



Daily trading plan for Aug. 20, 2007

1. ESU7 IN PREVIOUS DAY

Open	High	Low	Closing
1457.00	1460.25	1425.50	1450.00

2. PIVOTS FOR ESU7

	Daily	Weekly	Monthly	Yearly
R3	1499.75	1588.17	1643.42	1722.00
R2	1480.00	1530.33	1604.83	1583.50
R1	1465.00	1490.17	1533.42	1506.00
PPT	1445.25	1432.33	1494.83	1367.50
S1	1430.25	1392.17	1423.42	1290.00
S2	1410.25	1334.33	1384.83	1151.50
S3	1395.50	1294.17	1313.42	1074.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1469.25 (First Sell#)	1416.50 (first Buy#)
1493.75 (Second Sell#)	1406.25 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1469.75	1481.75	1491.75	1495.25	1512.50
Support	1432.25	1423.25	1409.25	1392.25	1384.75

5. LONG-TERM OUTLOOK

Last week, S&P 500 (SPX) did its technical bounce from its long term uptrend low band and closed at 1445.94, for a net weekly loss of 7.01 points.

In the past two weeks, SPX melted down on Subprime news. Even though many central banks inject billions into the market, it still can not hold price until our market hit its long term major support line. Lots of people may think that Fed rate cut halted the downward movement in this market, but in my view it may not be that simple. Usually when the market is still near a TOP, any Fed effect will fail. We can hope this time “there is a miracle,” but usually the market does not reward hope. (See our Special Report)

This week as long as 1488.30 level holds SPX down though the week, it is possible for SPX to retest 1390-1400 range again. Any breakdown through the 1375 level will create another down impulse momentum move and send price lower to the area of the 200 weekly ema line. Holding price above 1400 indicates that the LONG TERM uptrend remains intact; however the SPX could regain Friday’s excitement and push price back up to 1503.41 for testing.

Major Monthly resistance level for SPX is 1503.41 and support level is 1260
 Major weekly resistance level for SPX is 1503.41 and support level is 1380

SPX WEEKLY Chart



6. WEEKLY OUTLOOK — ES

Very exciting last week! ES bounced from its 89 weekly moving average line (long term support line) and pushed price back up into the intermediate-term uptrend channel. Two major reasons for currently rally: first, the ES was getting into extremely oversold situation and approaching its long term support line for the first time; second, the Fed “surprise” rate cut busted the down move and sent the shorts scrambling to cover their positions.

ES has had a 50% retracement from this year’s low to this year’s high by Friday. This week we may see ES goes higher to 68%-78% retracement level (1510 -1484) if the 1471-73 range fails to hold the price down. If 1473-1470 area can hold ES down, it is possible for price to go down to retest 1403-1397 range this week.

Weekly major resistance level is 1510. Weekly major support is 1386

ES WEEKLY Chart



7. DAILY OUTLOOK

Last Friday ES gaped up at open with the help of the Fed rate cut. It tried to fill the gap in first hour range, and failed by only 1 point. Although the rally was unable to go up to retest pre-market's high, ES still managed to close above 1445 level. Today we may see ES goes up to retest last Friday's high 1460.25 or 1471.50, and then goes sideway for consolidation.

Daily indicators still show the current rally only is a correction bounce.

ESU7 DAILY Chart



8. TRADING STRATEGY FOR Aug. 20, 2007

Today we may see ES gap up at open and try to test last Friday's highs, then come down to fill the gap area around 1450-1445 to create a sideways range.

But there is an alternative reading that has ES gapping down at open and going down further to test Friday's low and fill the gap at 1424.50. The overnight trading in international markets will give some clues; if they are still moving to the downside the ES may follow.

For the upside move, 1471.50-72.50 is a key range today. Breakout this range, it is likely for ES to go up to 1484-87. However the 1445 level needs to be held up for this up breakout move. If price remains below 1471.50-72.50 range, ES is likely to dip back down to 1437-33 range if 1445 fails to hold price up.

