



## Daily trading plan for Jan. 31, 2007

### 1. ESH7 IN PREVIOUS DAY

| Open    | High    | Low     | Closing |
|---------|---------|---------|---------|
| 1429.50 | 1434.50 | 1426.50 | 1434.00 |

### 2. PIVOTS FOR ESH7

|            | Daily          | Weekly         | Monthly        | Yearly         |
|------------|----------------|----------------|----------------|----------------|
| R3         | 1444.83        | 1466.50        | 1510.67        | 1722.00        |
| R2         | 1439.67        | 1456.50        | 1477.83        | 1583.50        |
| R1         | 1436.83        | 1442.00        | 1453.17        | 1506.00        |
| <b>PPT</b> | <b>1431.67</b> | <b>1432.00</b> | <b>1420.33</b> | <b>1367.50</b> |
| S1         | 1428.83        | 1417.50        | 1395.67        | 1290.00        |
| S2         | 1423.67        | 1407.50        | 1362.83        | 1151.50        |
| S3         | 1420.83        | 1393.00        | 1338.17        | 1074.00        |

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

| Sell levels            | Buying levels         |
|------------------------|-----------------------|
| 1437.50 (First Sell#)  | 1424.75 (first Buy#)  |
| 1443.50 (Second Sell#) | 1418.75 (second Buy#) |

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

|                   |                |         |                |         |         |
|-------------------|----------------|---------|----------------|---------|---------|
| <b>Resistance</b> | <b>1437.25</b> | 1439.75 | <b>1443.50</b> | 1446.25 | 1453.25 |
| <b>Support</b>    | 1429.50        | 1428.00 | <b>1425.00</b> | 1422.00 | 1418.75 |

## 5. WEEKLY OUTLOOK

S&P 500 closed at 1422.2 on Friday, and lost 8.3 points on weekly basis. S&P 500 emini lost 9.25 points weekly. So far it seems ES still consolidates at its top daily range. Also the short-term support line (black) formed since Nov. 2006 has prevented price from falling three time recently. Last Friday ES closed right on this support line again with less strength. This tells major trend is going to change. Even it hasn't been confirmed, at least it is in process. Bull's strength has been deflating.

This week, the major support range 1414-1412 could be challenged. A couple of days closing under this range will put the market on the bearish side. It is possible for ES to go to 1390 if major support range breaks.

