



Daily Trading Plan for May 12, 2008

1. ESM8 IN PREVIOUS DAY

Open	High	Low	Closing
1385.25	1393.25	1383.75	1389.00

2. PIVOTS FOR ESM8

	Daily	Weekly	Monthly	Yearly
R3	1403.08	1451.42	1502.33	1796.75
R2	1398.17	1436.83	1454.67	1691.75
R1	1393.58	1412.92	1420.33	1584.50
PPT	1388.67	1398.33	1372.67	1479.50
S1	1384.08	1374.42	1338.33	1372.25
S2	1379.17	1359.83	1290.67	1267.25
S3	1374.58	1335.92	1256.33	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
1399.75-1401 (First Sell#)	1372.25-1370.00 (first Buy#)
1407.25-10.50 (Second Sell#)	1361.25-1358.00 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1399.50	1405.75	1410.50	1416.50	1421.00
Support	1382.75	1376.50	1371.25	1364.75	1358.00

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5. LONG-TERM OUTLOOK - \$SPX

The S&P 500 (\$SPX) closed at 1388.28 on Friday, net loss 25.62 points for the week. \$SPX is turning away from a test of the rising uptrend line and 200-EMA line resistance and should be working lower toward short-term support line (green). Now 1370-1368 range becomes important. Once this support range is breached, \$SPX could fall sharply.

Option expiration week always involves high volatility moves. Early in the week, we may see \$SPX move up to test broken line 1397 or 1403 one more time. On the downside, a close below 1342 for the week will confirm that the rally from March is over.

Option middle line around 1390. Bulls fights for 1420 line, and bears fight for 1350 line.

Major monthly resistance level 1485 and support level 1350.
Major weekly resistance level is 1425 and support level 1350.

SPX DAILY Chart



6. WEEKLY OUTLOOK - ESM8

Last week ES pulled back to test its previous breakout range around 1380-1383 area. Even though it closed above the 20 week moving average line, it appears that it lost steam on the upside. This week, if ES can't close above 1406, it could resume a declining 3-wave move.

Early this week, ES may try one more time to retest 1400 or 1407 line. Due to option expiration week, there is a chance for ES to move down to 1350 area if it can't push price above 1408 but instead breaks down the 1370 line.

Weekly major resistance level is 1427, Weekly major support is 1343

ES WEEKLY Chart



7. DAILY OUTLOOK

Last Friday ES gapped down at open. It struggled almost a whole day to manage closing above 1383 line. NYSE breadth is negative. It indicates the bear market rally TOP could be seen already. Today a break above 1397 is bullish, and if that occurs ES is likely to move up to 1403-06 range. A move below 1381.75 is negative, could induce ES to move down to key line 1372-70 range.

ESM8 DAILY Chart



8. TRADING STRATEGY FOR May 12, 2008

We may see ES move up to retest last Friday's high 1393.25-94 or little higher to 1397-99 area to test the double top neckline. It is very possible for ES to repeat last Friday's move until it breaks out in onedirection or the other. With a breakout 1394.75, price could pop up to 1399 or higher to 1404.75 (resistance). With a breakdown 1383.75, price could dip into 1372.25 (support). Short the resistance area and go long on support area first time we see either one.

Intraday swing position entry on short side:
1397-99.50 (scalping) 1404.75 (agg) and 1410.50-12.75(cons)
Intraday swing position entry on long side:
1372.25-70.00 (scalping) 1366.50 (agg) and 1358.00 (cons)

ESM8 INTRADAY



9. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

1394.53	+2/8
1392.58	+1/8
1390.63	8/8
1388.67	7/8
1386.72	6/8
1384.77	5/8
1382.81	4/8
1380.86	3/8
1378.91	2/8
1376.95	1/8
1375.00	0/8
1373.05	-1/8
1371.09	-2/8

Up (Interval=3.90)

