



## Daily trading plan for Jan. 24, 2007

### 1. ESH7 IN PREVIOUS DAY

Open	High	Low	Closing
1430.00	1438.00	1428.00	1435.50

### 2. PIVOTS FOR ESH7

	Daily	Weekly	Monthly	Yearly
R3	1449.33	1454.83	1510.67	1722.00
R2	1443.67	1448.92	1477.83	1583.50
R1	1439.33	1442.83	1453.17	1506.00
<b>PPT</b>	<b>1433.67</b>	<b>1436.92</b>	<b>1420.33</b>	<b>1367.50</b>
S1	1429.33	1430.83	1395.67	1290.00
S2	1423.67	1424.92	1362.83	1151.50
S3	1419.33	1418.83	1338.17	1074.00

### 3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1437.75 (First Sell#)	1428.00-26.25 (first Buy#)
1444.75-1445.50 (Second Sell#)	1420.50-21.50 (second Buy#)

### 4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

<b>Resistance</b>	1439.75	1444.00	1447.00	1450.00	1452.75
<b>Support</b>	1433.00	1431.75	1429.50	1426.50	1423.50

## 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. First two days of this week, it made back-to-back movement, which still told us this market is in contraction mode. Expansion should be expected in the coming days.

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 1431-29.50 level again.

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



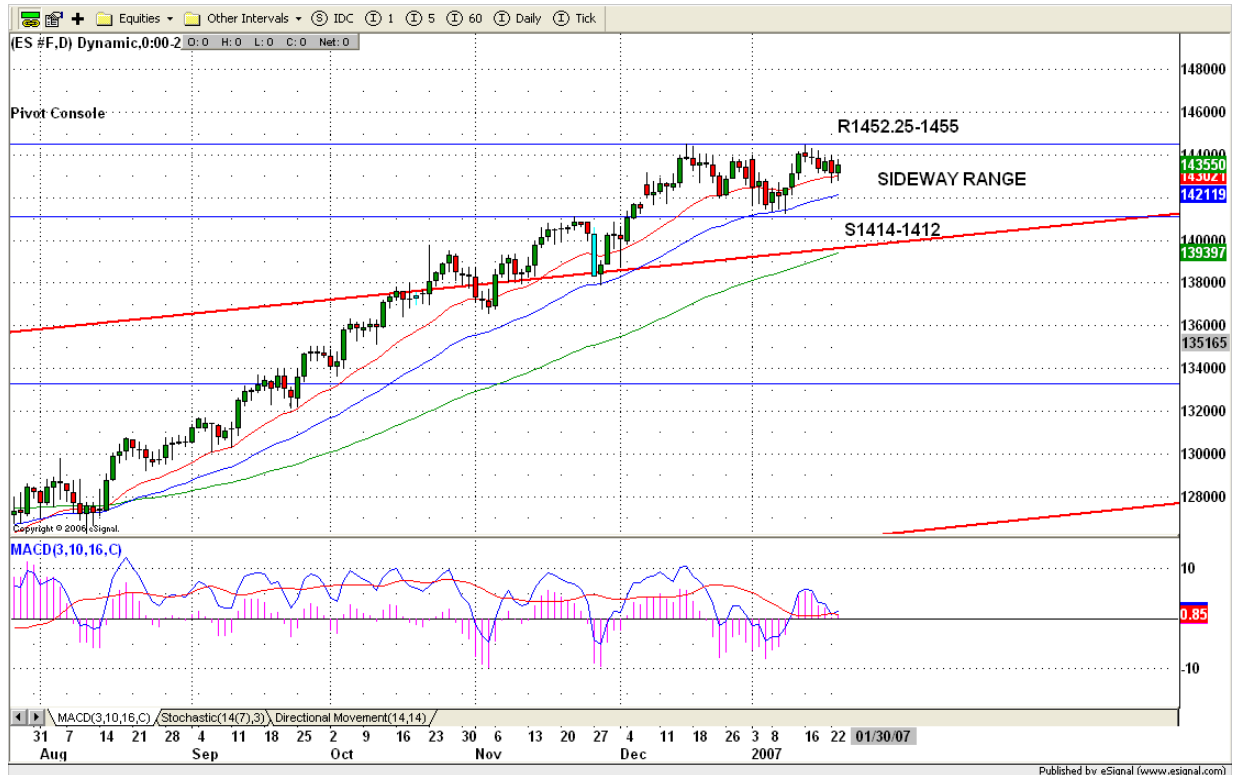
## 6. DAILY OUTLOOK

ES performed its back-to-back movement in past two days. Yesterday it bounced from the 20 day moving average line and closed near the top range.

