



Daily trading plan for Mar 21, 2007

1. ESM7 IN PREVIOUS DAY

| Open | High | Low | Closing |
|---------|---------|---------|---------|
| 1414.00 | 1424.00 | 1412.50 | 1423.50 |

2. PIVOTS FOR ESM7

| | Daily | Weekly | Monthly | Yearly |
|------------|----------------|----------------|----------------|----------------|
| R3 | 1439.00 | 1471.08 | 1528.58 | 1722.00 |
| R2 | 1431.50 | 1447.17 | 1496.67 | 1583.50 |
| R1 | 1427.50 | 1423.08 | 1452.83 | 1506.00 |
| PPT | 1420.00 | 1399.17 | 1420.92 | 1367.50 |
| S1 | 1416.00 | 1375.08 | 1377.08 | 1290.00 |
| S2 | 1408.50 | 1351.17 | 1345.17 | 1151.50 |
| S3 | 1404.50 | 1327.08 | 1301.33 | 1074.00 |

3. FOCUS NUMBERS (intra-day Position trading)

| Sell levels | Buying levels |
|------------------------------|-----------------------|
| 1428-29.75 (First Sell#) | 1415.75 (first Buy#) |
| 1435.75-36.25 (Second Sell#) | 1410.75 (second Buy#) |

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

| | | | | | |
|-------------------|---------|---------|----------------|---------|---------|
| Resistance | 1429.50 | 1431.50 | 1435.75 | 1439.00 | 1441.00 |
| Support | 1418.75 | 1416.00 | 1412.25 | 1408.50 | 1406.50 |

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

After having a little profit taking move, ES continued its uptrend move and still closed at top range yesterday. This bullish move can carry price to a higher destination. Today is Fed Announcement Day. We may see sell the News move after 2:15pm, but as long as 1416-15 level can be held up, bounce back to yesterday's high or higher to 1428-29 range also should be expected.

Daily indicators show that ES still has some energy to move up.

ESM7 DAILY CHART



7. TRADING STRATEGY FOR Mar. 21, 2007

On 60min chart, ES broke out its triangle pattern and closed at top of its trading range yesterday. Today early morning we may see price go in a narrow range for consolidation and wait for afternoon Fed. Announcement at 2:15pm. After announcement, volatility will be high. Price could go both ways. New Traders should stay sideline today.

Intraday swing position entry on short side:
1425 (scalping), 1428.75-29.75 (agg) and 1435.75-1436.25(cons)
Intraday swing position entry on long side:
1417.25 (scalping) 1410.75 (agg) and 1406-04.50 (cons)

ESM7 INTRADAY



8. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

| | |
|---------|------|
| 1425.78 | +2/8 |
| 1423.83 | +1/8 |
| 1421.88 | 8/8 |
| 1419.92 | 7/8 |
| 1417.97 | 6/8 |
| 1416.02 | 5/8 |
| 1414.06 | 4/8 |
| 1412.11 | 3/8 |
| 1410.16 | 2/8 |
| 1408.20 | 1/8 |
| 1406.25 | 0/8 |
| 1404.30 | -1/8 |
| 1402.34 | -2/8 |

Up (Interval=1.95)

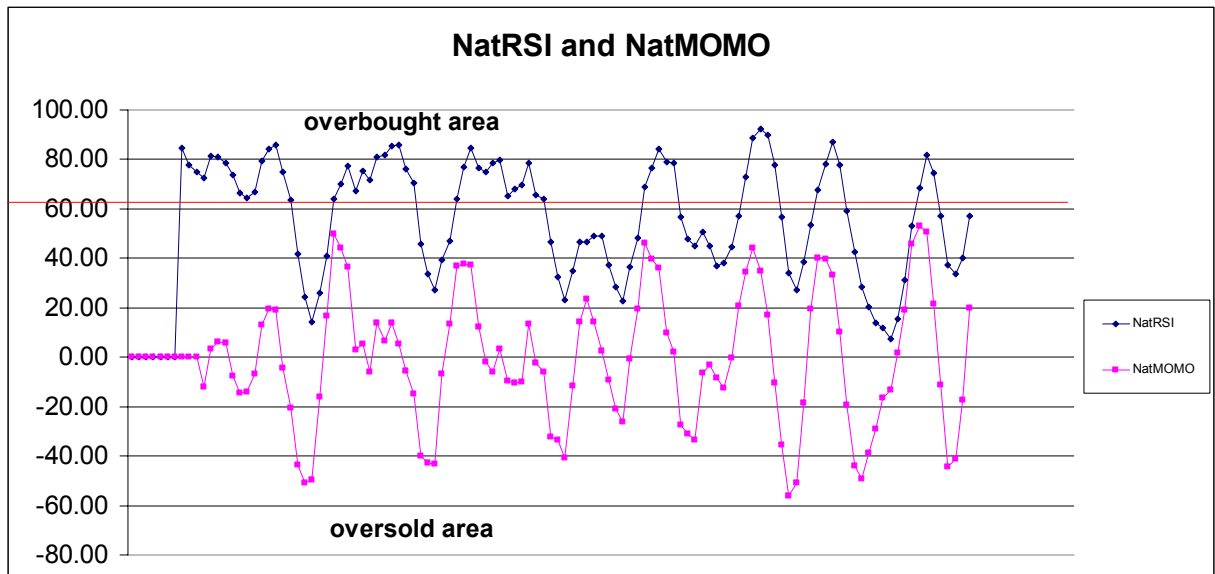
| | |
|---------|------|
| 1441.41 | +2/8 |
| 1439.45 | +1/8 |
| 1437.50 | 8/8 |
| 1435.55 | 7/8 |
| 1433.59 | 6/8 |
| 1431.64 | 5/8 |
| 1429.69 | 4/8 |
| 1427.73 | 3/8 |
| 1425.78 | 2/8 |
| 1423.83 | 1/8 |
| 1421.88 | 0/8 |
| 1419.92 | -1/8 |
| 1417.97 | -2/8 |

Down (Interval=1.95)

| | |
|---------|------|
| 1425.78 | +2/8 |
| 1423.83 | +1/8 |
| 1421.88 | 8/8 |
| 1419.92 | 7/8 |
| 1417.97 | 6/8 |
| 1416.02 | 5/8 |
| 1414.06 | 4/8 |
| 1412.11 | 3/8 |
| 1410.16 | 2/8 |
| 1408.20 | 1/8 |
| 1406.25 | 0/8 |
| 1404.30 | -1/8 |
| 1402.34 | -2/8 |

9. OTHER INDICATORS

| NatRSI (1day) | NatRSI (5day) | NatMoMo | ATR 10 | Waist number |
|---------------|---------------|---------|--------|--------------|
| 0.90 | 0.57 | 19.80 | 15.15 | 1418.88 |
| 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 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 |
|---------------------|-------|-----|---------------|