



## Revised

### Daily Trading Plan for Jan. 22, 2008

#### 1. ESH8 IN PREVIOUS DAY

Open	High	Low	Closing
1346.75	1355.25	1315.75	1325.25

#### 2. PIVOTS FOR ESH8

	Daily	Weekly	Monthly	Yearly
R3	1387.92	1505.00	1602.17	1796.75
R2	1371.58	1465.25	1564.58	1691.75
R1	1348.42	1395.25	1520.92	1584.50
<b>PPT</b>	<b>1332.08</b>	<b>1355.50</b>	<b>1483.33</b>	<b>1479.50</b>
S1	1308.92	1285.50	1439.67	1372.25
S2	1292.58	1245.75	1402.08	1267.25
S3	1269.42	1175.75	1358.42	1160.00

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

Sell levels	Buying levels
1286.25 (First Sell#)	1247.25 (first Buy#)
1319.25 (Second Sell#)	1208.25 (second Buy#)

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

<b>Resistance</b>	1284.75	1297.00	1319.75	1323.50	1327.00
<b>Support</b>	1256.75	1245.25	1217.00	1210.25	1206.25

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## 5. LONG-TERM OUTLOOK

The S&P 500 (SPX) closed at 1325.19 for the third week of 2008, down 75.83 points. So far SPX is down 15.91% from its peak reached in October. This kind of correction is needed to reflect the real economy more accurately, given the probability of a recession.

The market is deeply oversold in short term. It has closed down 13 of the past 16 days. By Friday closing the CBOE volatility index was giving a short-term buy signal. This short term buy may last for 6 days before another decline is on the way.

Monthly major resistance level 1375 and major support level 1208  
Major weekly resistance level is 1375 and support level 1208

SPX WEEKLY Chart



## 6. WEEKLY OUTLOOK — ESH8

Last week after ES quickly moved up to test the long term uptrend line (red) it went down sharply and never turned back again. It gave us an intermediate-term selling signal at 1464 by confirming the break down of the 1375 support. The long term trend is in the process of changing no matter what you look at.

In the pattern move, there is a double top pattern. The broken neckline is around 1375.50-1368.75 range. This range should turn into first resistance zone this week. On the downside there is a support level around 1285.25-1281.50 range which is the 38% retracement from the 2002 low to the 2007 high. That support is also overlapping the monthly 89EMA line. Any break below that support is bearish.

Weekly major resistance level is 1336.75. Weekly major support is 1208.25

### ES WEEKLY Chart

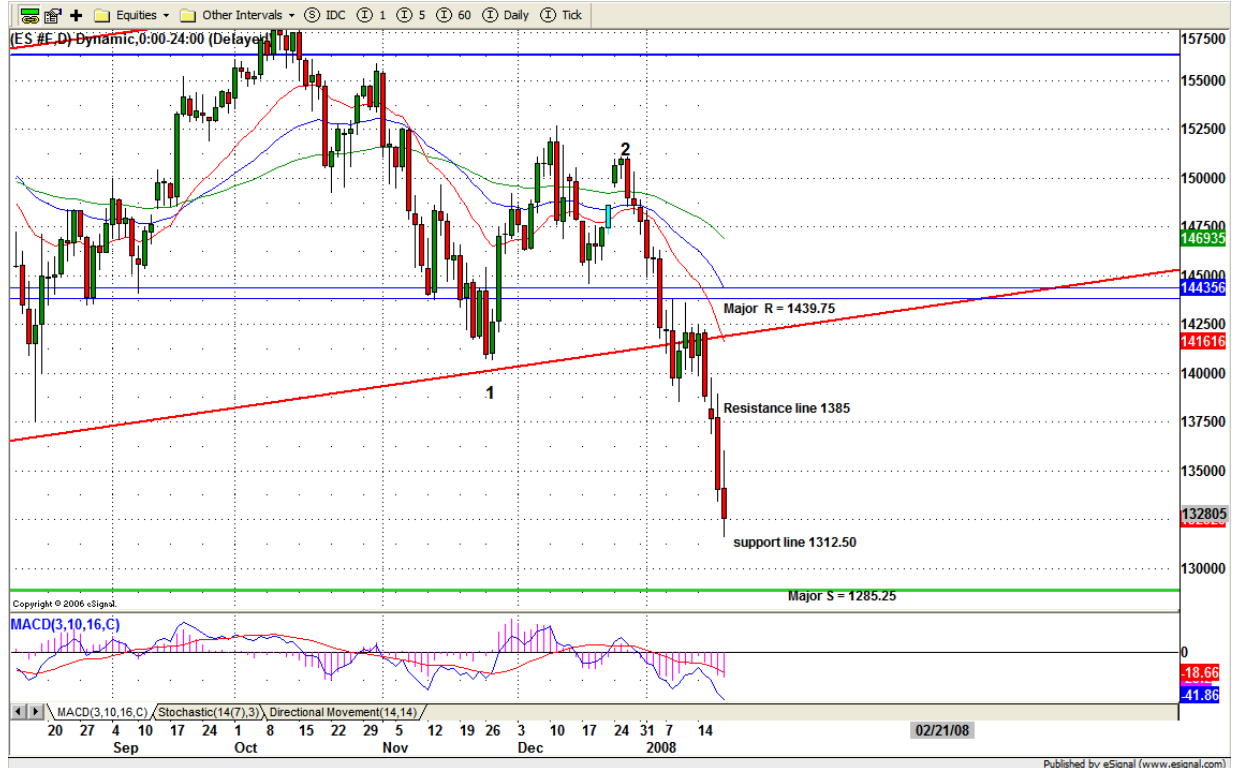


## 7. DAILY OUTLOOK

Last Thursday ES broke the major intermediate-term support line at the 1375 level. Friday ES had a continuation move low to confirm that level is solidly broken. Even though we had some option expiration day activity, we are no longer convinced that any trace of the bull market remains. The five-year long term trend is changing. We have to trade in different manner.