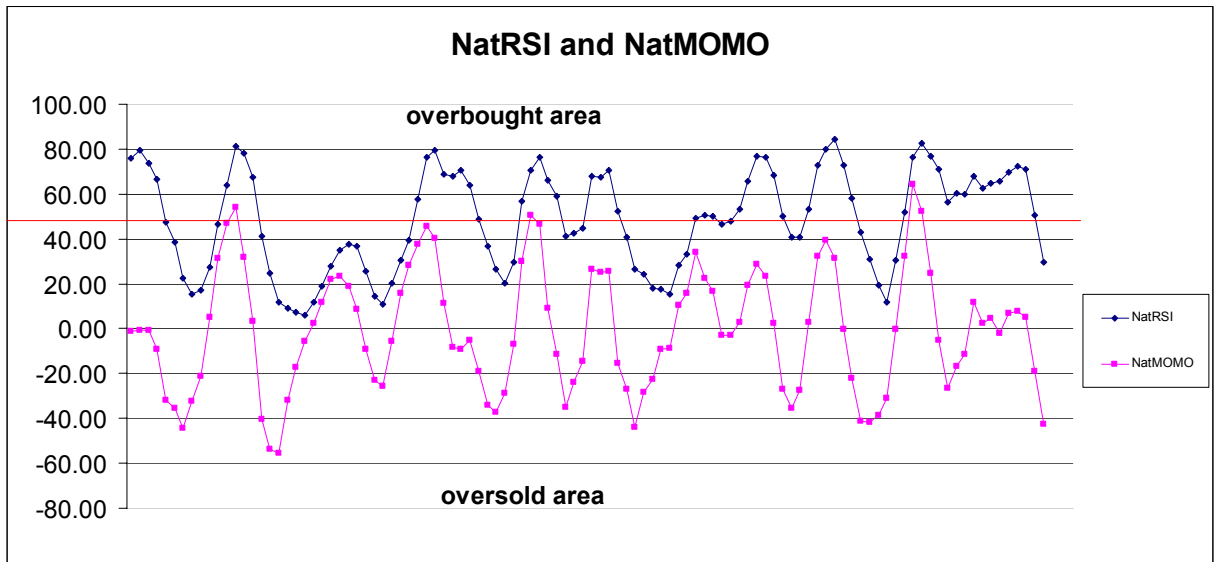
1429.69	+2/8
1425.78	+1/8
1421.88	8/8
1417.97	7/8
1414.06	6/8
1410.16	5/8
1406.25	4/8
1402.34	3/8
1398.44	2/8
1394.53	1/8
1390.63	0/8
1386.72	-1/8
1382.81	-2/8

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
0.66	0.29	-42.54	18.25	1387.13
neutral	neutral			



11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
May 12	14:00	Treasury Budget	Apr	NA	\$157.5B	\$177.7B	
May 13	08:30	Export Prices ex-ag.	Apr	NA	NA	1.2%	
May 13	08:30	Import Prices ex-oil	Apr	NA	NA	1.1%	
May 13	08:30	Retail Sales	Apr	0.0%	0.0%	0.2%	
May 13	08:30	Retail Sales ex-auto	Apr	0.5%	0.2%	0.1%	
May 13	10:00	Business Inventories	Mar	0.3%	0.5%	0.6%	
May 14	08:30	Core CPI	Apr	0.2%	0.2%	0.2%	
May 14	08:30	CPI	Apr	0.3%	0.3%	0.3%	
May 14	10:30	Crude Inventories	05/10	NA	NA	5654K	
May 15	08:30	Initial Claims	05/10	365K	NA	365K	
May 15	08:30	NY Empire State Index	May	0.0	1.0	0.6	
May 15	09:00	Net Foreign Purchases	Mar	NA	NA	\$72.5B	
May 15	09:15	Capacity Utilization	Apr	80.0%	80.2%	80.3%	
May 15	09:15	Industrial Production	Apr	-0.4%	-0.2%	0.3%	
May 15	10:00	Philadelphia Fed	May	-20.0	-20.0	-24.9	
May 16	08:30	Building Permits	Apr	900K	912K	927K	
May 16	08:30	Housing Starts	Apr	940K	940K	947K	
May 16	10:00	Mich Sentiment-Prel.	May	65.0	63.0	NA	

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