



## Daily trading plan for Oct. 15, 2007

### 1. ESZ7 IN PREVIOUS DAY

Open	High	Low	Closing
1565.75	1575.00	1563.75	1574.50

### 2. PIVOTS FOR ESZ7

	Daily	Weekly	Monthly	Yearly
R3	1589.67	1619.25	1691.00	1722.00
R2	1582.33	1603.00	1621.50	1583.50
R1	1578.42	1588.75	1579.75	1506.00
<b>PPT</b>	<b>1571.08</b>	<b>1572.50</b>	<b>1510.25</b>	<b>1367.50</b>
S1	1567.17	1558.25	1468.50	1290.00
S2	1559.83	1542.00	1399.00	1151.50
S3	1555.92	1527.75	1357.25	1074.00

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

Sell levels	Buying levels
1581.25-83 (First Sell#)	1557.75-57(first Buy#)
1592.00 (Second Sell#)	1546.50 (second Buy#)

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

<b>Resistance</b>	1579.75	1585.50	1589.75	1596.75	1603.75
<b>Support</b>	1564.00	1558.25	1556.50	1546.75	1542.50

## 5. LONG-TERM OUTLOOK

Last week, SPX closed at 1561.80 level, net weekly gain 4.21 points. It went up to make new highs, but as soon as it hit the high, SPX quickly reversed, as we predicted in last week's Outlook. Actually SPX hit 1576.09 and reversed quickly to hit 1546.72. This kind of move indicates SPX hit the short term Top and is getting ready for its minor retracement or correction.

The overall trend in the long term and intermediate term remains up, strong and bullish. SPX broke out its broad consolidation range and still holds up last week's low. But for the very short term, SPX is overbought and vulnerable to consolidation or correction.

In the past days there was good news from the tech sector and not good news from banking and retail. There are lots of key groups lagging and this makes difficulties for the next uptrend move. From the "small correction" viewpoint, as long as last Friday's high 1576.09 isn't breached, SPX at least needs to do one more push down to 1533.66 area to complete its correction move. Any breakdown 1533.66-1525 range will trigger an intermediate term reversal.

Major monthly resistance level for SPX is 1577 and support level is 1475  
 Major weekly resistance level for SPX is 1577 and support level 1500

SPX WEEKLY Chart



## 6. WEEKLY OUTLOOK — ESZ7

Last week ES did the same as SPX. It made a new high at 1586.75 level and quickly pulled back down to 1556.25 area. Even though ES bounced from 1556.25 level and manage to close at 1574.50 last Friday, the gain for the whole week is 3.75 points, which leaves us the question: Top or continuation this week?

For the SHORT TERM we believe this is a TOP. But it is not a top for the intermediate term as long as the price holds above 1500 level. Overall long term trend is clearly up.

This week for short term view: as long as 1586.75 level holds ES down, 1546.50-44.50 range could be retested. Also range sideways from 1586.75 to 1544.50 could be consolidation move or a small correction.

Volatility has already picked up since last Thursday. Due to earning season and option expiration week, plus overbought market situation, high volatility move should be expected this week

Weekly major resistance level is 1587. Weekly major support is 1528.

### ES WEEKLY Chart



## 7. DAILY OUTLOOK

Last Friday ES continued bouncing from Thursday's low. Based on Thursday's move, 1586.75 could be the short term TOP. ES should have one more downside move to complete its minor correction. It needs 1586.75 level to hold to reach the correction target around 1544.50- 46.50 range.

Today we could see ES continue moving up or hold up until afternoon for reversal. If we see ES go down first, then last Thursday's low could be retested first before it bounces to 1563-61 range, and then going down again if downside trend is strong.

