



Daily trading plan for Mar 19, 2007

1. ESM7 IN PREVIOUS DAY

Open	High	Low	Closing
1407.00	1409.75	1395.25	1399.00

2. PIVOTS FOR ESH7

	Daily	Weekly	Monthly	Yearly
R3	1421.91	1471.08	1528.58	1722.00
R2	1415.83	1447.17	1496.67	1583.50
R1	1407.42	1423.08	1452.83	1506.00
PPT	1401.33	1399.17	1420.92	1367.50
S1	1392.92	1375.08	1377.08	1290.00
S2	1386.83	1351.17	1345.17	1151.50
S3	1378.42	1327.08	1301.33	1074.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1412.75 (First Sell#)	1386.75 (first Buy#)
1417.00-1419.25 (Second Sell#)	1379.25-77. (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1403.00	1407.75	1412.75	1416.25	1421.00
Support	1393.25	1389.25	1386.50	1379.25	1377.25

5. WEEKLY OUTLOOK

Last week we had a quadruple witching option expiration week. Both the Dow Jones Industrial Average and S&P 500 posted their lowest weekly closes since the week of November 13, 2006. While the long-term uptrend remains bullish, the medium-term has been threatened by the current price moves. The S&P 500 cash had 97.50 points down, only bounced up 46 points, and still couldn't close above its breakeven point at 1412.77. This indicates we may see more downside movement in coming weeks.

Should we think the Bear market has started? My answer is NOT YET. We haven't seen a long term selling signal yet. Also in the past 4 years, 20/40 weekly moving average lines supported price quite well in every correction during the bull market. So far current downside move still could be another correction in the bull market.

SPX WEEKLY



ESM7 Futures Contract

In addition to S&P 500, ES weekly chart shows we could have seen the low of the first leg down last Wednesday. ES could bounce up as high as the 1421-25 range before it starts to move down again. But as long as price remains below 1421-25 range, we expect ES to go down further to retest its last year breakout level around 1333-1331 area in the following weeks.

Major weekly resistance level is 1425 and support level is 1375.

ESM7 WEEKLY CHART



6. DAILY OUTLOOK

Option expiration day passed. This week we have a FOMC announcement. Last Wednesday we saw a sharp down followed by sharp up, we may see price moves down to retest last week's low area today or tomorrow. But a higher low should be expected. Daily price needs to be traveled within a triangle pattern.

Any breakdown 1368.50 level will create a panic selling.

ESM7 DAILY CHART



7. TRADING STRATEGY FOR Mar. 19, 2007

On 60min chart, ES formed a broad triangle pattern. Looking for lower highs and higher lows price move to complete that triangle pattern in the coming days. Last Friday's high and low should be expected to retest.

Intraday swing position entry on short side:
1412.75 (scalping), 1414.75 (agg) and 1419.75-1421.25(cons)
Intraday swing position entry on long side:
1390.75 (scalping) 1386.25 (agg) and 1379.25-81.50 (cons)

ESM7 INTRADAY



8. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

1410.16	+2/8
1408.20	+1/8
1406.25	8/8
1404.30	7/8
1402.34	6/8
1400.39	5/8
1398.44	4/8
1396.48	3/8
1394.53	2/8
1392.58	1/8
1390.63	0/8
1388.67	-1/8
1386.72	-2/8

Up (Interval=3.91)

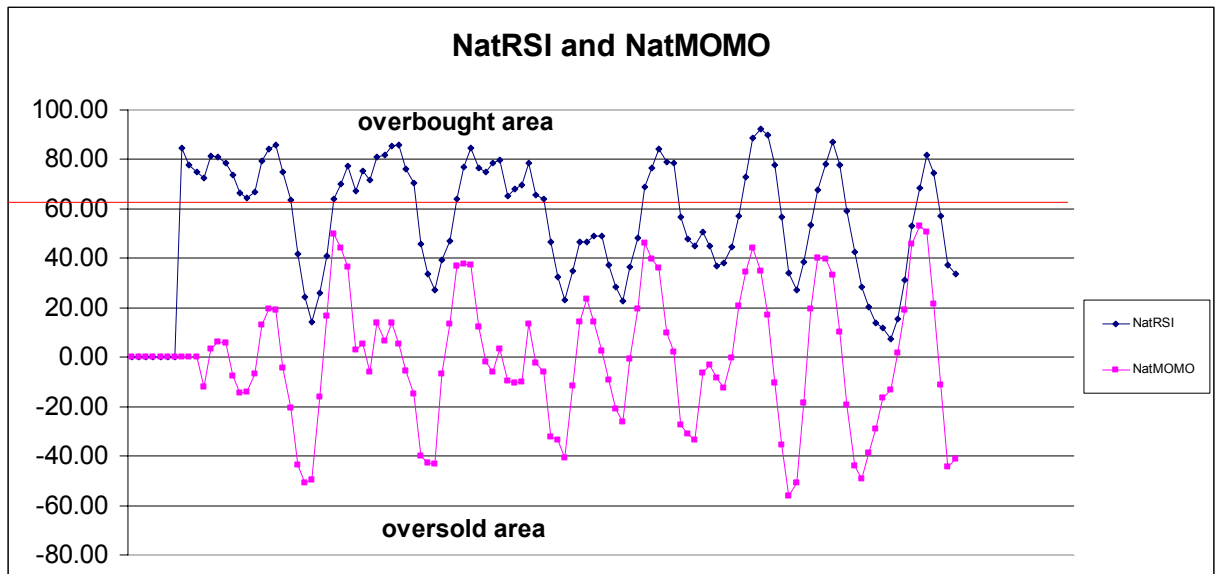
1429.69	+2/8
1425.78	+1/8
1421.88	8/8
1417.97	7/8
1414.06	6/8
1410.16	5/8
1406.25	4/8
1402.34	3/8
1398.44	2/8
1394.53	1/8
1390.63	0/8
1386.72	-1/8
1382.81	-2/8

Down (Interval=1.95)

1410.16	+2/8
1408.20	+1/8
1406.25	8/8
1404.30	7/8
1402.34	6/8
1400.39	5/8
1398.44	4/8
1396.48	3/8
1394.53	2/8
1392.58	1/8
1390.63	0/8
1388.67	-1/8
1386.72	-2/8

9. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.22	0.33	-40.97	16.80	1403.00
Neutral	Neutral			



10. WEEKLY ECONOMIC REPORTS (<http://www.tradethenews.com/weekly-calendar.php>)

Projected Economic Releases for This Week

(Consensus Forecasts vs. Previous Report)

Mar 20

Building Permits	8:30	Feb	1560K vs 1571K
Housing Starts	8:30	Feb	1440K vs 1408K
Building Permits	8:30	Feb	1560K vs 1571K

Mar 21

Crude Inventories	10:30	03/16	NA vs 1180K
FOMC policy statement	14:15		

Mar 22

Initial Claims	8:30	03/17	325K vs 318K
Leading Indicators	10:00	Feb	-0.3% vs 0.1%

Mar 23

Existing Home Sales	10:00	Feb	6.35M vs 6.46
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