Bouncing around 20EMA line in past four day shows our market is on nervous spaceship. Anytime it could go down without warning.

Make or break could be today. For upside, ES needs to breakout 1439.50 to get into 1445 or higher to 1455. For downside, ES needs to breakdown 1427-26 range to get into 1420-19 range. Otherwise, it is likely for ES to go sideways again and form a narrower range than yesterday.

Daily indicators shows sideways possible due to ADX line turns to low level.



## 7. TRADING STRATEGY FOR Jan 23, 2007

Today ES has a key level around 1433-32 range. If this range can be held up, it is likely for price to move higher to test yesterday's high. As soon as price breakout 1439.50 level, shorts squeeze could push price higher to 1444-45 range. On other side, if ES fails to breakout 1438 level and moves towards its opening price, be careful! It is likely for price to go down further. Especially if breakdown 1431.50 level, long side could be squeezed out and push price down to 1429.50-28 range again for testing.

**Intraday swing position entry on short side:**  
**1437.75 (agg.scalping) 1444-45.75 (agg) and 1451-53.25 (cons)**  
**Intraday swing position entry on long side:**  
**1428.75 (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)

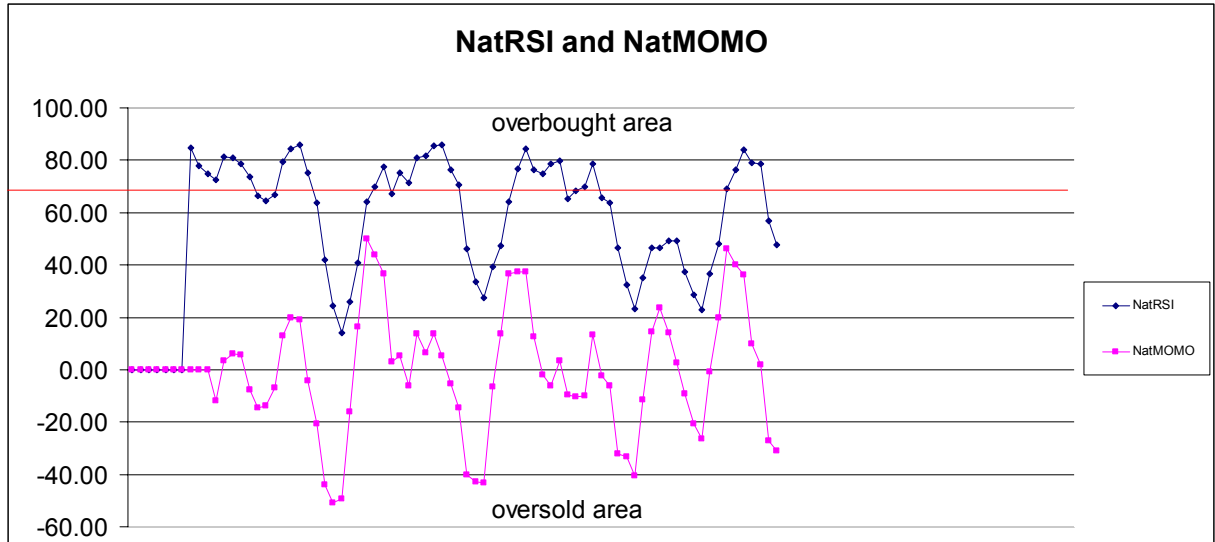
1457.03	+2/8
1455.08	+1/8
1453.13	8/8
1451.17	7/8
1449.22	6/8
1447.27	5/8
1445.31	4/8
1443.36	3/8
1441.41	2/8
1439.45	1/8
1437.50	0/8
1435.55	-1/8
1433.59	-2/8

#### 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
0.78	0.47	-31.06	9.80	1432.75
overbought	Neutral			



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

### Economic Releases for This Week

(Consensus Forecasts vs. Previous Report)

#### 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
Existing Home Sales	10:00	Dec	6.30M vs 6.28M
Help-Wanted Index	10:00	Dec	31 vs 30

#### Jan 26

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