



Daily trading plan for Jan. 23, 2008

1. ESH8 IN PREVIOUS DAY

Open	High	Low	Closing
1265.75	1324.75	1262.00	1309.25

2. PIVOTS FOR ESH8

	Daily	Weekly	Monthly	Yearly
R3	1398.08	1505.00	1602.17	1796.75
R2	1361.42	1465.25	1564.58	1691.75
R1	1335.33	1395.25	1520.92	1584.50
PPT	1298.67	1355.50	1483.33	1479.50
S1	1272.58	1285.50	1439.67	1372.25
S2	1235.92	1245.75	1402.08	1267.25
S3	1209.83	1175.75	1358.42	1160.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1337.25(First Sell#)	1274.50-72.50 (first Buy#)
1359.50-63.75 (Second Sell#)	1255.50-57.50 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1341.75	1355.25	1359.50	1463.75	1374.50
Support	1298.25	1285.75	1272.50	1265.75	1255.00

5. DAILY OUTLOOK

U.S. stocks fell for a fifth straight session Tuesday, but largely recovered from the opening due to emergency interest rate cuts made by the Fed.

This is the 4th rate cut, but in the past the market made new lows and the power of each bounce was reduced after every one. This time it should not be an exception.

Market is oversold, bounce is normal. There are several breakdown points that need to be retested before ES goes down again. Currently ES is entering a bear market. Buying on the dips worked beautifully in the bull market, but it will be deadly in the bear market and will eventually wipe out your investment. During the bear market, SHORT on BOUNCE is our trading strategy.

ESH8 Daily Chart



6. TRADING STRATEGY FOR Jan. 23, 2008

After emergency interest rate cuts by Fed, the market reversed sharply after the opening yesterday. "Buying" advice was offered by two major banks, and the ES moved upside, but unfortunately it did not fill its gap at the 1325.25 level. Today ES will try again. If ES fails to fill that gap, then yesterday's bounce shouldn't last too long, and sell off could follow again.

For ES to move up to testing any one of those breakdown points 1328.75, 1337.50, 1346.75, 1355.75, 1363.75, 1375.75-84.75 level, 1275-80 needs to be held up. But as soon as those numbers show up, the selling pressure will increase immediately.

Looking for intraday major resistance levels 1354-55 and 1368-75 for SHORT entry.

Intraday swing position entry on short side:
1337.50 (Scalping) 1363.75 (agg) and 1374.75 (cons)
Intraday swing position entry on long side:
1296.25 (scalping) 1284.50 (agg) and 1255.25 (cons)

ESH8 INTRADAY



7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=7.82)

1328.13	+2/8
1320.31	+1/8
1312.50	8/8
1304.69	7/8
1296.88	6/8
1289.06	5/8
1281.25	4/8
1273.44	3/8
1265.63	2/8
1257.81	1/8
1250.00	0/8
1242.19	-1/8
1234.38	-2/8

Up (Interval=7.82)

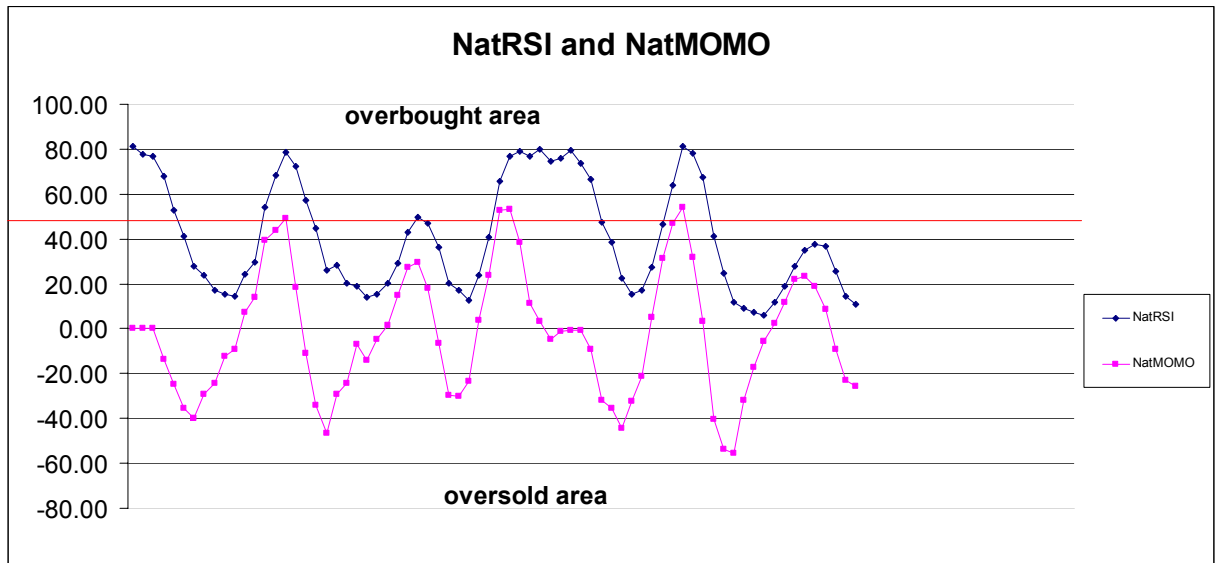
1390.63	+2/8
1382.81	+1/8
1375.00	8/8
1367.19	7/8
1359.38	6/8
1351.56	5/8
1343.75	4/8
1335.94	3/8
1328.13	2/8
1320.31	1/8
1312.50	0/8
1304.69	-1/8
1296.88	-2/8

Down (Interval=7.82)

1328.13	+2/8
1320.31	+1/8
1312.50	8/8
1304.69	7/8
1296.88	6/8
1289.06	5/8
1281.25	4/8
1273.44	3/8
1265.63	2/8
1257.81	1/8
1250.00	0/8
1242.19	-1/8
1234.38	-2/8

8. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.85	0.11	-25.54	34.92	1286.63
overbought	oversold			



9. WEEKLY ECONOMIC REPORTS (<http://www.tradethenews.com/weekly-calendar.php>)

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
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