



Daily trading plan for Jan. 14, 2008

1. ESH8 IN PREVIOUS DAY

Open	High	Low	Closing
1415.00	1423.75	1400.25	1407.75

2. PIVOTS FOR ESH8

	Daily	Weekly	Monthly	Yearly
R3	1444.42	1487.67	1602.17	1796.75
R2	1434.08	1462.58	1564.58	1691.75
R1	1420.92	1435.17	1520.92	1584.50
PPT	1410.58	1410.08	1483.33	1479.50
S1	1397.42	1382.67	1439.67	1372.25
S2	1387.08	1357.58	1402.08	1267.25
S3	1373.92	1330.17	1358.42	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
1430.25-31.75 (First Sell#)	1393.25 (first Buy#)
1437.50 (Second Sell#)	1377.75-75.00 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1414.75	1420.75	1423.75	1429.75	1435.75
Support	1397.25	1387.25	1382.75	1376.75	1369.75

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5. LONG-TERM OUTLOOK

The S&P 500 (SPX) closed at 1401.02 for the second week of 2008, down 10.61 points. Also SPX closed below its intermediate-term major support line (89 EMA green line) for a second time. It indicates long term trend is in the process of changing. Any counter move rally will not help buyers too much.

This week high volatility will continue due to option expiration. As long as last Wednesday's lows (1379-78) remain intact, SPX will continue pushing price up. A break of last Wednesday's low would negate the current countertrend push and indicates a further down move to test last Year's low or lower.

Monthly major resistance level 1480 and major support level 1275.
Major weekly resistance level is 1453 and support level 1375

SPX WEEKLY Chart



6. WEEKLY OUTLOOK — ESH8

Last week ES had a very short-lived rally due to comments by the Fed. chairman in a speech that “In light of recent changes in the outlook for Growth, additional policy easing may well be necessary.” He indicated the Fed is ready to make “substantive” cuts in interest rates. But there was an absence of action from the Fed in last Friday.

Where was the Fed on Friday? The Fed was caught by whether they should rescue the economy by aggressively cutting interest rate — and accelerate inflation — or control inflation by slowing the economy. As soon as the investors saw the Fed’s hesitation in making its decision, they sold off quickly.

So far ES still holds up last November’s low at 1406. This week, only if ES holds above 1385 level, can it make its counter move rally up to max. 1445-53 area. If ES fails to hold 1385 level, it is possible to move lower to 1375-72 area to test last year’s low. Due to option expiration this week, we may have a chance to see ES go to both sides of the 1423.75-1375 range.

Weekly major resistance level is 1458.75. Weekly major support is 1375.

ES WEEKLY Chart



7. DAILY OUTLOOK

Friday ES pulled back from a short-lived rally. It struggled along the long-term uptrend line (Red). But this time, it was unable to close above that line. That could be related our coming option expiration week. The put/call ratio registered a 23 week extreme high last week, which could prompt a rally. But any rally won't last very long.

Today we may see ES goes down first to retest last Friday's low 1400.25 and move back up again later in the afternoon. As long as ES doesn't breach 1385, bulls will try to push price up again, but at every rally we may see increasing selling pressure.

ESH8 DAILY Chart



8. TRADING STRATEGY FOR Jan. 14, 2008

Last Friday ES retraced 70% from 1436.50 high. This morning we may see ES goes down first to retest last Friday's low 1400.25. As long as 1400.25 level holds ES up, it could bounce up to 1410-15.75 area. Both sides will fight intensively for 1400 today and in the coming days. If it fails to hold above 1396 level, the chances of a retest of 1385 increase.

Intraday swing position entry on short side:
1420.50 (scalping) 1434.75 (agg) and 1443.50 (cons)
Intraday swing position entry on long side:
1398.50 (scalp) 1385.25 (agg) and 1372.75 (cons)



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)