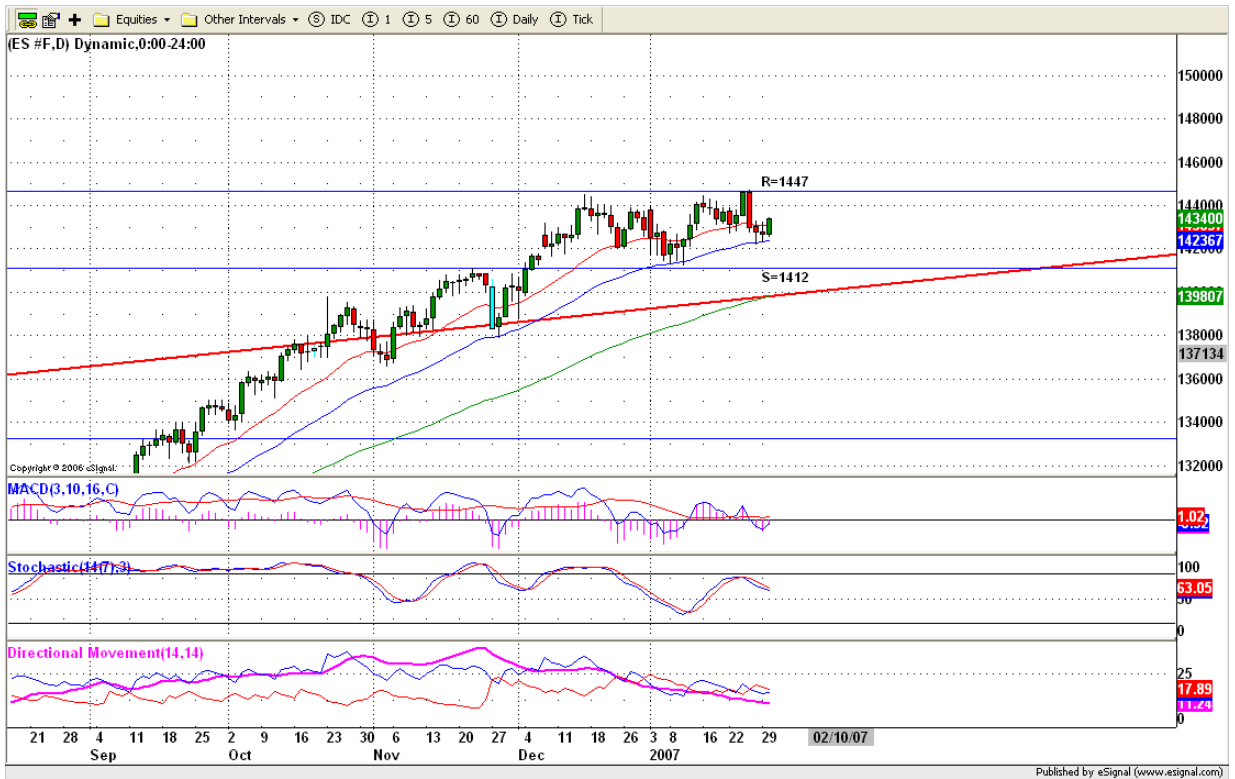
But in the early days of week, we may see price bounce up a little for January window dressing. As long as price doesn't close above 1438-39 range for the month, the odds favour a downside move rather than an upside movement. Weekly resistance level is 1440 and support level is 1390.



## 6. DAILY OUTLOOK

ES had a choppy movement in first trading hour and later broke out its consolidation range. At the end, it closed at top range. Is this bullish signal? Maybe. To me, it is more likely a window dressing for the end of Jan and ran up for FOMC announcement. Today market

expects NO CHANGE on interest rate. Any language expressing vigilance on inflation could turn the market lower.

