



## Daily trading plan for Sept. 4, 2007

### 1. ESU7 IN PREVIOUS DAY

| Open    | High    | Low     | Closing |
|---------|---------|---------|---------|
| 1476.00 | 1484.75 | 1467.75 | 1476.75 |

### 2. PIVOTS FOR ESU7

|            | Daily          | Weekly         | Monthly        | Yearly         |
|------------|----------------|----------------|----------------|----------------|
| R3         | 1502.08        | 1546.08        | 1669.33        | 1722.00        |
| R2         | 1493.42        | 1515.42        | 1589.92        | 1583.50        |
| R1         | 1485.08        | 1496.08        | 1533.33        | 1506.00        |
| <b>PPT</b> | <b>1476.42</b> | <b>1465.42</b> | <b>1453.92</b> | <b>1367.50</b> |
| S1         | 1468.08        | 1446.08        | 1397.33        | 1290.00        |
| S2         | 1459.42        | 1415.42        | 1317.92        | 1151.50        |
| S3         | 1451.08        | 1396.08        | 1261.33        | 1074.00        |

### 3. FOCUS NUMBERS (intra-day Position trading)

| Sell levels                    | Buying levels         |
|--------------------------------|-----------------------|
| 1493.25-92 (First Sell#)       | 1461.25 (first Buy#)  |
| 1502.25-1504.25 (Second Sell#) | 1455.25 (second Buy#) |

### 4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

|                   |         |         |         |         |         |
|-------------------|---------|---------|---------|---------|---------|
| <b>Resistance</b> | 1487.25 | 1496.25 | 1510.75 | 1515.50 | 1533.25 |
| <b>Support</b>    | 1467.25 | 1461.25 | 1455.75 | 1450.25 | 1445.25 |

## 5. LONG-TERM OUTLOOK

Last week, S&P 500 (SPX) mainly traded within a narrow weekly range and closed at 1473.99, for a net weekly loss of 5.38 points.

This week we may see SPX go up if it can breakout 1485 level. Based on last week's movement, the index still managed to hold above its 40 and 89 week moving average, even though it suffered a small loss for the week. We still consider the long term outlook remains bullish. As long as those two lines hold, the SPX can move up to 1545 again as soon as it breaks out from its 20 week moving average line, which could be the start point for the next bullish uptrend.

That is the long-term outlook. For the short term, September is typical unfriendly to the market. There is lots of potential for a sharp down move against the long-term trend this month.

Major monthly resistance level for SPX is 1545 and support level is 1400

Major weekly resistance level for SPX is 1503.41 and support level is 1434.26

### SPX WEEKLY Chart



## 6. WEEKLY OUTLOOK — ES

Last week, ES repeated its previous week move with light volume; it still closed under its 20 week moving average line.

This week we may see ES go higher to 1510.75 for testing if the 1461 level holds the price up. For the upside move, ES needs to breakout 1487 to go up 1510.50 level for testing. For the downside move, ES needs to breakdown 1434 in order to get down to the 1391.75 level for testing.

In past weeks the Fed has acted to help hold the market up. But the problems in the financial markets were not created in a single day or a single month; the solutions won't be the result of a single series of actions. It will take a very long time to restore health and stability to the markets, and nothing very much has changed in the past two weeks. We believe most of the effects have been based on "blind trust." That is not usually a successful strategy for traders.

From a reasonable perspective, September usually is an unfavorable month for the market. This September may not be, because the market loves to throw out unexpected surprises. But at the least, large whipsaw moves should be expected.

Weekly major resistance level is 1510.75. Weekly major support is 1435.

