



## Daily trading plan for Nov. 12, 2007

### 1. ESZ7 IN PREVIOUS DAY

| Open    | High    | Low     | Closing |
|---------|---------|---------|---------|
| 1458.50 | 1478.50 | 1451.75 | 1455.00 |

### 2. PIVOTS FOR ESZ7

|            | Daily          | Weekly         | Monthly        | Yearly         |
|------------|----------------|----------------|----------------|----------------|
| R3         | 1498.50        | 1577.67        | 1688.25        | 1722.00        |
| R2         | 1488.50        | 1551.83        | 1637.50        | 1583.50        |
| R1         | 1471.75        | 1503.42        | 1596.25        | 1506.00        |
| <b>PPT</b> | <b>1461.75</b> | <b>1477.58</b> | <b>1545.50</b> | <b>1367.50</b> |
| S1         | 1445.00        | 1429.17        | 1504.25        | 1290.00        |
| S2         | 1435.00        | 1403.33        | 1453.50        | 1151.50        |
| S3         | 1418.25        | 1354.92        | 1412.25        | 1074.00        |

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

| Sell levels              | Buying levels         |
|--------------------------|-----------------------|
| 1484-85.50 (First Sell#) | 1446.25 (first Buy#)  |
| 1496.50 (Second Sell#)   | 1422.75 (second Buy#) |

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

|                   |         |         |         |         |         |
|-------------------|---------|---------|---------|---------|---------|
| <b>Resistance</b> | 1467.75 | 1478.50 | 1498.50 | 1501.50 | 1503.50 |
| <b>Support</b>    | 1450.50 | 1444.50 | 1439.25 | 1429.25 | 1416.00 |

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## 5. LONG-TERM OUTLOOK

The S&P 500 (SPX) closed at 1453.70 Friday, net weekly loss 55.95 points. Last week, as we warned, it pulled back into the bottom of the consolidation range. It broke 20 and 40 weekly moving average support lines and tried to form a long term bearish pattern (DOUBLE TOP). Even though this bearish pattern hasn't been confirmed yet, the sharp declining in past weeks has indicated the high probability a DOUBLE TOP pattern is already in place. The next move is to see how SPX reacts on the neckline 1363.98 (major) of that pattern with a minor support in the 1428-27 range.

This week, the SPX may bounce up if 1428-27 range holds, and then continue going down for option expiration day. As long as the 1428-27 range holds, the range trading bulls will try to defend this line to push price up to 1485 or 1500. If SPX fails to hold this range, it is possible for price to dip further to the next support level at the 1410-1398 range. A breach of the August 16 lows will signal that long term uptrend is going to reverse.

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

Major weekly resistance level for SPX is 1503 and support level 1364

### SPX WEEKLY Chart



## 6. WEEKLY OUTLOOK — ESZ7

Last week, ES continued declining to the downside. This time, not only financial, and consumer discretionary sectors were weakness, but also high tech sector joined the downside move. In the past several weeks, many people thought the technology boom on NASDAQ was back. But there is no sign of the relative strength supporting it. Instead it is possible for NASDAQ to mark the end of a bull market, similar to the closing months of 1999 and early 2000. If NASDAQ fails to hold its major support level, all three major indices can expect further steep declines.

This week is option expiration week; ES could make an oversold bounce. But any bounce will attract the sellers. As long as ES doesn't breakout 1525 level, the major short term trend remains bearish and down. If ES break down last Friday's low 1451.75, next support level 1418 could be seen. A move below the August low (1364) will indicate that the long-term rally from 2002 is completed.