We are in bear market now. Any bounce is a shorting opportunity.

### ESH8 DAILY Chart



## 8. TRADING STRATEGY FOR Jan. 22, 2008

Due to heavy global sell off on Monday, ES may bounce up a little, but selling pressure will not decrease. In the early morning, we have to watch for ES move to set up its trading range, and then see which direction it is going to breakout. Sunday and Monday night ES broke 1323, 1319, 1299 and 1284.75 level. As long as ES remains below 1284.75, we go short. Breakout 1284.75 level, we are looking for higher levels for short.

**Intraday swing position entry on short side:**  
**1284.75-86.75 (scalping) 1299.25 (agg) and 1319.50(cons)**  
**Intraday swing position entry on long side:**  
**1259.25-56.75 (scalp) 1231.25 (agg) and 1217.00 (cons)**

### ESH8 INTRADAY



## 9. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=7.82)

1390.63	+2/8
1382.81	+1/8
1375.00	8/8
1367.19	7/8
1359.38	6/8
1351.56	5/8
1343.75	4/8
1335.94	3/8
1328.13	2/8
1320.31	1/8
1312.50	0/8
1304.69	-1/8
1296.88	-2/8

### Up (Interval=7.82)

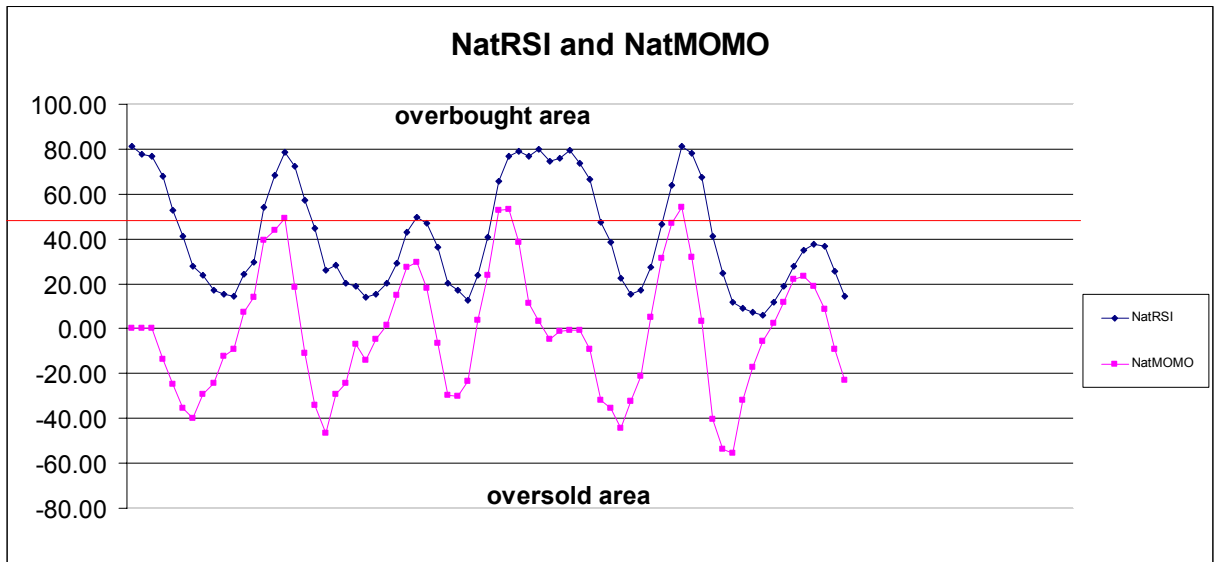
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1335.94	3/8
1328.13	2/8
1320.31	1/8
1312.50	0/8
1304.69	-1/8
1296.88	-2/8

### Down (Interval=7.82)

1359.38	+2/8
1351.56	+1/8
1343.75	8/8
1335.94	7/8
1328.13	6/8
1320.31	5/8
1312.50	4/8
1304.69	3/8
1296.88	2/8
1289.06	1/8
1281.25	0/8
1273.44	-1/8
1265.63	-2/8

## 10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.23	0.14	-23.12	30.83	1336.00
neutral	neutral			



## 11. WEEKLY ECONOMIC REPORTS

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

<b>Date</b>	<b>ET</b>	<b>Release</b>	<b>For</b>	<b>Actual</b>	<b>Briefing.com</b>	<b>Consensus</b>	<b>Prior</b>
Jan 24	08:30	Initial Claims	01/19	320K		325K	301K
Jan 24	10:00	Existing Home Sales	Dec	5.00M		4.95M	5.00M
Jan 24	10:30	Crude Inventories	01/19	NA		NA	4259K

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