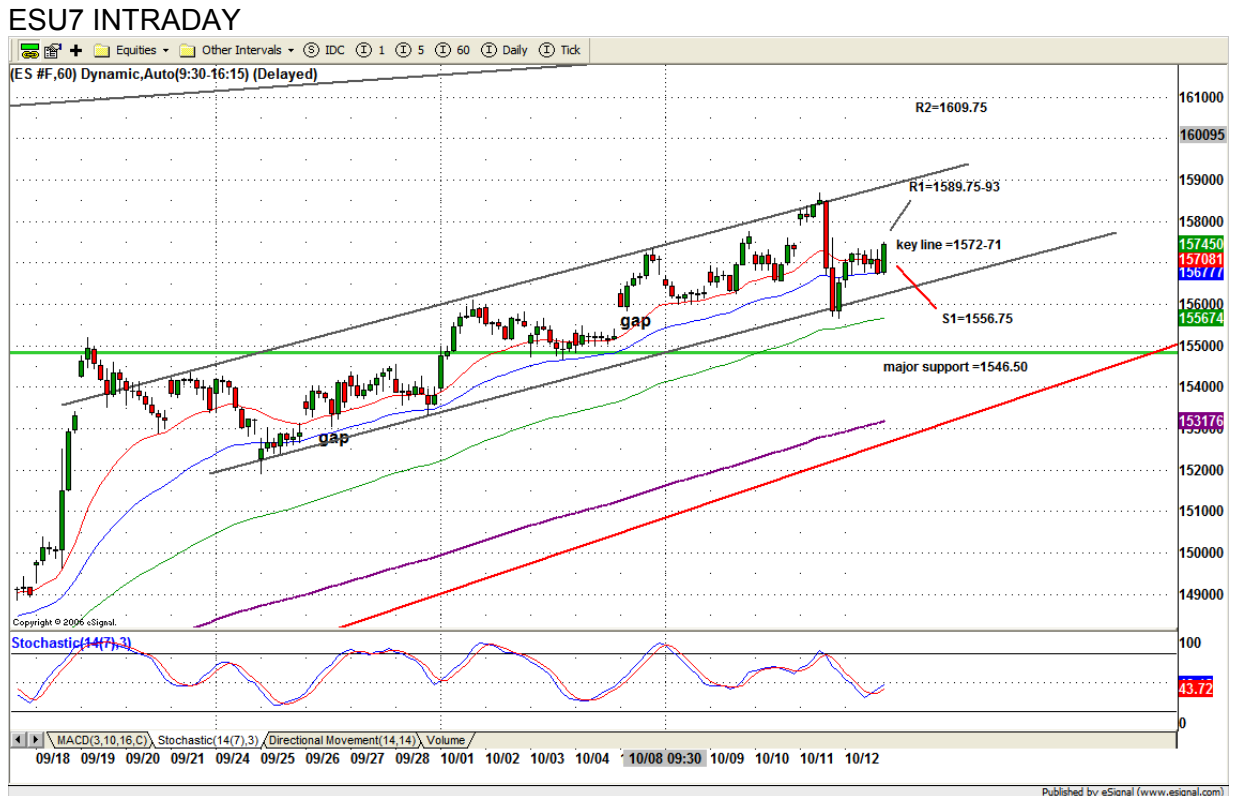
### ESZ7 DAILY Chart



## 8. TRADING STRATEGY FOR Oct. 15, 2007

1572-71 is today's trading key range. If ES can hold price above it, 1583-81 could be seen soon after we breakout from 1575 level. If ES fails to hold 1472-71, 1563-1556.25 could be retested again. Major support is 1546.50-44.50 range. Any breakout of this support zone would trigger push price down further to 1531-28 range.

**Intraday swing position entry on short side:**  
**1581.25 (scalping) 1586.00 (agg) and 1592.00-93.50 (cons)**  
**Intraday swing position entry on long side:**  
**1567 (agg) 1557.25 (agg) and 1546.25-44.50 (cons)**



## 9. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=1.95)

1582.03	+2/8
1580.08	+1/8
1578.13	8/8
1576.17	7/8
1574.22	6/8
1572.27	5/8
1570.31	4/8
1568.36	3/8
1566.41	2/8
1564.45	1/8
1562.50	0/8
1560.55	-1/8
1558.59	-2/8

