



Daily trading plan for Jan. 26, 2007 - revised

1. ESH7 IN PREVIOUS DAY

Open	High	Low	Closing
1444.75	1445.75	1427.50	1429.25

2. PIVOTS FOR ESH7

	Daily	Weekly	Monthly	Yearly
R3	1459.08	1454.83	1510.67	1722.00
R2	1452.42	1448.92	1477.83	1583.50
R1	1440.83	1442.83	1453.17	1506.00
PPT	1434.17	1436.92	1420.33	1367.50
S1	1422.58	1430.83	1395.67	1290.00
S2	1415.92	1424.92	1362.83	1151.50
S3	1404.33	1418.83	1338.17	1074.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1434.75-36.25 (First Sell#)	1416.25 (first Buy#)
1440.50-42.25 (Second Sell#)	1412.00 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1431.75	1434.75	1437.50	1440.50	1442.25
Support	1421.75	1418.50	1416.50	1414.00	1412.25

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. 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

Obviously Bears disagreed with ES previous day move. This is the third time price has been unable to move higher. ES sold off as soon as it broke down Wednesday's low, and it closed at low range with high volume. This kind of move shows very bearish tone to the public. This market is processing on the way down instead of on the way up.



7. TRADING STRATEGY FOR Today Jan. 26, 2007

Yesterday early morning, ES didn't bother to close its gap and just went south. As soon as it breached major support levels, all previous day's long and early morning longs were trapped and created downside momentum. It pushed price right down to Monday's low area for closing. This is Bearish signal and tells us that it is possible for ES to go down further if it can't move back up to 1437.50 for today's closing. Also yesterday's move created a tone for Bears; SHORT on BOUNCE. So we are shorting on major resistance levels -- 1434.75-35.50 and 1436.75-37.50 range with protective stop loss 1440.50.

This morning, the Durable Goods report will be out around 8:30am. If ES gaps up early, looking for major resistance levels for GO SHORT. If in the early morning after report, 1423.25-21.50 range can be held up, GO Scalping LONG for gap filled play, and then GO agg. SHORT at 1431.75-32.75 range.

Intraday swing position entry on short side:
1434.75 (Agg.scalping) 1436.25-37.50 (agg) and 1440.25 (cons)
Intraday swing position entry on long side:
1423.25-21.25 (agg.scalping) 1416.25 (agg) and 1412.25 (cons)



8. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=2.95)

1460.94	+2/8
1457.03	+1/8
1453.13	8/8
1449.22	7/8
1445.31	6/8
1441.41	5/8
1437.50	4/8
1433.59	3/8
1429.69	2/8
1425.78	1/8
1421.88	0/8
1417.97	-1/8
1414.06	-2/8

Up (Interval=1.95)

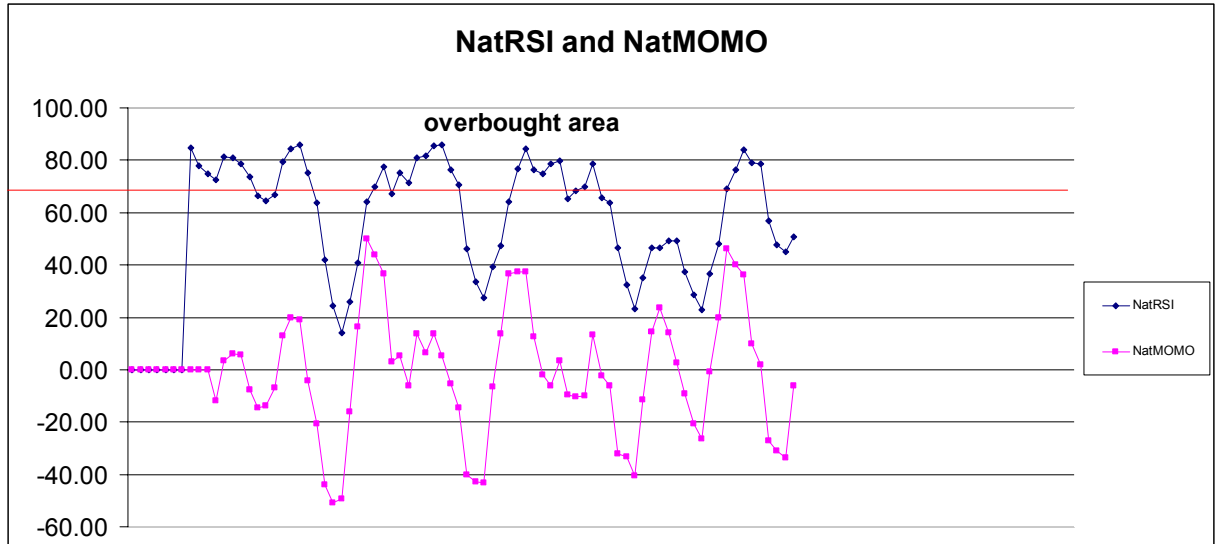
1441.41	+2/8
1439.45	+1/8
1437.50	8/8
1435.55	7/8
1433.59	6/8
1431.64	5/8
1429.69	4/8
1427.73	3/8
1425.78	2/8
1423.83	1/8
1421.88	0/8
1419.92	-1/8
1417.97	-2/8

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

9. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.08	0.50	-6.28	10.35	1437.00
overbought	Neutral			



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

Economic Releases for This Week
(Consensus Forecasts vs. Previous Report)

Jan 26

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