



## Daily trading plan for Dec. 3, 2007

### 1. ESZ7 IN PREVIOUS DAY

Open	High	Low	Closing
1490.00	1492.25	1473.50	1483.75

### 2. PIVOTS FOR ESZ7

	Daily	Weekly	Monthly	Yearly
R3	1512.25	1600.58	1679.33	1722.00
R2	1502.25	1546.42	1609.42	1583.50
R1	1493.00	1515.08	1546.58	1506.00
<b>PPT</b>	<b>1483.00</b>	<b>1460.92</b>	<b>1476.67</b>	<b>1367.50</b>
S1	1473.75	1429.58	1413.83	1290.00
S2	1463.75	1375.42	1343.92	1151.50
S3	1454.50	1344.08	1281.08	1074.00

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

Sell levels	Buying levels
1496.25(First Sell#)	1469.25 (first Buy#)
1506.75 (Second Sell#)	1460.75 (second Buy#)

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

<b>Resistance</b>	1494.50	1505.25	1509.25	1515.25	1518.25
<b>Support</b>	1470.75	1460.75	1457.75	1451.65	1444.75

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## 5. LONG-TERM OUTLOOK

The S&P 500 (SPX) closed at 1481.14 on Friday, net weekly gain 40.44 points. Last Tuesday the SPX began a rally off the lows for the current correction. On the chart below (SPX monthly chart) we can see that SPX bounced from its long term support level (20-EMA line). After Thanksgiving holiday, the SPX had a deeply oversold condition, then hit its long term support level; a reasonable rally should not have been a surprise.

The major question: is last week's rally just a short-covering rally or a correction rally? If a short-covering rally, we could see the sellers move back into the market very soon. If a correction rally, we may see a small reversal before the price continues advancing to the higher level.

Based on the Monthly Chart, SPX hasn't worked out its broad consolidation range yet. Monthly resistance level remains on 1555 and monthly support level still is 1375.



Last week, SPX had a respectable volume to support the rally. Based on the volume, the upside move hasn't completed. This movement could be wave 4 which is a counter move. It could perform a-b-c move or zigzag move. If SPX performs an a-b-c, it could go higher to 1520 or 1540-1550 (max) to form a C top which also is wave 4 TOP. But if it does a zigzag move, 1496.75-1498.50 could be the TOP area for wave 4, and then down wave 5 should be expected soon.

If the SPX can hold above 1460, a-b-c move is the more likely scenario. If it fails to hold 1460, the next support level is the gap area. A break below the gap will be very negative.

Major weekly resistance level for SPX is 1518 and support level 1425

SPX DAILY Chart



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## 6. WEEKLY OUTLOOK — ESZ7

Last Monday ES went down to test the 89 week moving average line again and bounced up quickly on Tuesday. As we said last week, the 89 week EMA has held the price up many times in the past, and it also could hold up this time. Based on the ES weekly chart, so far ES bounced up to test its broken 20/40 weekly moving average lines. A break above 1498.50 will be bullish, it will force the short term downtrend to reverse to the upside. If ES remains below 1496.25 level, it could go sideways for processing the bottom or continue down to test Aug. 16 low if the 1400 can be broken.

Weekly major resistance level is 1515.25. Weekly major support is 1425.

### ES WEEKLY Chart



## 7. DAILY OUTLOOK

Last Friday ES gapped up strong and closed below its open. So far ES still is in testing mode. If it moves above the broken neckline of the H&S pattern, the short term down movement will be fully reversed. As long as ES stays below this resistance line (RED), short term still is down. We may see ES pull back down to 1460.75 or lower to 1445 area to try filling two gaps from the previous week (1471.50 and 1441-26.50) if it attempts to breakout 1493.25 level and fails in the early morning.

ESZ7 DAILY Chart



8. TRADING STRATEGY FOR Dec. 3 , 2007

Today due to the first day of month norm we may see ES attempt to move higher to retest 1492-94 range. If it breaks through this range, ES could go higher to 1507-09.25. But if ES fails to breakout 1492-94 range, it is possible for it to move back down to Friday's low around 1473 area to fill the gap at 1471.50. Any break below 1468.75 will be negative. Downside momentum could push price down further to 1460.75-52 range.

