



Daily trading plan for May 14, 2007

1. ESM7 IN PREVIOUS DAY

Open	High	Low	Closing
1501.00	1512.75	1500.50	1512.25

2. PIVOTS FOR ESM7

	Daily	Weekly	Monthly	Yearly
R3	1528.75	1545.17	1598.83	1722.00
R2	1520.75	1532.08	1551.67	1583.50
R1	1516.50	1522.17	1520.08	1506.00
PPT	1508.50	1509.17	1472.92	1367.50
S1	1504.25	1499.17	1441.33	1290.00
S2	1496.25	1486.08	1394.17	1151.50
S3	1492.00	1476.17	1362.58	1074.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1514.25 (First Sell#)	1505.25-1504.25(first Buy#)
1525.25-26.75(Second Sell#)	1499-1498 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1518.00	1520.50	1523.75	1529.25	1532.25
Support	1509.50	1507.00	1501.25	1499.25	1496.00

5. LONG-TERM OUTLOOK

Friday S&P500 (SPX) closed 14.38 points higher than its previous day's closing, but it only had a minor gain — 0.23 points — from the prior week's close. After six consecutive winning weeks for blue chips, the SPX starts to show some hesitation on the upside. There was no decision made on its direction last week. This week is option expiration week with the usual confusion. We may see price to go sideways between 1525-1496 range until this week ends. For the long term, the SPX remains bullish. As long as the 20 week moving average line holds price up, Bulls still try to push price up to make new highs. But the upside has its limitation. Watch for a major TOP being formed by late June and early July.

SPX WEEKLY Chart



6. WEEKLY OUTLOOK

ES made no change from its previous weekly close, and a doji pattern forms on the top as a result. This indicates that both of bulls and bears can't decide on the next direction movement. Based on the last hour move Friday, ES retains its bullish bias. But it is in a deep overbought condition and upside momentum has started to wind down. Due to option expiration this week we may see ES hold the price up until the week ends. If ES breaks out last week's high at 1519, new highs up to 1533 could be made, but the 1496 level needs to hold to support any move to new highs. Failure to hold price above 1496 will create downside momentum to push price down to next support level around the 1483-80

range. The 1526 to 1505 range is where the battles for the option settlement price will occur, fluctuating around 1515.

Major weekly resistance level is 1533-1535 and major support level is 1496-1495

ES WEEKLY Chart



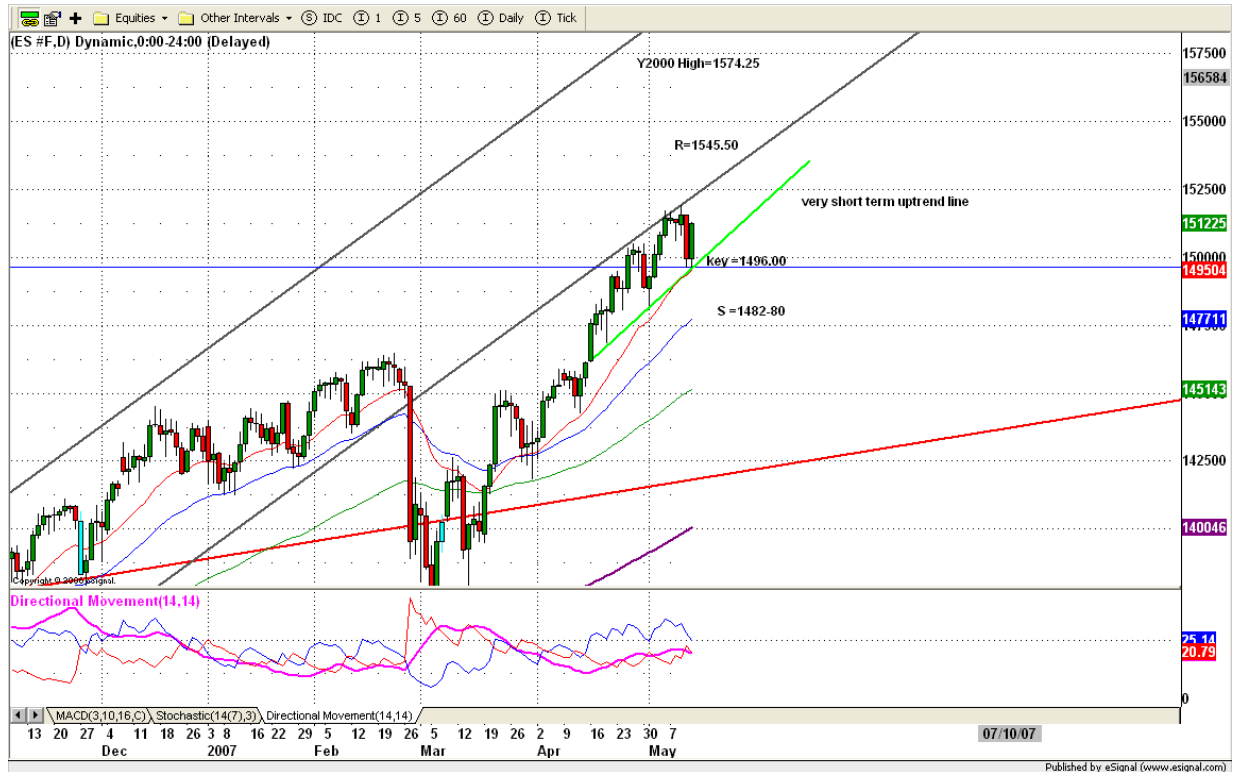
7. DAILY OUTLOOK

Friday ES gapped up and reversed from its Thursday downtrend, and closed at the top of the day's range. Today it is more likely we will see the price continue Friday's uptrend move until it fills the gap at 1514.25 and reaches major intraday resistance before pulling back.

