



Daily trading plan for Jan. 7, 2008

1. ESH8 IN PREVIOUS DAY

Open	High	Low	Closing
1442.75	1443.75	1417.50	1423.00

2. PIVOTS FOR ESH8

	Daily	Weekly	Monthly	Yearly
R3	1464.92	1540.33	1602.17	1796.75
R2	1454.33	1514.67	1564.58	1691.75
R1	1438.67	1468.83	1520.92	1584.50
PPT	1428.08	1443.17	1483.33	1479.50
S1	1412.42	1397.33	1439.67	1372.25
S2	1401.83	1371.67	1402.08	1267.25
S3	1386.17	1325.83	1358.42	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
1443.75-1447 (First Sell#)	1406.25 (first Buy#)
1458.75 (Second Sell#)	1396.75 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1434.75	1439.75	1443.25	1447.00	1451.75
Support	1405.75	1397.25	1389.25	1384.75	1479.75

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5. LONG-TERM OUTLOOK

The S&P 500 (SPX) closed at 1411.63 for the first week of 2008, down 56.73 from last year's closing price. Not a good start to the New Year. This down movement was not unexpected; we discussed it extensively in our chat room before and during the Christmas holidays.

Currently, the stock market is in the process of retesting the November lows and starts to threaten the long-term rising trend line. Last year, S&P 500 Large cap Index (\$SPX) mainly went sideways in a year-long consolidation move, similar to the consolidation in 2000 before the beginning of the Bear market.

So far the SPX still holds price above the 2007 low. But the recent write-offs in the financial sector are creating a very bearish sentiment in the market. Combined with economic reports showing that slow growth in US may develop into a recession the future prospects are making investors more nervous. All of those won't help the market, and we are likely to see \$SPX sliding down further.

Monthly major resistance level 1480 and major support level 1275.

\$SPX MONTHLY CHART



Last week \$SPX closed right around the five-year long-term rising trend line and the 89 week moving average line. This down movement needs to end soon or some serious damage will be done this week. Testing 1375 would confirm that the long term up-trend line is broken, but it will also cause the 20 week moving average line to cross the 40 week moving average, which will give a long-term sell signal. If \$SPX does arrive at the 1375 support line, the likelihood of that level holding for the long-term is limited.

Major weekly resistance level is 1480 and support level 1375

SPX WEEKLY Chart



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6. WEEKLY OUTLOOK — ESH8

Last week ES sold off on the first day of trading for the New Year and dipped further down for the weekly closing. Even though ES hasn't broken its uptrend channel, last week's downside move on heavy volume gives us a bearish outlook for coming weeks. It indicates that ES is in the process of a 2nd wave impulse down move which could end at any one of several support lines below the present price. Any oversold bounce made this week may not last long.

ES is not far away from November's low at the 1406 area. Either it will stop dropping and make a strong bounce back up for the rest of the month, or it is likely to break through support around the 1402-1400 range to test key support around 1375-68.75. This would create a long term sell signal. 1406.50-02.75 is this week's key range.

Weekly major resistance level is 1485. Weekly major support is 1375.