### Up (Interval=3.90)

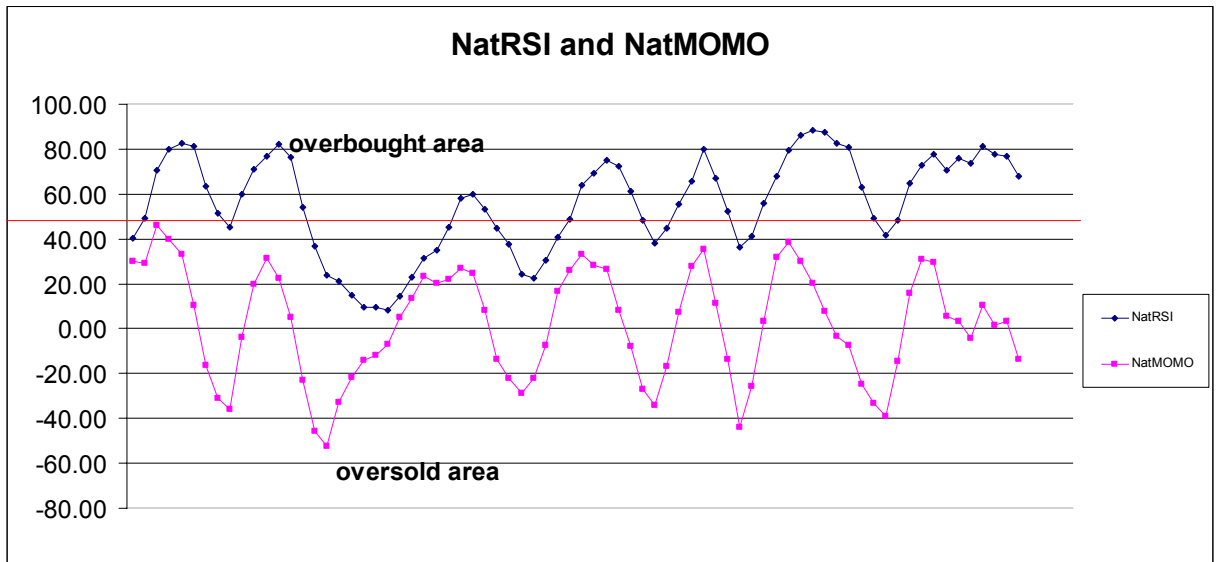
1601.56	+2/8
1597.66	+1/8
1593.75	8/8
1589.84	7/8
1585.94	6/8
1582.03	5/8
1578.13	4/8
1574.22	3/8
1570.31	2/8
1566.41	1/8
1562.50	0/8
1558.59	-1/8
1554.69	-2/8

### Down (Interval=3.90)

1601.56	+2/8
1597.66	+1/8
1593.75	8/8
1589.84	7/8
1585.94	6/8
1582.03	5/8
1578.13	4/8
1574.22	3/8
1570.31	2/8
1566.41	1/8
1562.50	0/8
1558.59	-1/8
1554.69	-2/8

## 10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.88	0.68	-13.53	13.75	1570.13
Overbought	neutral			



## 11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Oct 15	08:30	NY Empire State Index	Oct	12.0	14.0	14.7	
Oct 16	09:00	Net Foreign Purchases	Aug	0.1%	0.1%	0.2%	
Oct 16	09:15	Industrial Production	Sep	0.1%	0.1%	0.2%	
Oct 16	09:15	Capacity Utilization	Sep	82.2%	82.2%	82.2%	
Oct 17	08:30	CPI	Sep	0.2%	0.2%	-0.1%	
Oct 17	08:30	Core CPI	Sep	0.2%	0.2%	0.2%	
Oct 17	08:30	Housing Starts	Sep	1300K	1285K	1331K	
Oct 17	08:30	Building Permits	Sep	1310K	1300K	1322K	
Oct 17	10:30	Crude Inventories	10/12	NA	NA	NA	
Oct 17	14:00	Fed's Beige Book					
Oct 18	08:30	Initial Claims	10/13	315K	NA	308K	
Oct 18	10:00	Leading Indicators	Sep	0.4%	0.4%	-0.6%	
Oct 18	10:00	Philadelphia Fed	Oct	7.0	8.0	10.9	

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