



Daily trading plan for June 4, 2007

1. ESM7 IN PREVIOUS DAY

Open	High	Low	Closing
1537.75	1543.00	1534.00	1539.50

2. PIVOTS FOR ESM7

	Daily	Weekly	Monthly	Yearly
R3	1552.67	1582.00	1609.00	1722.00
R2	1547.83	1562.50	1573.50	1583.50
R1	1543.67	1551.00	1553.25	1506.00
PPT	1538.83	1531.50	1517.75	1367.50
S1	1534.67	1520.00	1497.50	1290.00
S2	1529.83	1500.50	1462.00	1151.50
S3	1525.67	1489.00	1441.75	1074.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1547-48 (First Sell#)	1530-29.50 (first Buy#)
1552.75-53(Second Sell#)	1526.50-25.50 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1543.75	1548.25	1551.00	1553.25	1556.75
Support	1534.25	1531.50	1529.75	1525.75	1520.00

5. LONG-TERM OUTLOOK

The S&P 500 index (SPX) gained 48.25 points in May closing at 1535.56. Even though the SPX had a little bearish divergence in the last week of May, at the end it still managed to hold its gains and close near the top of the range. In the big picture, the SPX remains very bullish. The old high (1552.87) of year 2000 will be retested, and the previous wave high 1464 should be turned into a major support. During the month of June, there is a channel resistance level around 1600 developing ahead of the current price level. It is likely for SPX to move up there if it can breakout 1556-58 range. The bearish alternative is a drop to 1464 if it breaks through the very short term support level at 1505.

Monthly major resistance level is 1606 and major support level is 1460 for SPX.

SPX MONTHLY Chart



6. WEEKLY OUTLOOK

SPX closed with a net gain of 20.61 points for the week on Friday. In the very short term, SPX is not far from its resistance level at 1558 -55 (Double TOP area). We may see price pull back quickly as soon as it hits this range. As long as SPX can hold price above 1531 level, sideways or upside move still should be expected.

Major weekly resistance level is 1565 and major support level is 1505

SPX WEEKLY Chart



Futures contract

Traders will roll over to the new contract (ESU7) on Thursday. This week we expect the old contract (ESM7) to move up to test 1543 or higher to 1556-58. (ESU7 should be around 1573-75 range). We may see high volatility on rollover day. After ES goes into the 1553-56 range, a fast pull-back down movement should be expected.

Weekly major resistance level for ESM7 is 1558; and ESU7 1575. Weekly major support for ESM7 is 1505 and ESU7 is 1520

ES WEEKLY Chart



7. DAILY OUTLOOK

Friday ES bounced from last Thursday's low and closed up 6.25 points with high volume. The short-term trend retains its upside strength.

Today as long as ES can hold price above 1530-26 range in the morning, ES could move up to retest 1543 level or make new highs. ES intends to retest the year 2000 high, if not in the June contract, then in the new September contract.

ESM7 DAILY Chart



8. TRADING STRATEGY FOR June 4, 2007

For today, 1543 is the key level; if ES can breakout 1545.75, it is likely for price to go to 1549.75 or higher to 1553.

If ES goes up to test 1543 in early morning, and is unable to breakout from that level, price can recoil to the 1534.75-34.00 level for testing. If the market fails to hold price above 1533.75 level, we could see a dip into 1530-29.50 to search for support, and then a bounce from that range.

Intraday swing position entry on short side:
1543.75 (scalping) 1547.75(agg) and 1552.50(cons)
Intraday swing position entry on long side:
1530-29.50 (scalping) 1526.50 (agg) and 1517.75 (cons)



8. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=0.95)

1544.92	+2/8
1543.95	+1/8
1542.97	8/8
1541.99	7/8
1541.02	6/8
1540.04	5/8
1539.06	4/8
1538.09	3/8
1537.11	2/8
1536.13	1/8
1535.16	0/8
1534.18	-1/8
1533.20	-2/8

Up (Interval=3.95)

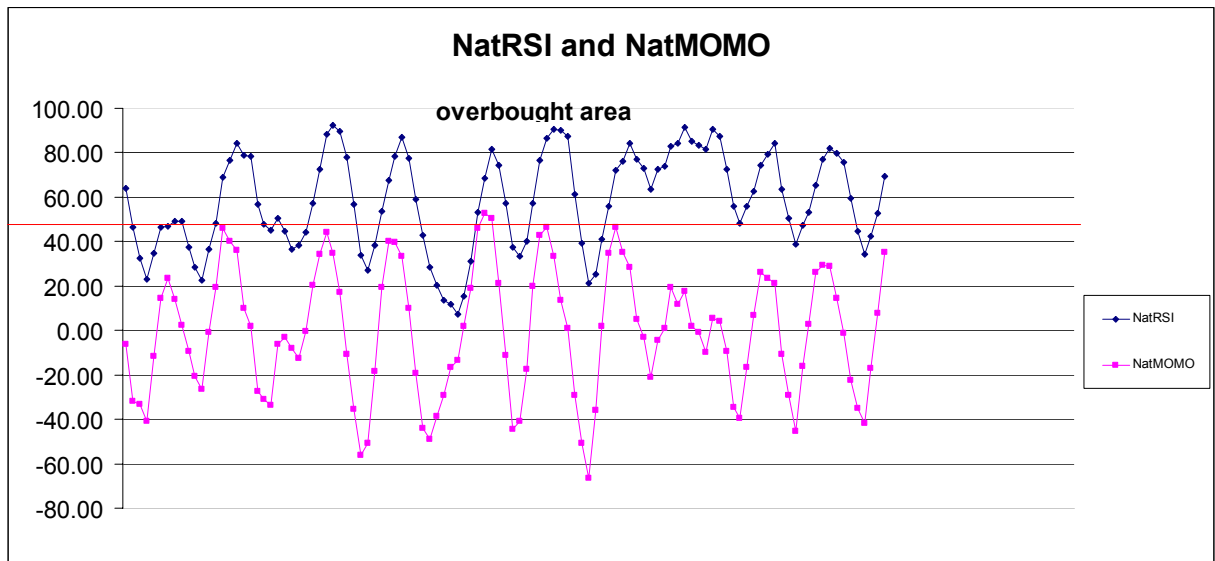
1570.31	+2/8
1566.41	+1/8
1562.50	8/8
1558.59	7/8
1554.69	6/8
1550.78	5/8
1546.88	4/8
1542.97	3/8
1539.06	2/8
1535.16	1/8
1531.25	0/8
1527.34	-1/8
1523.44	-2/8

Down (Interval=3.95)

1570.31	+2/8
1566.41	+1/8
1562.50	8/8
1558.59	7/8
1554.69	6/8
1550.78	5/8
1546.88	4/8
1542.97	3/8
1539.06	2/8
1535.16	1/8
1531.25	0/8
1527.34	-1/8
1523.44	-2/8

9. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.58	0.69	35.19	11.85	1538.63
Neutral	neutral			



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

Projected Economic Releases for This Week

(Consensus Forecasts vs. Previous Report)

Jun 4

Factory Orders	10:00	Apr	0.6% vs 3.5%
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Jun 5

ISM Services	10:00	May	55.0 vs 56.0
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Jun 6

Productivity-Rev.	8:30	Q1	1.4% vs 1.7%
Crude Inventories	10:30	06/01	NA vs -1956K

Jun 7

Initial Claims	8:30	06/02	NA vs 310K
Wholesale Inventories	10:00	Apr	0.3% vs 0.3%
Consumer Credit	15:00	Apr	\$6.0B vs \$13.5B

Jun 8

Trade Balance	8:30	Apr	-\$63.0B vs -\$63.9B
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