### ES WEEKLY Chart

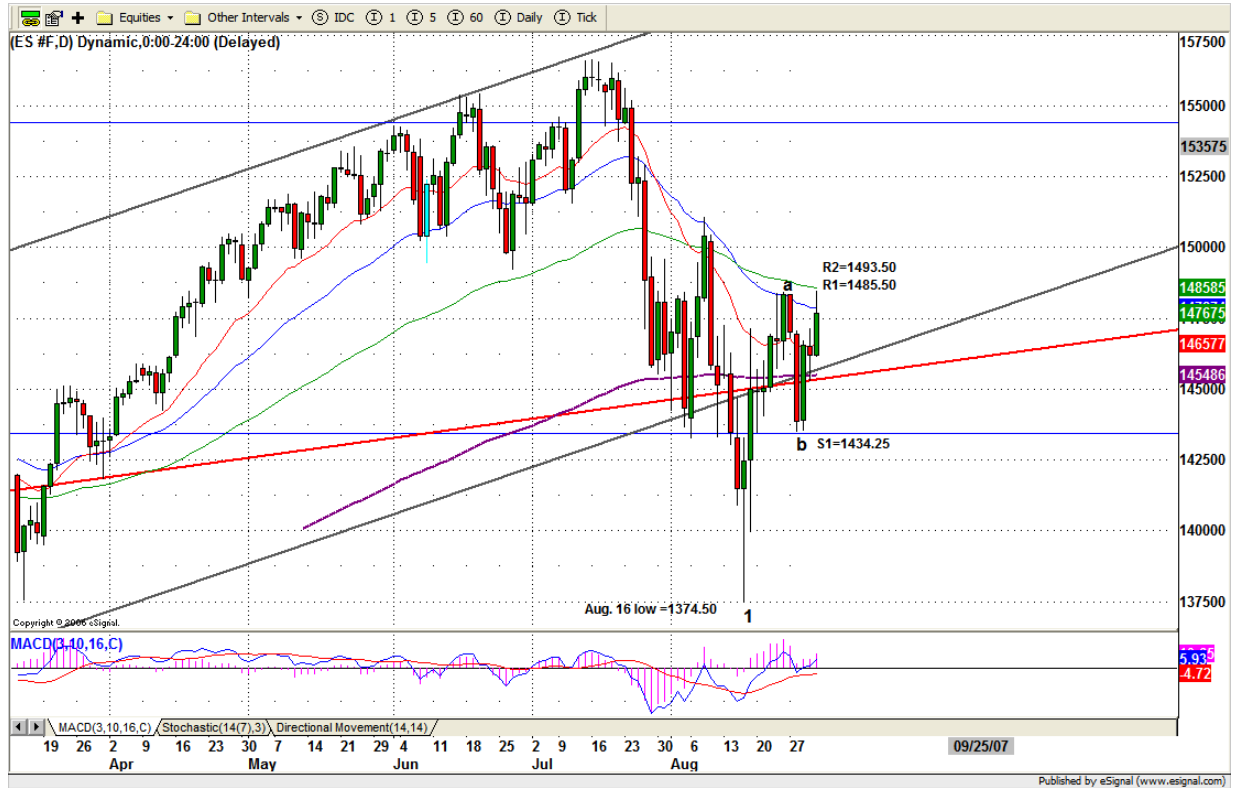


## 7. DAILY OUTLOOK

Last Friday ES closed at middle range around 1476.75 level. It struggled between 20 and 40 day moving average lines.

All indicators are trying to move up, which is a bullish signal. It indicates that the C countertrend move could land at a much higher level; the likely candidates are 1493.50; 1508-10; or higher to 1544. Which one it will be depends on how long ES takes in this move and how it reacts at 1485.50, which is the key level.

### ESU7 DAILY Chart



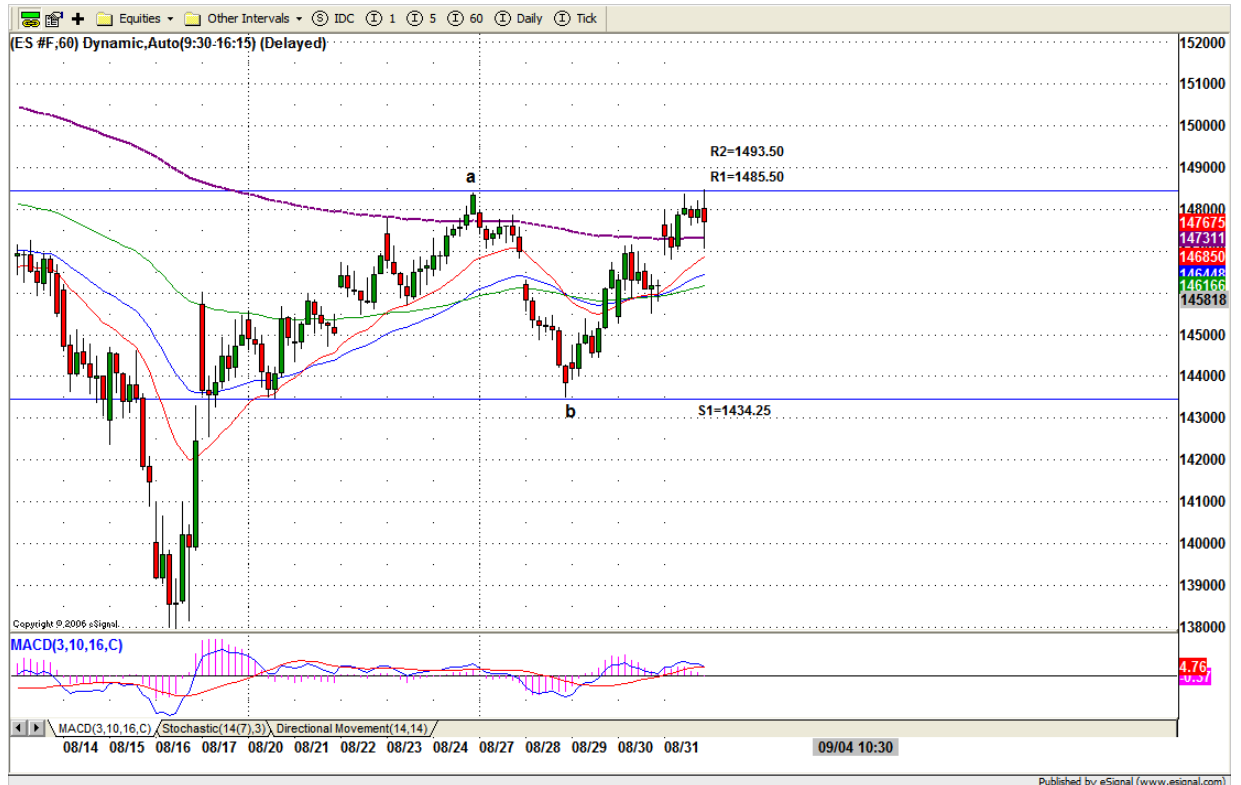
## 8. TRADING STRATEGY FOR Sept. 4, 2007