Intraday swing position entry on short side:
1469.75-1472.50 (scalping) 1493.25 (agg) and 1506-08.75 (cons)
Intraday swing position entry on long side:
1433.25 (agg) 1416.25 (agg) and 1406.25 (cons)



9. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=7.82)

1515.63	+2/8
1507.81	+1/8
1500.00	8/8
1492.19	7/8
1484.38	6/8
1476.56	5/8
1468.75	4/8
1460.94	3/8
1453.13	2/8
1445.31	1/8
1437.50	0/8
1429.69	-1/8
1421.88	-2/8

Up (Interval=7.82)

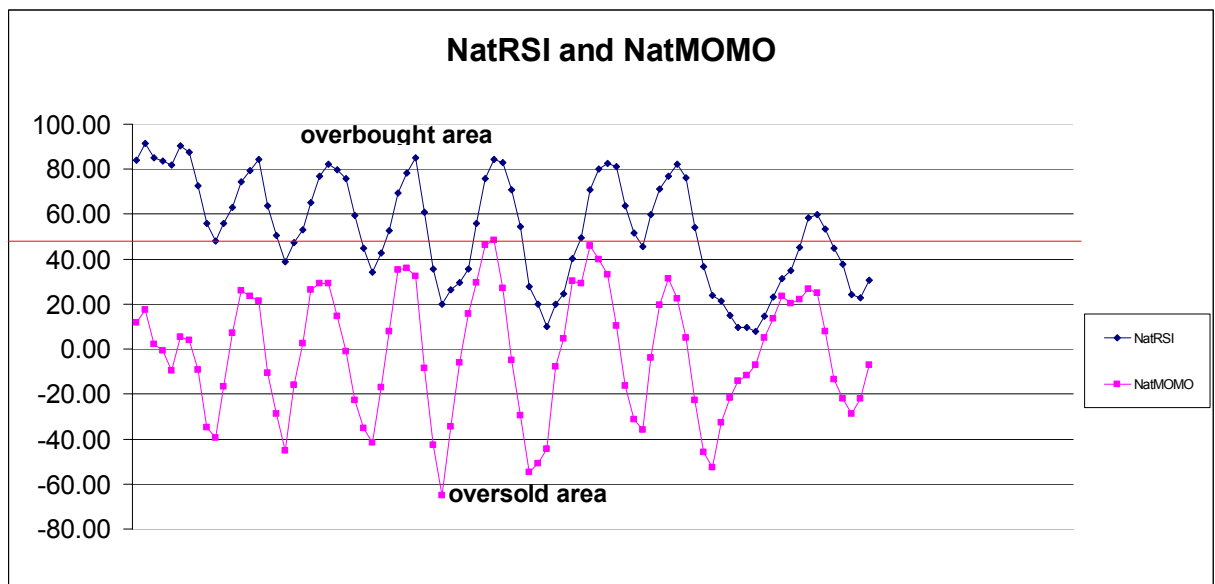
1515.63	+2/8
1507.81	+1/8
1500.00	8/8
1492.19	7/8
1484.38	6/8
1476.56	5/8
1468.75	4/8
1460.94	3/8
1453.13	2/8
1445.31	1/8
1437.50	0/8
1429.69	-1/8
1421.88	-2/8

Down (Interval=7.82)

1484.38	+2/8
1476.56	+1/8
1468.75	8/8
1460.94	7/8
1453.13	6/8
1445.31	5/8
1437.50	4/8
1429.69	3/8
1421.88	2/8
1414.06	1/8
1406.25	0/8
1398.44	-1/8
1390.63	-2/8

10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.40	0.30	-7.25	35.65	1458.63
neutral	neutral			



11. WEEKLY ECONOMIC REPORTS

(<http://www.briefing.com/Investor/Public/Calendars/EconomicCalendar.htm>)

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Aug 20	10:00	Leading Indicators	Jul	NA	0.3%	-0.3%	
Aug 22	10:30	Crude Inventories	08/17	NA	NA	-5167K	
Aug 23	08:30	Initial Claims	08/18	NA	NA	322K	
Aug 24	08:30	Durable Orders	Jul	NA	1.0%	1.4%	
Aug 24	10:00	New Home Sales	Jul	NA	830K	834K	

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