



Daily Trading Plan for Mar 17, 2008

1. ESM8 IN PREVIOUS DAY

Open	High	Low	Closing
1325.75	1325.75	1275.50	1293.00

2. PIVOTS FOR ESM8

	Daily	Weekly	Monthly	Yearly
R3	1370.92	1389.08	1460.83	1796.75
R2	1348.33	1361.67	1429.42	1691.75
R1	1320.67	1327.33	1380.33	1584.50
PPT	1298.08	1299.92	1348.92	1479.50
S1	1270.42	1265.58	1299.83	1372.25
S2	1247.83	1238.17	1268.42	1267.25
S3	1220.17	1203.83	1219.33	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
1314.50-1316.75 (First Sell)	1261- 60.25 (first Buy#)
1331.50-36.75(Second Sell#)	1253.50 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1301.50	1310.75	1316.50	1320.75	1327.50
Support	1284.75	1271.25	1266.25	1262.50	1253.50

5. LONG-TERM OUTLOOK - \$SPX

The S&P 500 (\$SPX) closed at 1288.14 on Friday, down 5.23 points for the week, despite enormous efforts to hold the market up. It seemed like the Fed chairman couldn't catch a break. In the past almost every time he has made a speech or testified before congress, the stock market just tanked. This week interventions that would normally rally the market gave very short-term relief.

Last week, the market seemed to like the Fed's response to the credit crunch problem on Tuesday and posted the biggest one day gain in a number of years. But unfortunately this lasted for only one day. The next day the Carlyle Capital news prevented the market from making further gains. On Thursday morning, as the market was starting to tank again, we got another shot of hope when S&P released a report claiming "The end of write-downs is now in sight for large financial institutions." It helped prop the market up... for a while. Unfortunately, the following day Bears Steams' insolvency news sent the market into the tank again, with SPX down almost 50 points within an hour. The result for the week: the best efforts of the institutions managed to stave off a free-fall, but did not generate any kind of sustained rally.

What do those situations tell us? Investor confidence is evaporating as financial institutions — including the Fed and the rating agencies — lose their credibility as they try to conceal or minimize the extent of the credit problems. Investors just don't believe it any more.

We are in the middle of a bear market. While many analysts are claiming the bear is nearly over, many long term indicators still have a long way to go to reach the kind of bottom we saw in the year 2000-2003 bear market. And many commentators believe this bear will be worse than 2000-2003. The current oversold situation may lead to an oversold bounce, but that doesn't mean the bear market is over. In a bear market, oversold conditions may mean that the trouble is ongoing.

On the weekly chart, \$SPX closed below its 200-week weekly moving average line for a second week. That is not a good signal for Bulls. That indicates Bears are eating the strength of the support line (January's low). As soon as \$SPX breaks down January's low, a further down to major weekly support zone (1200-1225) is very possible in the coming weeks.

This week there is lots of activity: option expiration, a short trading session because of the Good Friday holiday, a Fed announcement expected to lead to more interest rate cuts on Tuesday. We may see some bounce up movement to last week's high 1325-1321 area. But as long as \$SPX holds price below 1325, the trend remains bearish and down.

Monthly major resistance level 1375 and major support level 1219
Major weekly resistance level is 1325 and support level 1225

SPX WEEKLY Chart



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6. WEEKLY OUTLOOK == ESH8

Last week, the US. Fed's the emergency injection of \$200 billion of liquidity into the credit market only gave one day relief to the stock market. The problems won't go away; instead they are getting worse and worse.

This week has only four trading days due to having a holiday on Friday but they will be active. The Plunge Protection Team is meeting with the President on Monday, Fed's interest rate announcement on Tuesday; option expiration on Thursday, could give several big swing moves. We may see ES to go down to test January's low 1255.50 level if investors don't like the PPT and Fed's decision or may see ES to go up to last week's high 1336 or higher 1350 due to option expiration and short term oversold condition.

Weekly major resistance level is 1336, Weekly major support is 1222.50

ES WEEKLY Chart



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7. DAILY OUTLOOK

In the past three days ES mainly traveled within Tuesday's big move range. 1272.25 is today's key level. Holding above that key level, ES could go up to last Friday's high 1325.75 for testing. Fails to hold that key level, it is possible for ES to go down to 1260-55 area. Because of option expiration on Thursday, the fighting line for option is 1300.00 - 1325. Price would whipsaw up to 1375 or down to 1250.