ES WEEKLY Chart

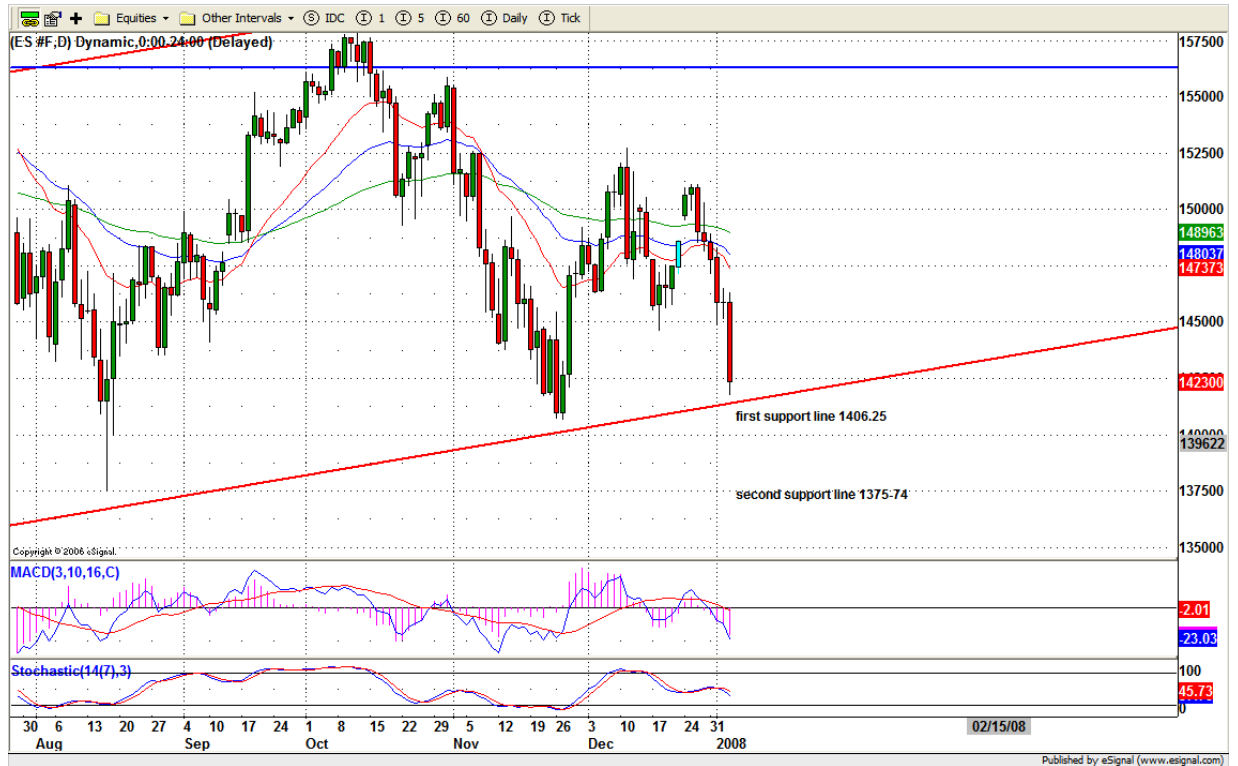


7. DAILY OUTLOOK

Last Thursday ES made a small doji pattern on the daily chart. It indicated a downside continuation move could occur if ES broke down 1450-51 range. The next day (Friday) ES sold off heavily after this key range failed to support the price in the early morning. It closed near the low of daily trading range.

Testing November's low is possible if this morning ES fails to hold up 1418-15 range. SST indicator shows there is some room for it to move down to get oversold area. But a price spike should still be expected today and tomorrow

ESZ7 DAILY Chart



8. TRADING STRATEGY FOR Jan 7, 2008

Today ES may go down to 1417.50 to retest last Friday's low first or make a little lower to 1408-06 area to search for a solid support. If 1406-02 range can be held up, watch for ES to make a sharp reversal after 10:45am. If it fails to hold the 1406-02 range, it will encourage the bears to push price down toward 1375-80 area.

If today ES gaps up in the early morning, as long as it doesn't breakout 1443.75 line, one more downside push testing should be expected.

Intraday swing position entry on short side:
1437.50 (scalping) 1443.75 (agg) and 1451.00 (cons)
Intraday swing position entry on long side:
1406.50 (scalp) 1399.75 (agg) and 1396.75 (cons)



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9. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=3.90)

1445.31	+2/8
1441.41	+1/8
1437.50	8/8
1433.59	7/8
1429.69	6/8
1425.78	5/8
1421.88	4/8
1417.97	3/8
1414.06	2/8
1410.16	1/8
1406.25	0/8
1402.34	-1/8
1398.44	-2/8

Up (Interval=3.90)

