



## Daily trading plan for Dec. 10, 2007

### 1. ESZ7 IN PREVIOUS DAY

| Open    | High    | Low     | Closing |
|---------|---------|---------|---------|
| 1512.50 | 1513.25 | 1504.00 | 1507.25 |

### 2. PIVOTS FOR ESZ7

|            | Daily          | Weekly         | Monthly        | Yearly         |
|------------|----------------|----------------|----------------|----------------|
| R3         | 1521.58        | 1576.92        | 1679.33        | 1722.00        |
| R2         | 1517.42        | 1545.08        | 1609.42        | 1583.50        |
| R1         | 1512.33        | 1526.17        | 1546.58        | 1506.00        |
| <b>PPT</b> | <b>1508.17</b> | <b>1494.33</b> | <b>1476.67</b> | <b>1367.50</b> |
| S1         | 1503.08        | 1475.42        | 1413.83        | 1290.00        |
| S2         | 1498.92        | 1443.58        | 1343.92        | 1151.50        |
| S3         | 1493.83        | 1424.67        | 1281.08        | 1074.00        |

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

| Sell levels                | Buying levels               |
|----------------------------|-----------------------------|
| 1525.00-22.50(First Sell#) | 1496-94.75 (first Buy#)     |
| 1529.75(Second Sell#)      | 1485.75-86.25 (second Buy#) |

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

|                   |         |         |         |         |         |
|-------------------|---------|---------|---------|---------|---------|
| <b>Resistance</b> | 1515.25 | 1522.25 | 1527.50 | 1529.25 | 1531.75 |
| <b>Support</b>    | 1500.25 | 1495.00 | 1490.75 | 1485.75 | 1481.50 |

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## 5. LONG-TERM OUTLOOK

The S&P 500 (SPX) closed at 1504.66 on Friday, net weekly gain 23.52 points. Last week, the markets made a continuation move up. But on Friday, most stocks seemed to reach their major resistance level. A non-confirmation showed up between the DJIA and S&P 500 with NYSE volume noticeably contracting.

This week, the Fed meeting will determine the rate of Fed funds and Discount rate. But for SPX, there are two main events may potentially occur. One potential outcome is that last Friday's high was the counter move TOP and the downside resumes after the Fed announcement. Another potential outcome is that the current counter rally is not large enough, so it could extend further to 1520 or higher to 1540-1550 area to complete a-b-c counter move pattern. Only if the SPX breaches the 1460 level will we have confirmation that the current a-b-c rally is over.

Monthly resistance level remains at 1555 and monthly support level still is 1375. Major weekly resistance level for SPX is 1540 and support level 1460

### SPX DAILY Chart



## 6. WEEKLY OUTLOOK — ESZ7

Last week ES pushed price back above 20/40 weekly moving average lines and managed to close above it. So far short-term trend still is up and strong. Even though the volume has contracted for the last two days, it may be related to some traders staying on the sidelines, waiting for the Fed FOMC announcement Tuesday.

This week there is the Fed announcement Tuesday and rollover day on Thursday. We may see wide swings in either direction. High volatility should be expected.

Weekly major resistance level is 1548.50. Weekly major support is 1460.