**Intraday swing position entry on short side:**  
**1493.25-96.25 (scalping) 1506.75-09.25(agg) and 1515.25(cons)**  
**Intraday swing position entry on long side:**  
**1469.25 (scalp) 1452.25 (agg) and 1444.25 (cons)**



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## 9. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=1.95)

1496.09	+2/8
1494.14	+1/8
1492.19	8/8
1490.23	7/8
1488.28	6/8
1486.33	5/8
1484.38	4/8
1482.42	3/8
1480.47	2/8
1478.52	1/8
1476.56	0/8
1474.61	-1/8
1472.66	-2/8

### Up (Interval=3.90)

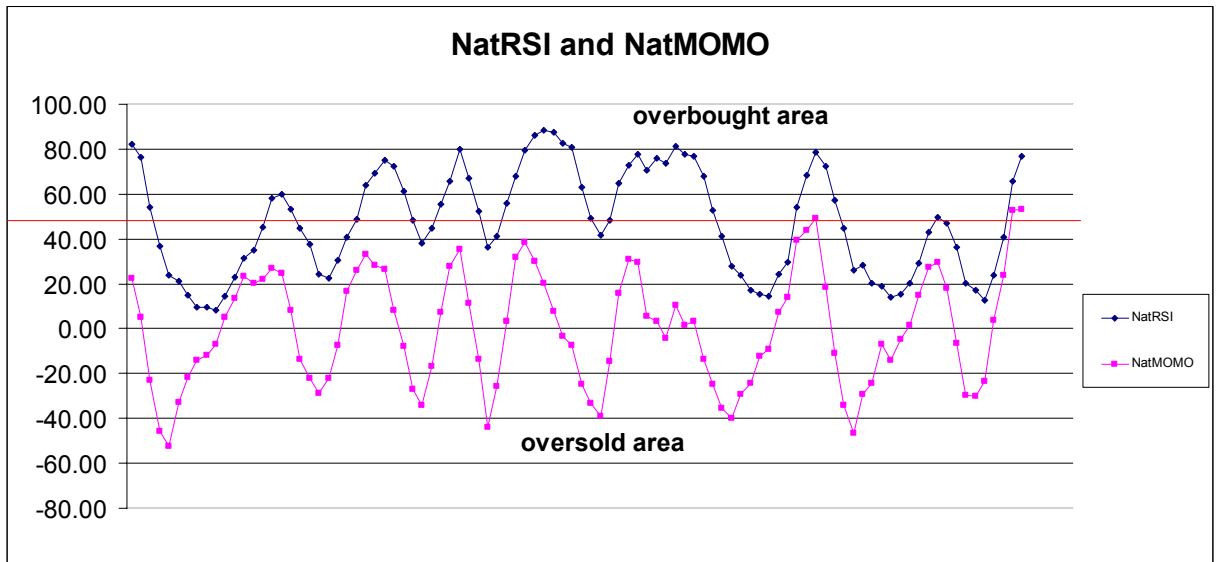
1507.81	+2/8
1503.91	+1/8
1500.00	8/8
1496.09	7/8
1492.19	6/8
1488.28	5/8
1484.38	4/8
1480.47	3/8
1476.56	2/8
1472.66	1/8
1468.75	0/8
1464.84	-1/8
1460.94	-2/8

### Down (Interval=3.90)

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

## 10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.33	0.77	53.33	24.88	1486.88
neutral	neutral			



## 11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Dec 03	10:00	<a href="#">ISM Index</a>	Nov	51.5	50.5	50.9	
Dec 03	17:00	<a href="#">Auto Sales</a>	Nov	5.1M	5.2M	5.1M	
Dec 03	17:00	<a href="#">Truck Sales</a>	Nov	7.0M	7.1M	7.1M	
Dec 05	08:30	<a href="#">Productivity-Rev.</a>	Q3	5.8%	5.5%	4.9%	
Dec 05	10:00	<a href="#">Factory Orders</a>	Oct	0.1%	0.4%	0.2%	
Dec 05	10:00	<a href="#">ISM Services</a>	Nov	55.0	55.0	55.8	
Dec 05	10:30	Crude Inventories	11/30	NA	NA	-452K	
Dec 06	08:30	<a href="#">Initial Claims</a>	12/01	335K	NA	352K	
Dec 07	08:30	<a href="#">Nonfarm Payrolls</a>	Nov	65K	75K	166K	
Dec 07	08:30	<a href="#">Unemployment Rate</a>	Nov	4.8%	4.8%	4.7%	
Dec 07	08:30	<a href="#">Hourly Earnings</a>	Nov	0.4%	0.3%	0.2%	
Dec 07	08:30	<a href="#">Average Workweek</a>	Nov	33.8	33.8	33.8	
Dec 07	10:00	<a href="#">Mich Sentiment-Prel.</a>	Dec	76.0	75.5	76.1	
Dec 07	15:00	<a href="#">Consumer Credit</a>	Oct	\$9.0B	\$5.0B	\$3.7B	

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