ESM8 DAILY Chart



8. TRADING STRATEGY FOR Mar. 17, 2008

ES could go both direction based on last Friday's price movement. Today if ES melts down before the market opens, pay attention on 1260-55 range. We go long as soon as price holds above 1255 level. If nothing occurs before the open, we are waiting 10-15 minutes after market opens, and looking for first resistance level 1314.50-16.50 area to go short.

Intraday swing position entry on short side:
1314.75 (scalping) 1325.25-26.75 (agg) and 1336.50-39.50 (cons)
Intraday swing position entry on long side:
1271.50 (scalp) 1260-61 (agg) and 1250-46.75 (cons)



9. 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)

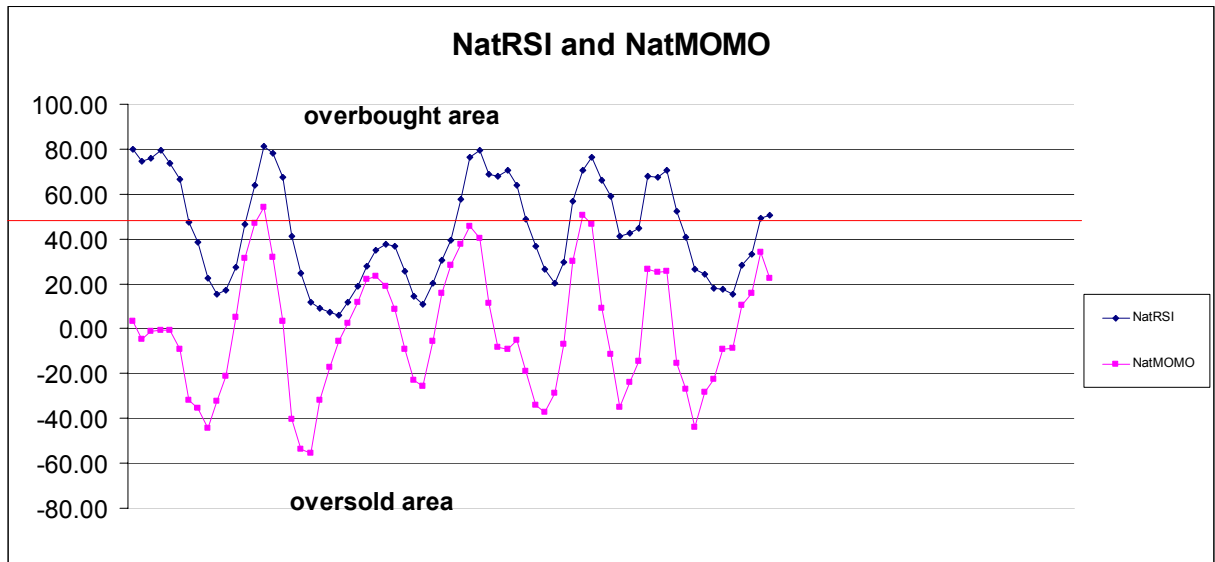
1359.38	+2/8
1351.56	+1/8
1343.75	8/8
1335.94	7/8
1328.13	6/8
1320.31	5/8
1312.50	4/8
1304.69	3/8
1296.88	2/8
1289.06	1/8
1281.25	0/8
1273.44	-1/8
1265.63	-2/8

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

10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.17	0.50	22.25	30.25	1309.13
oversold	neutral			



11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Mar 17	08:30	NY Empire State Index	Mar	-8.0	-5.0	-11.7	
Mar 17	09:00	Net Foreign Purchases	Jan	NA	NA	\$56.5B	
Mar 17	09:15	Industrial Production	Feb	-0.1%	-0.1%	0.1%	
Mar 17	09:15	Capacity Utilization	Feb	81.2%	81.3%	81.5%	
Mar 18	08:30	Housing Starts	Feb	980K	995K	1012K	
Mar 18	08:30	Building Permits	Feb	1010K	1020K	1061K	
Mar 18	08:30	PPI	Feb	0.1%	0.3%	1.0%	
Mar 18	08:30	Core PPI	Feb	0.2%	0.2%	0.4%	
Mar 18	14:15	FOMC Policy Statement					
Mar 19	10:30	Crude Inventories	03/15	NA	NA	6177K	
Mar 20	08:30	Initial Claims	03/15	355K	NA	353K	
Mar 20	10:00	Leading Indicators	Feb	-0.2%	-0.3%	-0.1%	
Mar 20	10:00	Philadelphia Fed	Mar	-20.0	-18.0	-24.0	

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