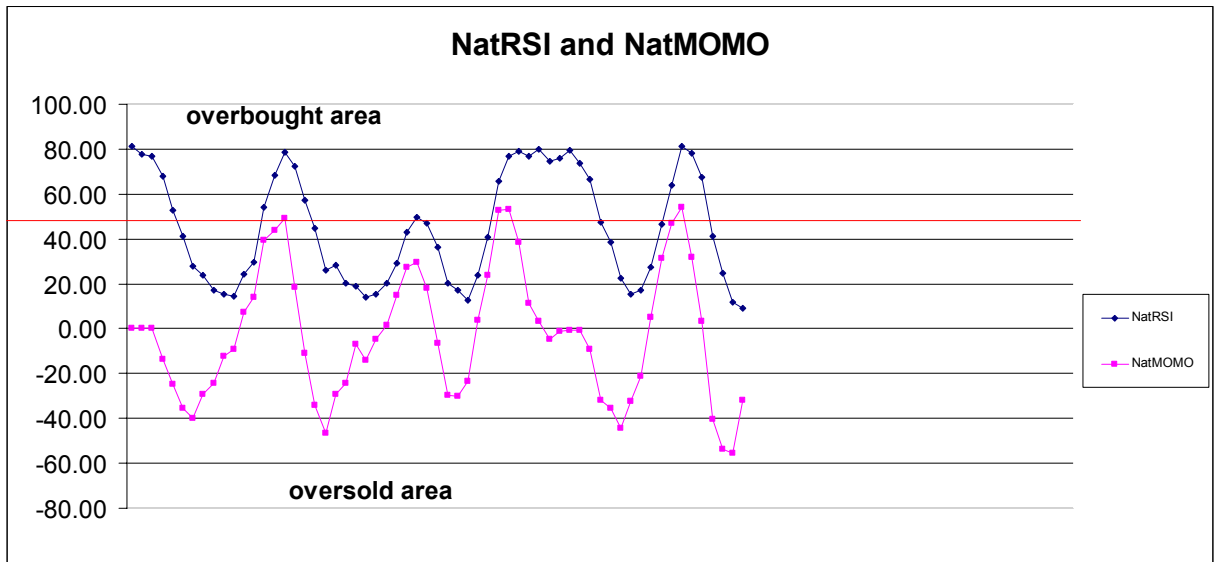
1460.94	+2/8
1457.03	+1/8
1453.13	8/8
1449.22	7/8
1445.31	6/8
1441.41	5/8
1437.50	4/8
1433.59	3/8
1429.69	2/8
1425.78	1/8
1421.88	0/8
1417.97	-1/8
1414.06	-2/8

Down (Interval=3.90)

1445.31	+2/8
1441.41	+1/8
1437.50	8/8
1433.59	7/8
1429.69	6/8
1425.78	5/8
1421.88	4/8
1417.97	3/8
1414.06	2/8
1410.16	1/8
1406.25	0/8
1402.34	-1/8
1398.44	-2/8

10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.12	0.09	-31.95	17.48	1432.98
oversold	oversold			



11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual Briefing.com	Consensus	Prior
Jan 08	10:00	Pending Home Sales	Nov			0.6%
Jan 08	15:00	Consumer Credit	Nov	\$8.0B	\$8.5B	\$4.7B
Jan 10	08:30	Initial Claims	01/05	345K	NA	336K
Jan 10	10:00	Wholesale Inventories	Nov	0.4%	0.5%	0.0%
Jan 10	10:30	Crude Inventories	01/05	NA	NA	-4056K
Jan 11	08:30	Export Prices ex-ag.	Dec	NA	NA	0.8%
Jan 11	08:30	Import Prices ex-oil	Dec	NA	NA	0.7%
Jan 11	08:30	Trade Balance	Nov	-\$60.0B	-\$59.5B	-\$57.8B
Jan 11	14:00	Treasury Budget	Dec	\$64.0B	\$52.0B	\$42.0B

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