Today we may see ES continues moving within 1485 to 1465 range for the first hour of trading. Later, if greater upside momentum is triggered, the price could be pushed higher if the key 1485.50 level is broken.

For the upside move, 1485.50 is the key today. If there is a breakout from this level, ES is likely to go up to 1492-95 or higher to 1501.75. However the 1461 level needs to be held for this breakout up move. If 1461 fails to hold ES is likely to dip back down to 1452-53 range or lower to 1445-44 level.

**Intraday swing position entry on short side:**  
**1493.50 (scalping) 1498.25 (agg) and 1501.75 (cons)**  
**Intraday swing position entry on long side:**  
**1461.25 (agg) 1452.25 (agg) and 1444.25 (cons)**

### ESU7 INTRADAY



## 9. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=1.95)

|         |      |
|---------|------|
| 1488.28 | +2/8 |
| 1486.33 | +1/8 |
| 1484.38 | 8/8  |
| 1482.42 | 7/8  |
| 1480.47 | 6/8  |
| 1478.52 | 5/8  |
| 1476.56 | 4/8  |
| 1474.61 | 3/8  |
| 1472.66 | 2/8  |
| 1470.70 | 1/8  |
| 1468.75 | 0/8  |
| 1466.80 | -1/8 |
| 1464.84 | -2/8 |

### Up (Interval=3.90)

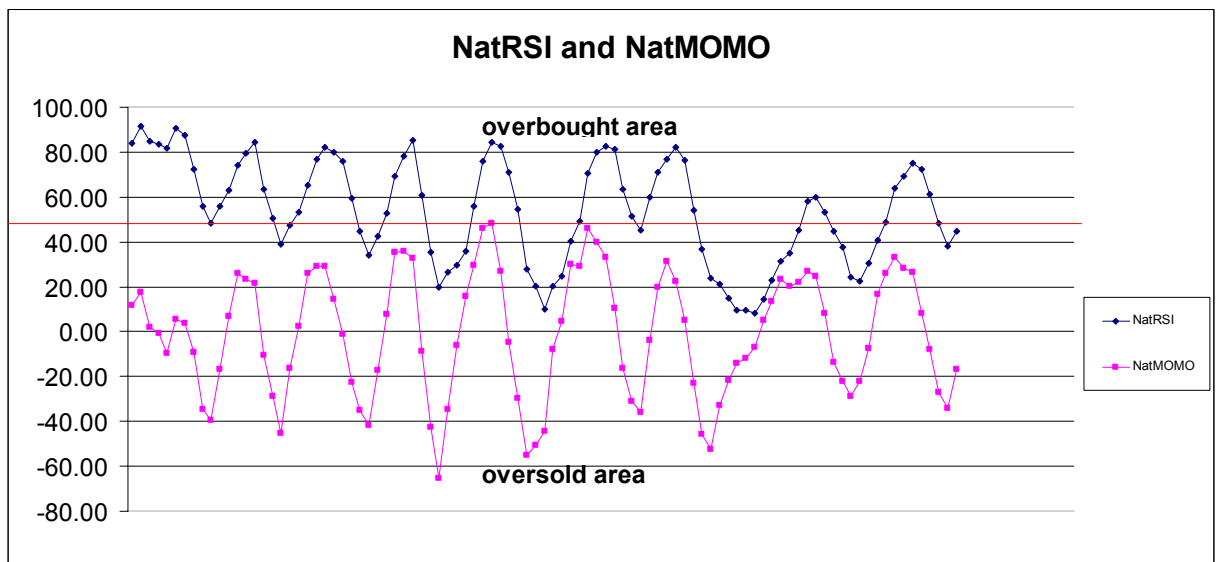
|         |      |
|---------|------|
| 1507.81 | +2/8 |
| 1503.91 | +1/8 |
| 1500.00 | 8/8  |
| 1496.09 | 7/8  |
| 1492.19 | 6/8  |
| 1488.28 | 5/8  |
| 1484.38 | 4/8  |
| 1480.47 | 3/8  |
| 1476.56 | 2/8  |
| 1472.66 | 1/8  |
| 1468.75 | 0/8  |
| 1464.84 | -1/8 |
| 1460.94 | -2/8 |

