



Daily Trading Plan for May 19, 2008

1. ESM8 IN PREVIOUS DAY

Open	High	Low	Closing
1427.25	1427.75	1414.75	1425.75

2. PIVOTS FOR ESM8

	Daily	Weekly	Monthly	Yearly
R3	1443.75	1447.08	1502.33	1796.75
R2	1435.75	1438.42	1454.67	1691.75
R1	1430.75	1432.08	1420.33	1584.50
PPT	1422.75	1423.42	1372.67	1479.50
S1	1417.75	1417.08	1338.33	1372.25
S2	1409.75	1408.42	1290.67	1267.25
S3	1404.75	1402.08	1256.33	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
1430-1431.75 (First Sell#)	1412-10.00 (first Buy#)
1441.25-43.75 (Second Sell#)	1400-1399.50 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1430.75	1435.75	1443.75	1446.75	1452.75
Support	1416.50	1409.75	1404.75	1398.50	1396.50

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5. LONG-TERM OUTLOOK - \$SPX

The S&P 500 (\$SPX) closed at 1425.35 on Friday, net gain 37.07 points for the week. \$SPX closed above low of the first week Jan 2008 last Friday, which continues giving us a bullish signal.

For the intermediate-term, SPX remains bullish with a buy signal intact. Weekly indicators bounced from oversold levels of last March and generated a buy signal since last April 4. but for long term, SPX remains on a sell signal.

When things are all looking pretty positive, don't forget a few negative elements. As long as the long term rising uptrend resistance level (red) is intact, it will take a lot of positive energy to break it. Second, SPX is getting overbought. It is possible for it to set up a short-term pullback move very soon.

Major monthly resistance level 1485 and support level 1350.
Major weekly resistance level is 1465 and support level 1385.

SPX DAILY Chart



6. WEEKLY OUTLOOK - ESM8

Last week ES closed above 50% retracement from Last Year's high to this year March low. Based on the wave theory, ES remains in its counter-rally move until it finds out where the end is.

Even though ES moved above 20 and 40 weekly moving average lines, which gave us bullish sign, unfortunately those two lines haven't crossed over to give us long-term buying signal. It seems ES is testing Jan breakdown move. As soon as this process is complete, it is very possible for ES to resume its 3rd wave declining move.

This week as long as 1416 line holds, next target for upside move for ES could be 1460-65 range. A move below 1416 level is negative. It is possible for it to drop back down to 1400-1398 range to search for support. Also a major breakdown 1380 will lead Odds to think 2nd Wave TOP is posted, and then a further decline should be expected.

Weekly major resistance level is 1470, Weekly major support is 1380

ES WEEKLY Chart



7. DAILY OUTLOOK

Last Friday ES closed slightly above 200-EMA with little doji indecision pattern. Today we may see ES pulls back a little and later challenge new highs again. but there is an ascending wedge pattern that has formed since the March Low. This pattern often resolves to the downside. As soon as ES find the top, reversal could occur anytime.

ESM8 DAILY Chart



8. TRADING STRATEGY FOR May 19, 2008

Due to last Friday option expiration day, ES closed above 1425 line for 3 more ticks. This morning, ES could go either direction first. If we go up first, we may see reversal move after 10am. If it goes down first, ES may bounce up from 1416 and go up to retest last Friday's high again. Nevertheless, 1331-36 range is key range for downside move and 1416-10 range is key for upside move. At the meantime, there is bearish wedge pattern formed within 60min chart again. Upside move could be in its very last stage.

Intraday swing position entry on short side:
1431-32 (scalping) 1435.75-37.25 (agg) and 1443.75-46.75 (cons)
Intraday swing position entry on long side:
1416.50 (scalping) 1410-07.00 (agg) and 1400-1398.50 (cons)



9. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

1433.59	+2/8
1431.64	+1/8
1429.69	8/8
1427.73	7/8
1425.78	6/8
1423.83	5/8
1421.88	4/8
1419.92	3/8
1417.97	2/8
1416.02	1/8
1414.06	0/8
1412.11	-1/8
1410.16	-2/8

Up (Interval=1.95)

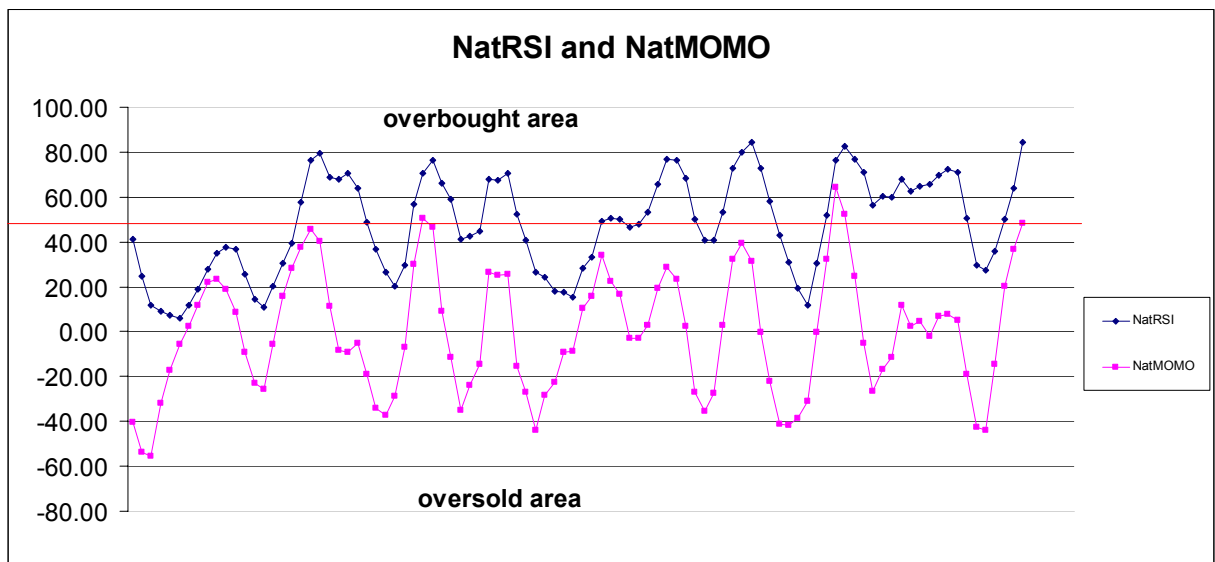
1441.41	+2/8
1439.45	+1/8
1437.50	8/8
1435.55	7/8
1433.59	6/8
1431.64	5/8
1429.69	4/8
1427.73	3/8
1425.78	2/8
1423.83	1/8
1421.88	0/8
1419.92	-1/8
1417.97	-2/8

Down (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

10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.44	0.84	48.48	16.55	1426.50
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 19	10:00	Leading Indicators	Apr		0.1%	0.0%	0.1%
May 20	08:30	Core PPI	Apr		0.1%	0.2%	0.2%
May 20	08:30	PPI	Apr		0.3%	0.4%	1.1%
May 21	10:30	Crude Inventories	05/17		NA	NA	176K
May 21	14:00	FOMC Minutes	Apr 30				
May 22	08:30	Initial Claims	05/17		370K	NA	371K
May 23	10:00	Existing Home Sales	Apr		4.85M	4.85M	4.93M

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