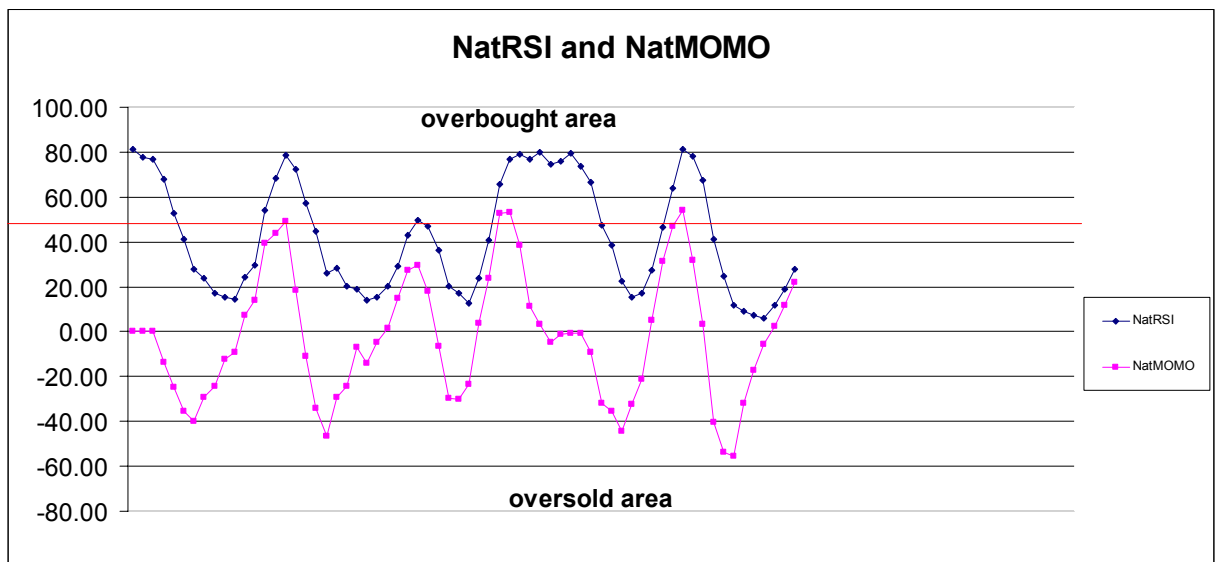
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1429.69	6/8
1425.78	5/8
1421.88	4/8
1417.97	3/8
1414.06	2/8
1410.16	1/8
1406.25	0/8
1402.34	-1/8
1398.44	-2/8

Down (Interval=3.90)

1414.06	+2/8
1410.16	+1/8
1406.25	8/8
1402.34	7/8
1398.44	6/8
1394.53	5/8
1390.63	4/8
1386.72	3/8
1382.81	2/8
1378.91	1/8
1375.00	0/8
1371.09	-1/8
1367.19	-2/8

10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.34	0.29	21.93	25.70	1411.38
neutral	neutral			



11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Jan 15	08:30	Retail Sales	Dec		0.0%	0.1%	1.2%
Jan 15	08:30	Retail Sales ex-auto	Dec		-0.1%	0.1%	1.8%
Jan 15	08:30	PPI	Dec		0.2%	0.2%	3.2%
Jan 15	08:30	Core PPI	Dec		0.2%	0.2%	0.4%
Jan 15	08:30	NY Empire State Index	Jan		13.0	10.0	10.3
Jan 15	10:00	Business Inventories	Nov		0.6%	0.4%	0.1%
Jan 16	08:30	CPI	Dec		0.3%	0.2%	0.8%
Jan 16	08:30	Core CPI	Dec		0.2%	0.2%	0.3%
Jan 16	09:00	Net Foreign Purchases	Nov		NA	NA	\$114.0B
Jan 16	09:15	Industrial Production	Dec		-0.4%	-0.1%	0.3%
Jan 16	09:15	Capacity Utilization	Dec		81.1%	81.3%	81.5%
Jan 16	14:00	Fed's Beige Book					
Jan 17	08:30	Housing Starts	Dec		1160K	1150K	1187K
Jan 17	08:30	Building Permits	Dec		1150K	1140K	1162K
Jan 17	08:30	Initial Claims	01/12		335K	335K	322K
Jan 17	10:30	Crude Inventories	01/12		NA	NA	-6736K
Jan 17	12:00	Philadelphia Fed	Jan		2.0	-1.5	-1.6
Jan 18	10:00	Leading Indicators	Dec		0.0%	-0.1%	-0.4%
Jan 18	10:00	Mich Sentiment-Prel.	Jan		74.0	74.5	75.5

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