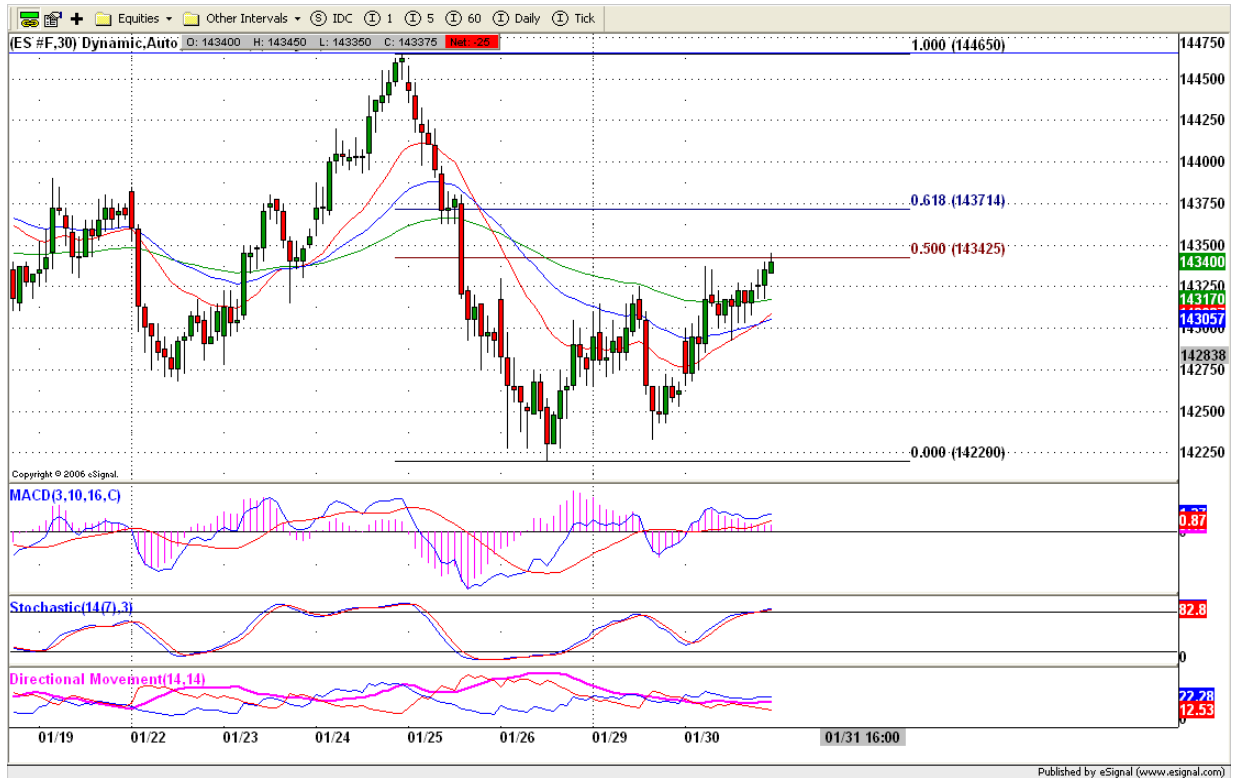


## 7. TRADING STRATEGY FOR Jan. 31, 2007

Early morning there is lots of economic reports before 10:30am. Gap up to 1437.50-39.50 range, we go scalping short for gap filled. Gap down to 1429.50, we go scalping long for 1434 target.

Lunch time no trading and Newbie stays aside for rest of afternoon due to FOMC announcement.

Intraday swing position entry on short side:  
**1437.50 (agg) and 1443.25(cons)**  
 Intraday swing position entry on long side:  
**1424.25 (agg) and 1418.75 (cons)**



## 8. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=0.95)

|         |      |
|---------|------|
| 1435.55 | +2/8 |
| 1434.57 | +1/8 |
| 1433.59 | 8/8  |
| 1432.62 | 7/8  |
| 1431.64 | 6/8  |
| 1430.66 | 5/8  |
| 1429.69 | 4/8  |
| 1428.71 | 3/8  |
| 1427.73 | 2/8  |
| 1426.76 | 1/8  |
| 1425.78 | 0/8  |
| 1424.80 | -1/8 |
| 1423.83 | -2/8 |