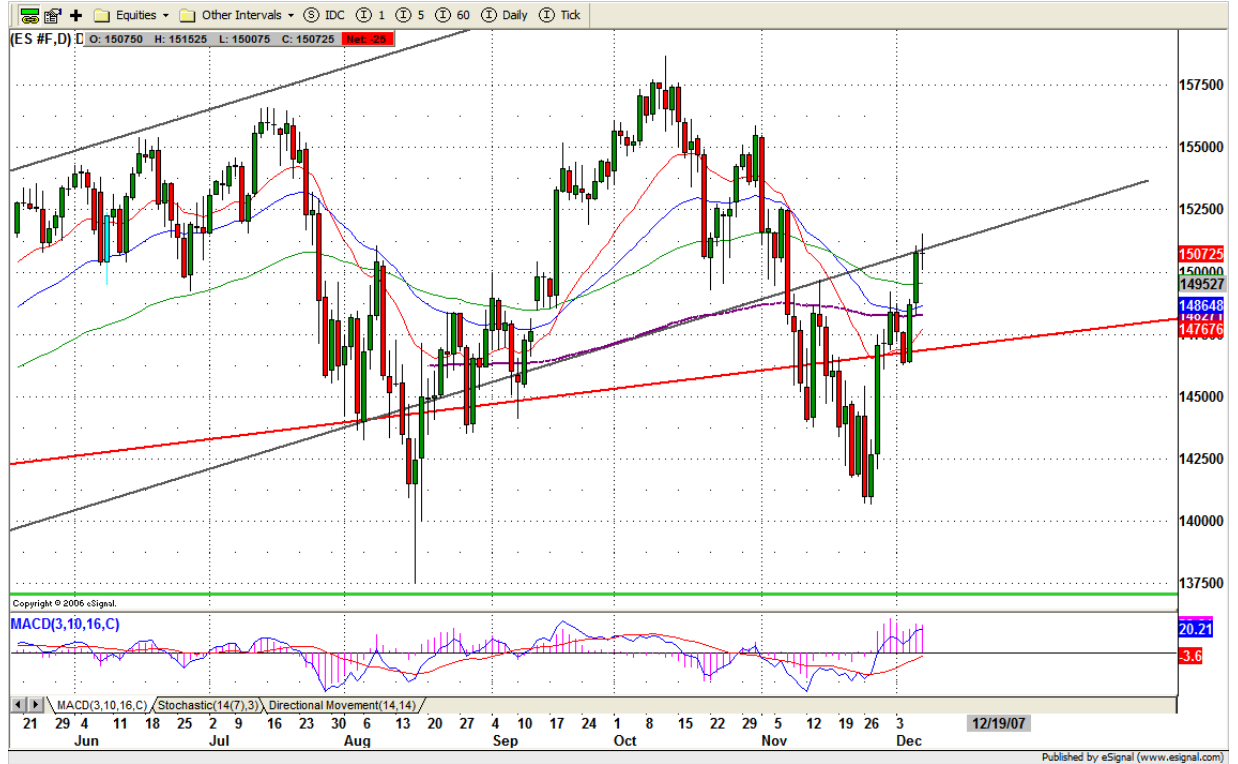
### ES WEEKLY Chart



## 7. DAILY OUTLOOK

Friday ES gapped up strong and closed below its open. It made an indecision candle move. Today ES could repeat Friday's move to wait for Tuesday's Fed announcement. Based on daily chart, the daily indicators are strong, but approaching overbought area with lower volume. As long as 1485.50 level holds today, short-term uptrend remains intact. Only ES breakdown of 1460 will confirm the current countermove is over.

### ESZ7 DAILY Chart





## 9. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=0.95)

|         |      |
|---------|------|
| 1513.67 | +2/8 |
| 1512.70 | +1/8 |
| 1511.72 | 8/8  |
| 1510.74 | 7/8  |
| 1509.77 | 6/8  |
| 1508.79 | 5/8  |
| 1507.81 | 4/8  |
| 1506.84 | 3/8  |
| 1505.86 | 2/8  |
| 1504.88 | 1/8  |
| 1503.91 | 0/8  |
| 1502.93 | -1/8 |
| 1501.95 | -2/8 |