### Down (Interval=3.90)

|         |      |
|---------|------|
| 1492.19 | +2/8 |
| 1488.28 | +1/8 |
| 1484.38 | 8/8  |
| 1480.47 | 7/8  |
| 1476.56 | 6/8  |
| 1472.66 | 5/8  |
| 1468.75 | 4/8  |
| 1464.84 | 3/8  |
| 1460.94 | 2/8  |
| 1457.03 | 1/8  |
| 1453.13 | 0/8  |
| 1449.22 | -1/8 |
| 1445.31 | -2/8 |

## 10. OTHER INDICATORS

| NatRSI (1day) | NatRSI (5day) | NatMoMo | ATR 10 | Waist number |
|---------------|---------------|---------|--------|--------------|
| 0.52          | 0.45          | -16.55  | 19.93  | 1476.38      |
| Neutral       | Neutral       |         |        |              |



## 11. WEEKLY ECONOMIC REPORTS

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

| Date   | ET    | Release                               | For   | Actual | Briefing.com | Consensus | Prior  |
|--------|-------|---------------------------------------|-------|--------|--------------|-----------|--------|
| Sep 04 | 10:00 | <a href="#">Construction Spending</a> | Jul   |        | 0.1%         | -0.1%     | -0.3%  |
| Sep 04 | 10:00 | <a href="#">ISM Index</a>             | Aug   |        | 53.5         | 53.0      | 53.8   |
| Sep 04 | 17:00 | <a href="#">Auto Sales</a>            | Aug   |        | 5.1M         | 5.0M      | 4.9M   |
| Sep 04 | 17:00 | <a href="#">Truck Sales</a>           | Aug   |        | 6.8M         | 7.0M      | 6.7M   |
| Sep 05 | 10:00 | Pending Home Sales                    | Jul   |        |              |           | 5.0%   |
| Sep 05 | 10:30 | Crude Inventories                     | 08/31 |        | NA           | NA        | -3486K |
| Sep 05 | 14:00 | Fed's Beige Book                      |       |        |              |           |        |
| Sep 06 | 08:30 | <a href="#">Initial Claims</a>        | 09/01 |        | 320K         | NA        | 334K   |
| Sep 06 | 08:30 | <a href="#">Productivity-Rev.</a>     | Q2    |        | 2.5%         | 2.3%      | 1.8%   |
| Sep 06 | 10:00 | <a href="#">ISM Services</a>          | Aug   |        | NA           | 54.5      | 55.8   |
| Sep 07 | 08:30 | <a href="#">Nonfarm Payrolls</a>      | Aug   |        | 130K         | 120K      | 92K    |
| Sep 07 | 08:30 | <a href="#">Unemployment Rate</a>     | Aug   |        | 4.7%         | 4.6%      | 4.6%   |
| Sep 07 | 08:30 | <a href="#">Hourly Earnings</a>       | Aug   |        | 0.3%         | 0.3%      | 0.3%   |
| Sep 07 | 08:30 | <a href="#">Average Workweek</a>      | Aug   |        | 33.8         | 33.8      | 33.8   |
| Sep 07 | 10:00 | <a href="#">Wholesale Inventories</a> | Jul   |        | 0.5%         | 0.5%      | 0.5%   |

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