



Daily trading plan for Nov. 5, 2007

1. ESZ7 IN PREVIOUS DAY

| Open | High | Low | Closing |
|---------|---------|---------|---------|
| 1520.00 | 1520.50 | 1496.75 | 1517.50 |

2. PIVOTS FOR ESZ7

| | Daily | Weekly | Monthly | Yearly |
|------------|----------------|----------------|----------------|----------------|
| R3 | 1550.17 | 1613.92 | 1688.25 | 1722.00 |
| R2 | 1535.33 | 1586.33 | 1637.50 | 1583.50 |
| R1 | 1526.42 | 1551.92 | 1596.25 | 1506.00 |
| PPT | 1511.58 | 1524.33 | 1545.50 | 1367.50 |
| S1 | 1502.67 | 1489.92 | 1504.25 | 1290.00 |
| S2 | 1487.83 | 1462.33 | 1453.50 | 1151.50 |
| S3 | 1478.92 | 1427.92 | 1412.25 | 1074.00 |

3. FOCUS NUMBERS (Intra-day Position trading)

| Sell levels | Buying levels |
|------------------------------|-----------------------------|
| 1533.75-35.25 (First Sell#) | 1507.50-06.50 (first Buy#) |
| 1543.50-45.25 (Second Sell#) | 1494.50-91.50 (second Buy#) |

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

| | | | | | |
|-------------------|---------|---------|---------|---------|---------|
| Resistance | 1527.75 | 1529.50 | 1536.75 | 1541.25 | 1545.25 |
| Support | 1507.23 | 1501.25 | 1496.75 | 1489.75 | 1485.00 |

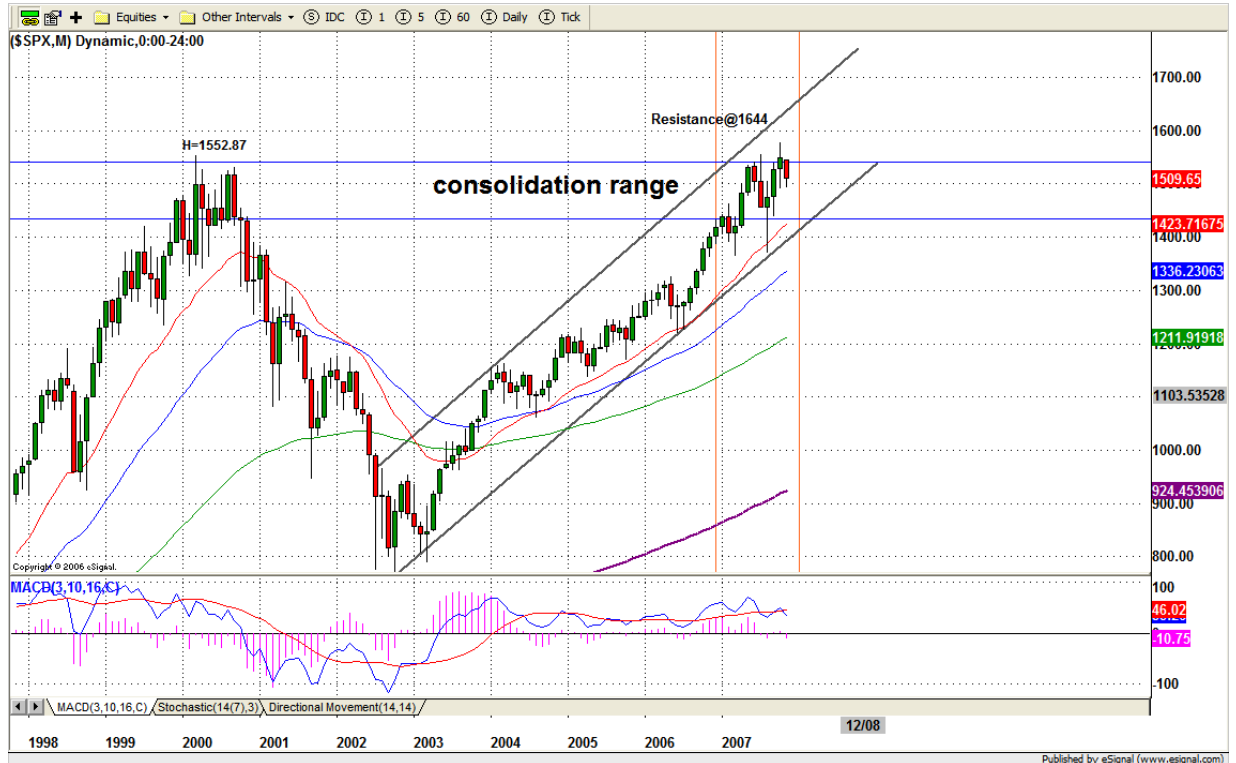
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5. LONG-TERM OUTLOOK