Weekly major resistance level is 1525.50. Weekly major support is 1385

### ES WEEKLY Chart

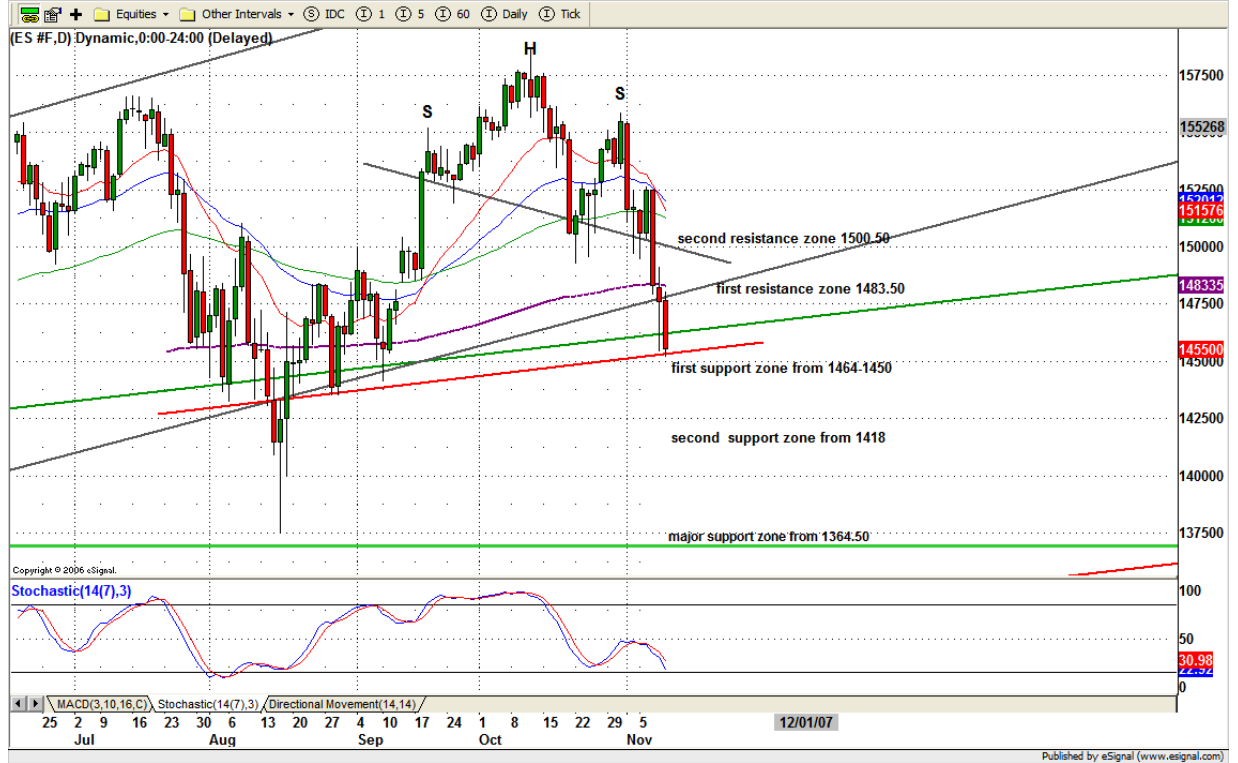


## 7. DAILY OUTLOOK

Last Friday ES filled the gap in the last hour trading; unfortunately it failed to hold price up for closing. That is a sign of weakness.

In the short term basis, ES appears to have formed the wave C bottom around 1464-1450 by slipping down to the 1451.75 area. We could see the counter move from last Friday's low towards 1500.50 area to make a wave D high. If ES breaks down last Friday's low, it is likely for ES to go down further to 1428 or lower to 1418 to search for support.