### Up (Interval=3.90)

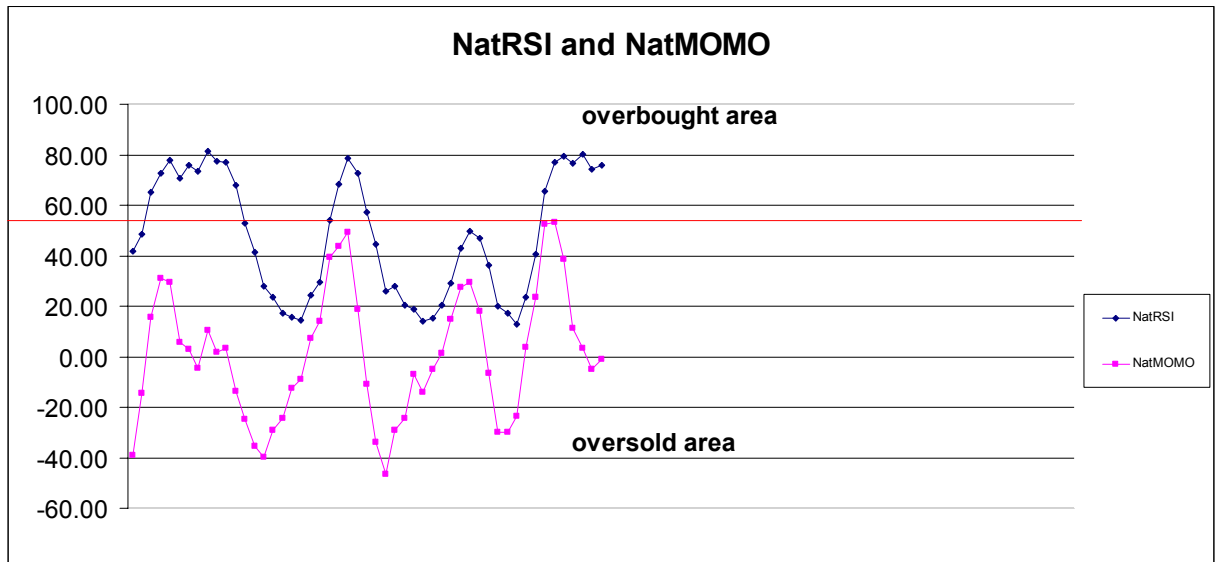
|         |      |
|---------|------|
| 1539.06 | +2/8 |
| 1535.16 | +1/8 |
| 1531.25 | 8/8  |
| 1527.34 | 7/8  |
| 1523.44 | 6/8  |
| 1519.53 | 5/8  |
| 1515.63 | 4/8  |
| 1511.72 | 3/8  |
| 1507.81 | 2/8  |
| 1503.91 | 1/8  |
| 1500.00 | 0/8  |
| 1496.09 | -1/8 |
| 1492.19 | -2/8 |

### 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 |
|---------------|---------------|---------|--------|--------------|
| 0.22          | 0.75          | -0.97   | 20.48  | 1509.88      |
| 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 10 | 10:00 | Pending Home Sales                    | Oct   |           |              |           | 0.2%     |
| Dec 11 | 10:00 | <a href="#">Wholesale Inventories</a> | Oct   | 0.5%      | 0.5%         | 0.5%      | 0.8%     |
| Dec 11 | 14:15 | FOMC policy statement                 |       |           |              |           |          |
| Dec 12 | 08:30 | <a href="#">Export Prices ex-ag.</a>  | Nov   | NA        | NA           | NA        | 0.5%     |
| Dec 12 | 08:30 | <a href="#">Import Prices ex-oil</a>  | Nov   | NA        | NA           | NA        | 0.5%     |
| Dec 12 | 08:30 | <a href="#">Trade Balance</a>         | Oct   | -\$57.5B  | -\$57.0B     | -\$57.0B  | -\$56.5B |
| Dec 12 | 10:30 | Crude Inventories                     | 12/07 | NA        | NA           | NA        | -7913K   |
| Dec 12 | 14:00 | <a href="#">Treasury Budget</a>       | Nov   | -\$100.0B | -\$75.0B     | -\$75.0B  | -\$75.6B |
| Dec 13 | 08:30 | <a href="#">Retail Sales</a>          | Nov   | 0.8%      | 0.5%         | 0.5%      | 0.2%     |
| Dec 13 | 08:30 | <a href="#">Retail Sales ex-auto</a>  | Nov   | 0.8%      | 0.6%         | 0.6%      | 0.2%     |
| Dec 13 | 08:30 | <a href="#">PPI</a>                   | Nov   | 2.0%      | 1.5%         | 1.5%      | 0.1%     |
| Dec 13 | 08:30 | <a href="#">Core PPI</a>              | Nov   | 0.2%      | 0.2%         | 0.2%      | 0.0%     |
| Dec 13 | 08:30 | <a href="#">Initial Claims</a>        | 12/08 | 340K      | 335K         | 335K      | 338K     |
| Dec 13 | 10:00 | <a href="#">Business Inventories</a>  | Oct   | 0.3%      | 0.3%         | 0.3%      | 0.4%     |
| Dec 14 | 08:30 | <a href="#">CPI</a>                   | Nov   | 0.7%      | 0.6%         | 0.6%      | 0.3%     |
| Dec 14 | 08:30 | <a href="#">Core CPI</a>              | Nov   | 0.2%      | 0.2%         | 0.2%      | 0.2%     |
| Dec 14 | 09:15 | <a href="#">Industrial Production</a> | Nov   | 0.3%      | 0.1%         | 0.1%      | -0.5%    |
| Dec 14 | 09:15 | <a href="#">Capacity Utilization</a>  | Nov   | 81.8%     | 81.7%        | 81.7%     | 81.7%    |

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