The S&P 500 (SPX) closed at 1509.65 level on last Friday, net weekly loss 25.63 points. The SPX is in a long-term uptrend that dates back to 2002, but in the last 8 months it has formed a consolidation range (Channel) in past 8 months. As long as 20 and 40 monthly moving average lines hold the price up, the long term uptrend remains bullish. But for the short term, a move back to the bottom of the consolidation range is very possible.

Major monthly resistance level for SPX is 1540 and support level is 1318

SPX MONTHLY CHART



Last week, we had a third Fed rate cut. This time market finally got the message: the subprime mortgage problem isn't over yet, and is worse than we expected. Next day after Fed announcement, all four major markets sold sharply. They did exactly what I said last Monday, dropping sharply in the last two days and almost eliminating all of the previous week's gain.

In spite of the dramatic downside move in past weeks, SPX is only down about 5% from its July's high and it hasn't established a declining trend yet. We need to see it to make a lower low to get confirmation of a declining trend.

This week, the SPX may bounce up a little, and then continue going down to establish the declining trend. As long as 1538-40 level holds SPX down, it can bounce around 1503 line to wear away the support from the 20 week moving average line; alternatively it may break that line and dip to the next support around 1477.11.

Major weekly resistance level for SPX is 1538.75-40 and support level 1470

SPX WEEKLY Chart

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6. WEEKLY OUTLOOK — ESZ7

Last week, ES made a high of 1558.75 after the Fed. announcement. But the next day it gaped down at the open and stayed low for Friday's closing. The bounce from Fed rate cut is losing strength. Even though ES hasn't closed below 20 weekly moving average line, the BULLS already look weary.

For the SHORT TERM, as long as 1536.75 range holds ES down, we still believe the selling probably will continue. It appears that ES formed a double top pattern and the neckline could be around 1464-50 range.