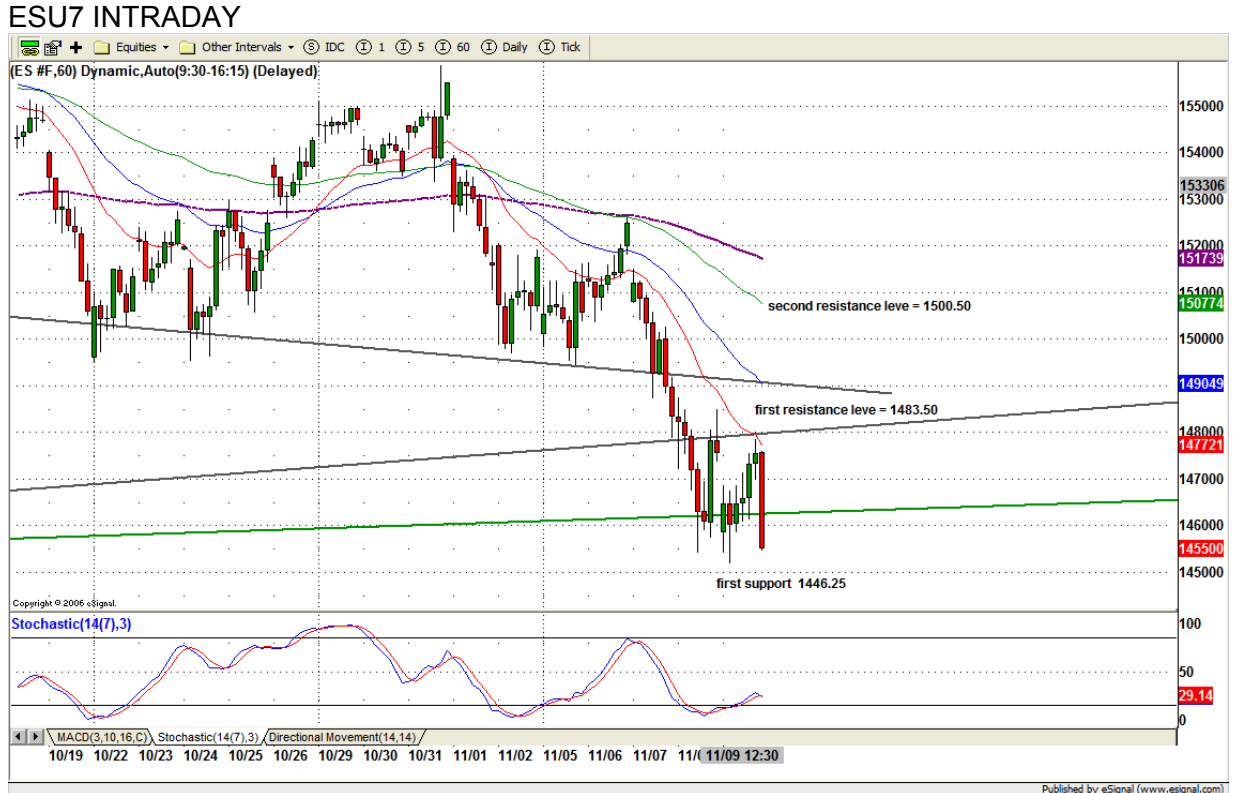
### ESZ7 DAILY Chart



8. TRADING STRATEGY FOR Nov. 12, 2007

Today we need to see ES hold the price above 1451.75 to make a high in the 1478.50 or 1483-85 range (SHORT entry) for testing. If early morning ES breaks last Friday's low, we are looking for first intraday support level around 1446-43 range for scalping long within first hour trading and looking for major intraday support level 1425-22.75 range for swing long entry.

**Intraday swing position entry on short side:**  
**1583.75-85.50 (scalping) 1496.75 (agg) and 1500.50 (cons)**  
**Intraday swing position entry on long side:**  
**1446.25 (agg) 1422.75 (agg) and 1418-15 (cons)**



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## 9. PREDICTION FOR TODAY'S MOVEMENT

