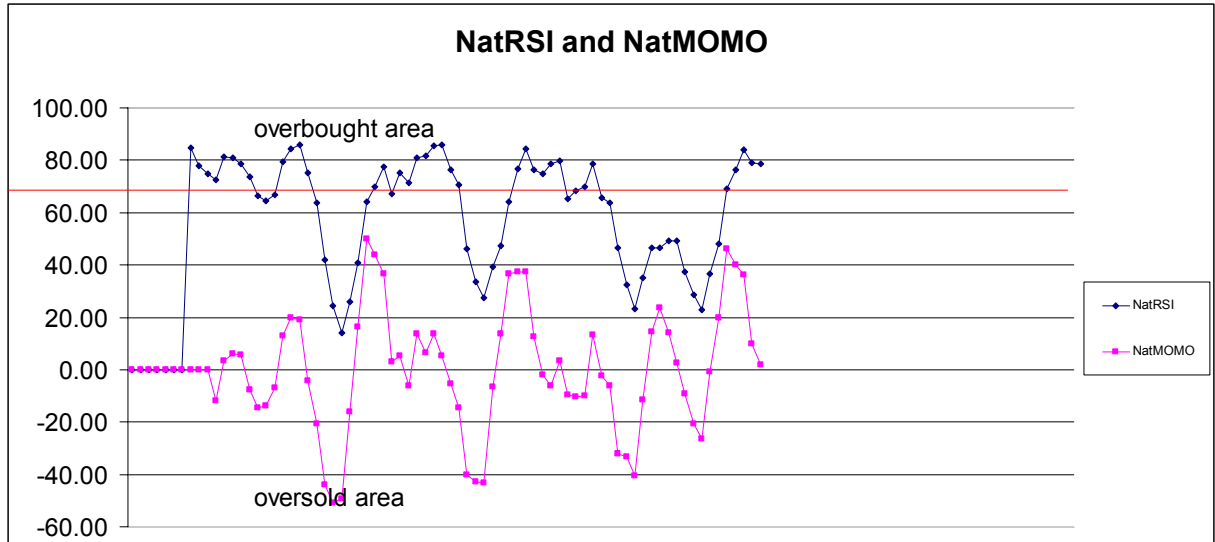
1449.22	+2/8
1447.27	+1/8
1445.31	8/8
1443.36	7/8
1441.41	6/8
1439.45	5/8
1437.50	4/8
1435.55	3/8
1433.59	2/8
1431.64	1/8
1429.69	0/8
1427.73	-1/8
1425.78	-2/8

Down (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

9. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.76	0.78	2.02	9.78	1435.00
overbought	overbought			



10. Weekly Economic Reports (<http://www.tradethenews.com/weekly-calendar.php>)

Economic Releases for This Week

(Consensus Forecasts vs. Previous Report)

Jan 22

Leading Indicators	10:00	Dec	0.2% vs 0.1%
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Jan 24

Crude Inventories	10:30	01/19	NA vs 6768K
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Jan 25

Initial Claims	8:30	01/19	310K vs 290K
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Existing Home Sales	10:00	Dec	6.30M vs 6.28M
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Help-Wanted Index	10:00	Dec	31 vs 30
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Jan 26

Durable Orders	8:30	Dec	3.5% vs 1.6%
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New Home Sales	10:00	Dec	1050K vs 1047K
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