Weekly major resistance level is 1536.75. Weekly major support is 1464.50

ES WEEKLY Chart

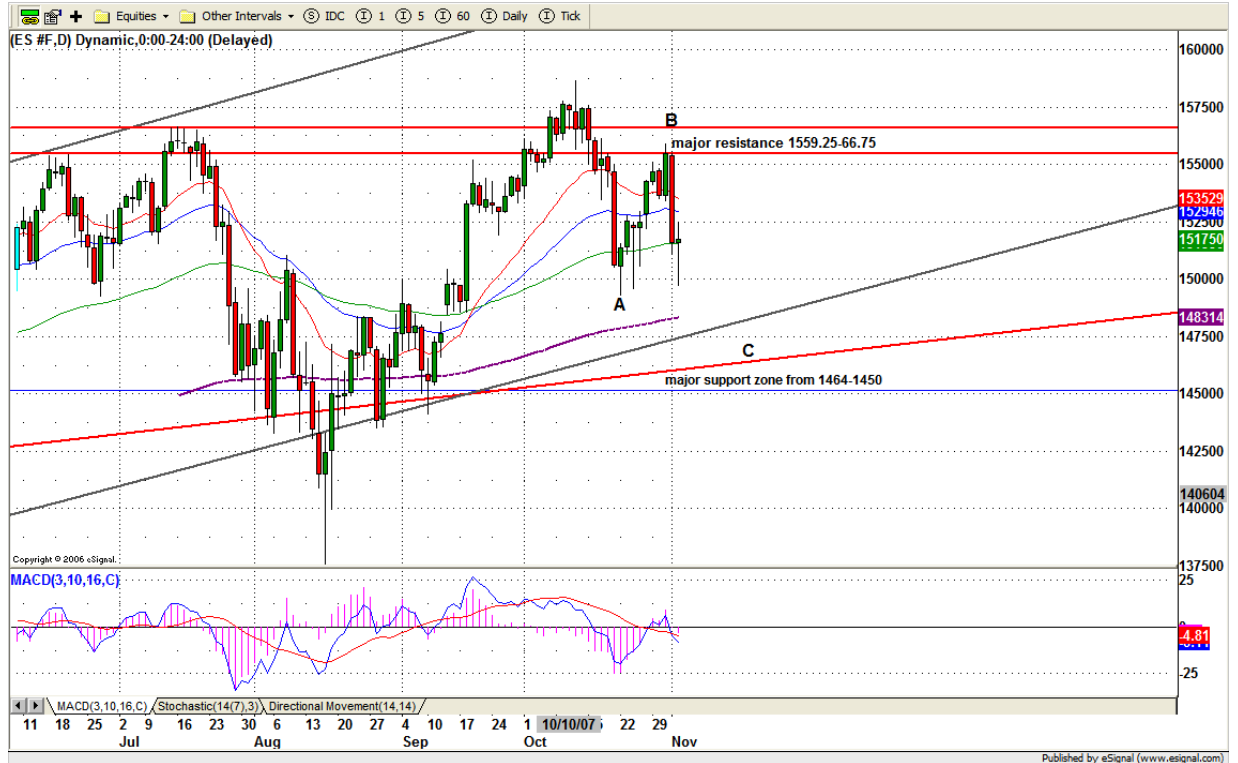


7. DAILY OUTLOOK

Last Friday ES formed a doji pattern for closing. This pattern indicates ES couldn't make up its mind about which direction to go. The struggle mainly comes from the weakness of the financial and consumer discretionary sectors. These two sectors are in a bear market, but Nasdaq is not.

Based on daily indicators, last Friday's doji pattern could be a continuation downside pattern. As soon as ES breakdown down 1492.50 level, testing 200 day moving average line around 1480-79 is possible

ESZ7 DAILY Chart



8. TRADING STRATEGY FOR Nov. 5, 2007

Today we may see ES go up to retest last Friday's high 1520.50-25 range first. If it can't breakout this range, it is likely to move down to retest last Friday's low 1496.75. Any breakdown of the 1492 level will trigger a downside momentum move and the price could be pushed lower to 1482-80 range. If ES can hold price above 1512-07 level in the morning, it is possible for it to move higher to 1529-33 if it breaks out from 1521.75.

Intraday swing position entry on short side:
1523.75 (scalping) 1529.75-31.25 (agg) and 1536.75-34.75(cons)
Intraday swing position entry on long side:
1507.25 (agg) 1494.25-91.25 (agg) and 1485-82.75(cons)



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9. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=3.90)

| | |
|---------|------|
| 1539.06 | +2/8 |
| 1535.16 | +1/8 |
| 1531.25 | 8/8 |
| 1527.34 | 7/8 |
| 1523.44 | 6/8 |
| 1519.53 | 5/8 |
| 1515.63 | 4/8 |
| 1511.72 | 3/8 |
| 1507.81 | 2/8 |
| 1503.91 | 1/8 |
| 1500.00 | 0/8 |
| 1496.09 | -1/8 |
| 1492.19 | -2/8 |

Up (Interval=3.90)