### Up (Interval=1.95)

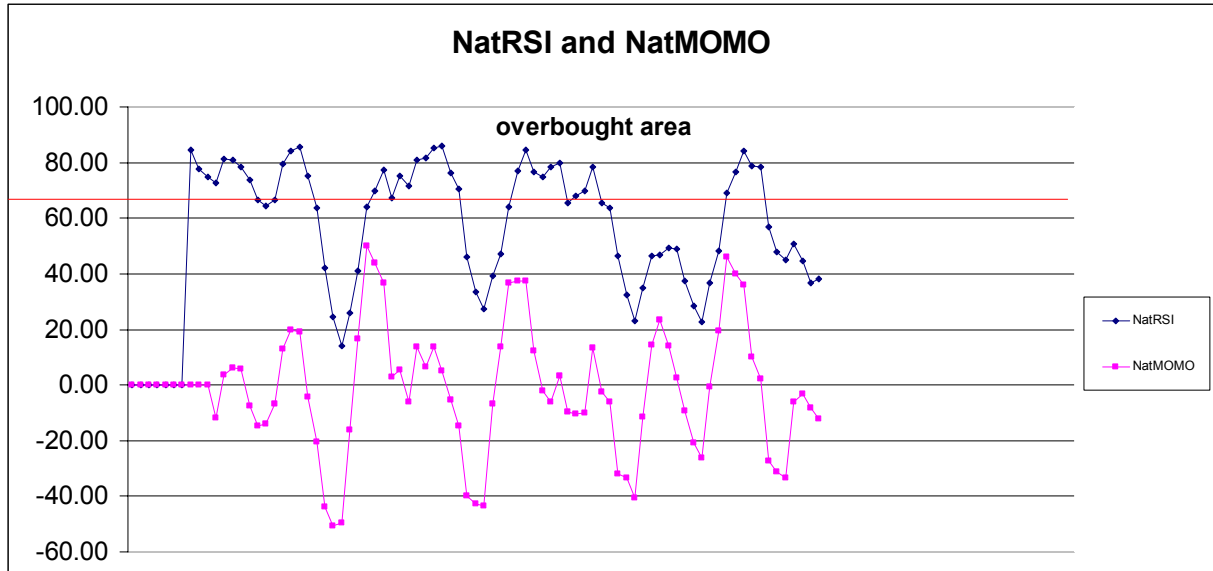
|         |      |
|---------|------|
| 1449.22 | +2/8 |
| 1447.27 | +1/8 |
| 1445.31 | 8/8  |
| 1443.36 | 7/8  |
| 1441.41 | 6/8  |
| 1439.45 | 5/8  |
| 1437.50 | 4/8  |
| 1435.55 | 3/8  |
| 1433.59 | 2/8  |
| 1431.64 | 1/8  |
| 1429.69 | 0/8  |
| 1427.73 | -1/8 |
| 1425.78 | -2/8 |

### 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 |
|---------------|---------------|---------|--------|--------------|
| 0.78          | 0.38          | -12.31  | 10.30  | 1431.75      |
| overbought    | Neutral       |         |        |              |



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

### Projected Economic Releases for This Week

(Consensus Forecasts vs. Previous Report)

#### Jan 31

|                       |       |       |               |
|-----------------------|-------|-------|---------------|
| Employment Cost Index | 8:30  | Q4    | 0.9% vs NA    |
| GDP-Adv.              | 8:30  | Q4    | 3.0% vs 2.0%  |
| Chain Deflator-Adv.   | 8:30  | Q4    | 1.7% vs 1.9%  |
| Employment Cost Index | 8:30  | Q4    | 1.0% vs 1.0%  |
| Chicago PMI           | 9:45  | Jan   | 52.0 vs 51.6  |
| Construction Spending | 10:00 | Dec   | 0.0% vs -0.2% |
| Crude Inventories     | 10:30 | 01/26 | NA vs 789K    |
| FOMC policy statement | 14:15 |       |               |

#### Feb 1

|                   |       |       |              |
|-------------------|-------|-------|--------------|
| Personal Income   | 8:30  | Dec   | 0.5% vs 0.3% |
| Personal Spending | 8:30  | Dec   | 0.7% vs 0.5% |
| Initial Claims    | 8:30  | 01/27 | 318K vs 325K |
| ISM Index         | 10:00 | Jan   | 51.5 vs 51.4 |
| Auto Sales        | 17:00 | Jan   | 5.4M vs 5.6M |

|                     |       |     |              |
|---------------------|-------|-----|--------------|
| Truck Sales         | 17:00 | Jan | 7.4M vs 7.2M |
| <b>Feb 2</b>        |       |     |              |
| Nonfarm Payrolls    | 8:30  | Jan | 150K vs 167K |
| Unemployment Rate   | 8:30  | Jan | 4.5% vs 4.5% |
| Hourly Earnings     | 8:30  | Jan | 0.3% vs 0.5% |
| Average Workweek    | 8:30  | Jan | 33.9 vs 33.9 |
| Factory Orders      | 10:00 | Dec | 1.5% vs 0.9% |
| Mich Sentiment-Rev. | 10:00 | Jan | 97.8 vs 98.0 |