### Current (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 |

### Up (Interval=3.90)

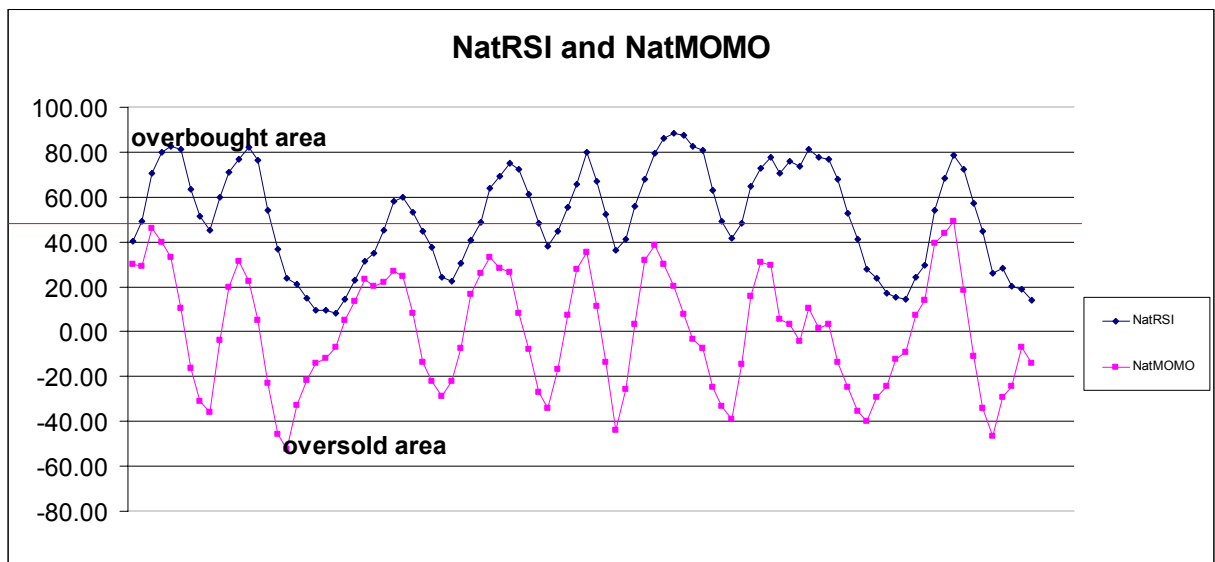
|         |      |
|---------|------|
| 1492.19 | +2/8 |
| 1488.28 | +1/8 |
| 1484.38 | 8/8  |
| 1480.47 | 7/8  |
| 1476.56 | 6/8  |
| 1472.66 | 5/8  |
| 1468.75 | 4/8  |
| 1464.84 | 3/8  |
| 1460.94 | 2/8  |
| 1457.03 | 1/8  |
| 1453.13 | 0/8  |
| 1449.22 | -1/8 |
| 1445.31 | -2/8 |

### Down (Interval=3.90)

|         |      |
|---------|------|
| 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 |
|---------------|---------------|---------|--------|--------------|
| 0.43          | 0.14          | -14.07  | 23.73  | 1456.75      |
| neutral       | Oversold      |         |        |              |



## 11. WEEKLY ECONOMIC REPORTS

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

| Date   | ET    | Release               | For   | Actual   | Briefing.com | Consensus | Prior    |
|--------|-------|-----------------------|-------|----------|--------------|-----------|----------|
| Nov 13 | 10:00 | Pending Home Sales    | Sep   |          |              | -2.0%     | -6.5%    |
| Nov 13 | 14:00 | Treasury Budget       | Oct   | -\$59.0B |              | -\$53.0B  | -\$49.3B |
| Nov 14 | 08:30 | Retail Sales          | Oct   | 0.0%     |              | 0.2%      | 0.6%     |
| Nov 14 | 08:30 | Retail Sales ex-auto  | Oct   | 0.2%     |              | 0.3%      | 0.4%     |
| Nov 14 | 08:30 | PPI                   | Oct   | 0.1%     |              | 0.2%      | 1.1%     |
| Nov 14 | 08:30 | Core PPI              | Oct   | 0.1%     |              | 0.2%      | 0.1%     |
| Nov 14 | 10:00 | Business Inventories  | Sep   | 0.6%     |              | 0.3%      | 0.1%     |
| Nov 14 | 10:30 | Crude Inventories     | 11/09 | NA       |              | NA        | -821K    |
| Nov 15 | 08:30 | CPI                   | Oct   | 0.3%     |              | 0.3%      | 0.3%     |
| Nov 15 | 08:30 | Core CPI              | Oct   | 0.2%     |              | 0.2%      | 0.2%     |
| Nov 15 | 08:30 | Initial Claims        | 11/10 | 320K     |              | NA        | 317K     |
| Nov 15 | 08:30 | NY Empire State Index | Nov   | 15.0     |              | 21.0      | 28.8     |
| Nov 15 | 12:00 | Philadelphia Fed      | Nov   | 4.0      |              | 6.0       | 6.8      |
| Nov 16 | 09:00 | Net Foreign Purchases | Sep   |          |              |           | -\$69.3B |
| Nov 16 | 09:15 | Industrial Production | Oct   | 0.1%     |              | 0.1%      | 0.1%     |
| Nov 16 | 09:15 | Capacity Utilization  | Oct   | 82.0%    |              | 82.1%     | 82.1%    |

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