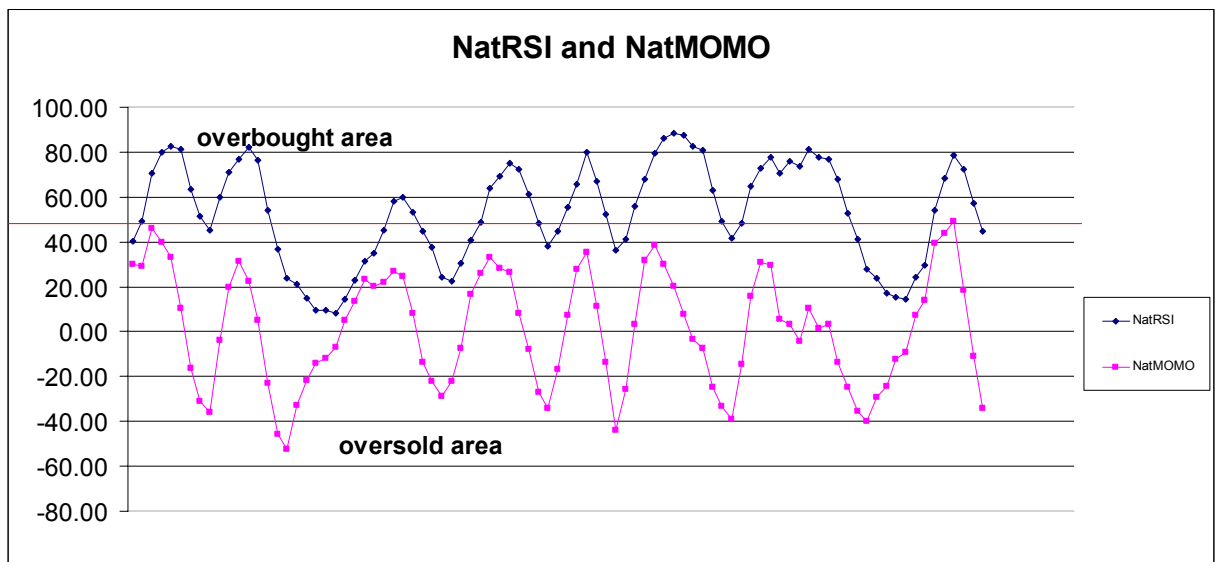
| | |
|---------|------|
| 1554.69 | +2/8 |
| 1550.78 | +1/8 |
| 1546.88 | 8/8 |
| 1542.97 | 7/8 |
| 1539.06 | 6/8 |
| 1535.16 | 5/8 |
| 1531.25 | 4/8 |
| 1527.34 | 3/8 |
| 1523.44 | 2/8 |
| 1519.53 | 1/8 |
| 1515.63 | 0/8 |
| 1511.72 | -1/8 |
| 1507.81 | -2/8 |

Down (Interval=3.90)

| | |
|---------|------|
| 1523.44 | +2/8 |
| 1519.53 | +1/8 |
| 1515.63 | 8/8 |
| 1511.72 | 7/8 |
| 1507.81 | 6/8 |
| 1503.91 | 5/8 |
| 1500.00 | 4/8 |
| 1496.09 | 3/8 |
| 1492.19 | 2/8 |
| 1488.28 | 1/8 |
| 1484.38 | 0/8 |
| 1480.47 | -1/8 |
| 1476.56 | -2/8 |

10. OTHER INDICATORS

| NatRSI (1day) | NatRSI (5day) | NatMoMo | ATR 10 | Waist number |
|---------------|---------------|---------|--------|--------------|
| 0.44 | 0.44 | -34.00 | 20.55 | 1518.75 |
| neutral | neutral | | | |



11. WEEKLY ECONOMIC REPORTS

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

| Date | ET | Release | For | Actual | Briefing.com | Consensus | Prior | Revised From |
|--------|-------|-----------------------|-------|----------|--------------|-----------|-------|--------------|
| Nov 05 | 10:00 | ISM Services | Oct | 55.0 | 54.0 | 54.8 | | |
| Nov 07 | 08:30 | Productivity-Prel | Q3 | 2.7% | 3.1% | 2.6% | | |
| Nov 07 | 10:00 | Wholesale Inventories | Sep | 0.2% | 0.1% | 0.1% | | |
| Nov 07 | 10:30 | Crude Inventories | 11/02 | NA | NA | -3894K | | |
| Nov 07 | 15:00 | Consumer Credit | Sep | \$14.0B | \$8.5B | \$12.2B | | |
| Nov 08 | 08:30 | Initial Claims | 11/03 | 320K | NA | 327K | | |
| Nov 09 | 08:30 | Export Prices ex-ag. | Oct | NA | NA | 0.0% | | |
| Nov 09 | 08:30 | Import Prices ex-oil | Oct | NA | NA | -0.2% | | |
| Nov 09 | 08:30 | Trade Balance | Sep | -\$59.5B | -\$58.5B | -\$57.6B | | |
| Nov 09 | 10:00 | Mich Sentiment-Prel. | Nov | 80.0 | 80.0 | 80.9 | | |

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