Today if the ES breaks through 1515.75 level with high volume, last Wednesday's high at 1519 is likely to be retested; a break out there will push price higher to 1523.75-22.50 range. If this is the case, we may see price stall in the lunch time and later pull back in the afternoon or tomorrow morning after the CPI report.

There is a short term uptrend line (green) created by ES. As long as this uptrend line holds the price up, be prepared for the ES to make a choppy upside move.

ESM7 DAILY Chart



8. TRADING STRATEGY FOR May 14, 2007

For today, on the upside 1509-08 is the key range; if ES can hold price up this range, be prepared to retest 1519. Any breakout of the 1519 level, is likely to move up to make a new high around the 1522.75-23.25 range.

On the downside 1503.75-04.75 is the key range. If there is a break down of this range with high volume, it is possible for ES to move down to retest last Friday's low around 1500.50-1499.25 area.

Option week, high volatility should be expected this week.

Intraday swing position entry on short side:

1519 (scalping) 1523.75(agg) and 1526-27(cons)

Intraday swing position entry on long side:

1507.25 (scalping) 1504.75-04 (agg) and 1498.25-99 (cons)

ESM7 INTRADAY



8. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

1519.53	+2/8
1517.58	+1/8
1515.63	8/8
1513.67	7/8
1511.72	6/8
1509.77	5/8
1507.81	4/8
1505.86	3/8
1503.91	2/8
1501.95	1/8
1500.00	0/8
1498.05	-1/8
1496.09	-2/8

Up (Interval=1.95)

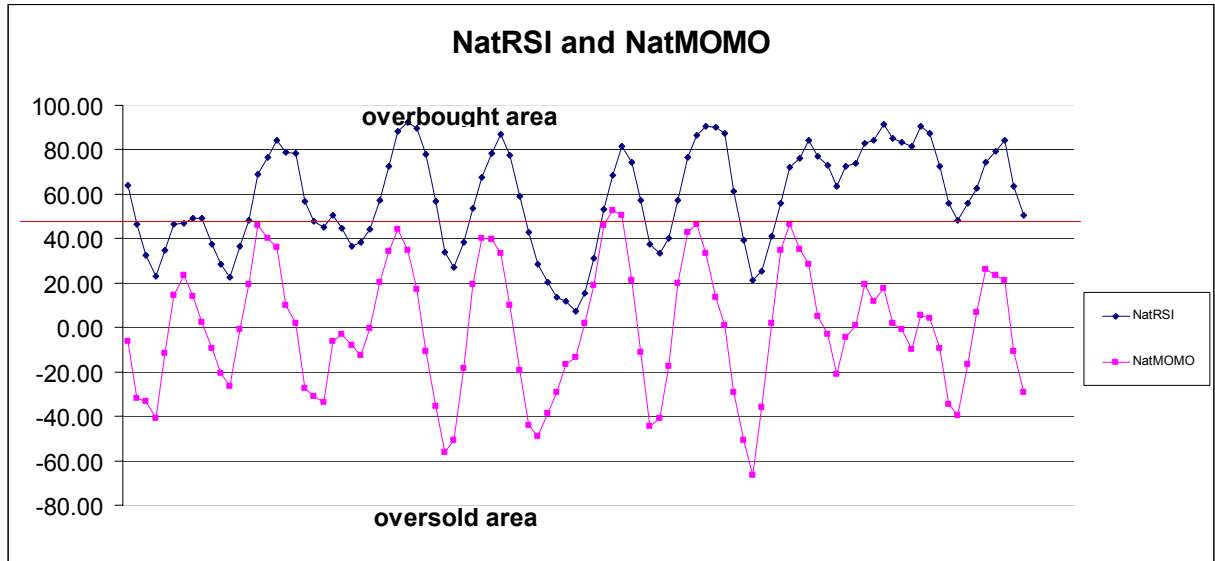
1527.34	+2/8
1525.39	+1/8
1523.44	8/8
1521.48	7/8
1519.53	6/8
1517.58	5/8
1515.63	4/8
1513.67	3/8
1511.72	2/8
1509.77	1/8
1507.81	0/8
1505.86	-1/8
1503.91	-2/8

Down (Interval=1.95)

1519.53	+2/8
1517.58	+1/8
1515.63	8/8
1513.67	7/8
1511.72	6/8
1509.77	5/8
1507.81	4/8
1505.86	3/8
1503.91	2/8
1501.95	1/8
1500.00	0/8
1498.05	-1/8
1496.09	-2/8

9. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.96	0.51	-28.93	10.75	1506.63
overbough	neutral			



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

Projected Economic Releases for This Week

(Consensus Forecasts vs. Previous Report)

May 15

CPI	8:30	Apr	0.5% vs 0.6%
Core CPI	8:30	Apr	0.2% vs 0.1%
NY Empire State Index	8:30	May	9.5 vs 3.8
Net Foreign Purchases	8:30	Mar	\$70.0B vs \$58.1B

May 16

Housing Starts	8:30	Apr	1485K vs 1518K
Building Permits	8:30	Apr	1520K vs 1564K
Industrial Production	9:15	Apr	0.3% vs -0.2%
Capacity Utilization	9:15	Apr	81.5% vs 81.4%

May 17

Initial Claims	8:30	05/12	NA vs 297K
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Leading Indicators	10:00	Apr	0.0% vs 0.1%
Philadelphia Fed	12:00	May	2.0 vs 0.2
May 18			
Mich Sentiment-Prel.	10:00	May	87.0 vs 87.1