



Daily trading plan for Mar 20, 2007

1. ESM7 IN PREVIOUS DAY

Open	High	Low	Closing
1406.00	1416.00	1404.75	1415.75

2. PIVOTS FOR ESH7

	Daily	Weekly	Monthly	Yearly
R3	1430.83	1471.08	1528.58	1722.00
R2	1423.42	1447.17	1496.67	1583.50
R1	1419.58	1423.08	1452.83	1506.00
PPT	1412.17	1399.17	1420.92	1367.50
S1	1408.33	1375.08	1377.08	1290.00
S2	1400.92	1351.17	1345.17	1151.50
S3	1397.08	1327.08	1301.33	1074.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1419.75 (First Sell#)	1408.25 (first Buy#)
1428.25-1429.75 (Second Sell#)	1403.25 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1419.50	1423.75	1426.50	1429.75	1433.25
Support	1408.25	1403.25	1399.00	1495.00	1491.25

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

ES gapped up at open and finished a solid up day. That is bullish signal. Today we expect to see a little pullback into yesterday's breakout level 1409-1408 range in the early morning and continuation bouncing up to yesterday's strong close. Any breakout of yesterday's high will push price to higher level 1421-25.

ESM7 DAILY CHART



7. TRADING STRATEGY FOR Mar. 20, 2007

On 60min chart, ES closed right on its triangle top line yesterday. Today 1417 is key level. Breakout that level, price could go higher to 1421-25 range. However we should expect small pullback into 1409-08 range. As long as that range can hold price, SCALP LONG side until we see 1416-17 range.

Intraday swing position entry on short side:
1417.25 (scalping), 1428.75-29.75 (agg) and 1433.75-1435.25(cons)
Intraday swing position entry on long side:
1408.25 (scalping) 1403.25 (agg) and 1399-97.75 (cons)

ESM7 INTRADAY



8. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=0.95)

1416.02	+2/8
1415.04	+1/8
1414.06	8/8
1413.09	7/8
1412.11	6/8
1411.13	5/8
1410.16	4/8
1409.18	3/8
1408.20	2/8
1407.23	1/8
1406.25	0/8
1405.27	-1/8
1404.30	-2/8

Up (Interval=1.95)

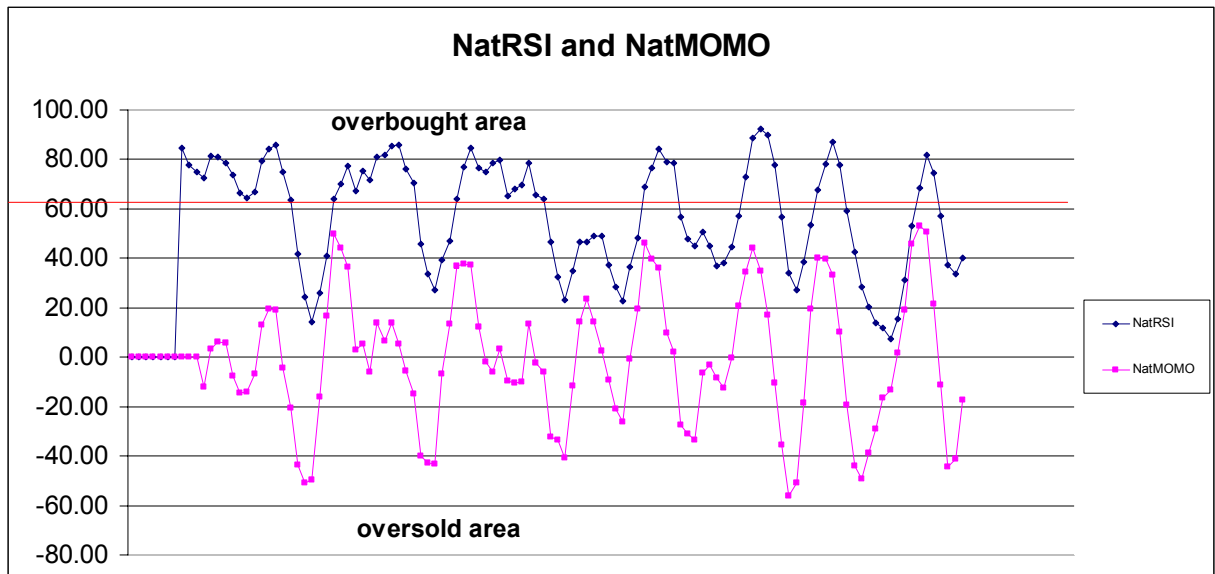
1433.59	+2/8
1431.64	+1/8
1429.69	8/8
1427.73	7/8
1425.78	6/8
1423.83	5/8
1421.88	4/8
1419.92	3/8
1417.97	2/8
1416.02	1/8
1414.06	0/8
1412.11	-1/8
1410.16	-2/8

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
0.93	0.39	-17.37	15.68	1410.88
overbought	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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