



## Daily Trading Plan for July 14, 2008

### 1. ESU8 IN PREVIOUS DAY

Open	High	Low	Closing
1238.75	1258.50	1225.50	1239.75

### 2. PIVOTS FOR ESU8

	Daily	Weekly	Monthly	Yearly
R3	1290.00	1323.75	1499.92	1796.75
R2	1274.25	1301.25	1452.83	1691.75
R1	1257.00	1270.50	1366.92	1584.50
<b>PPT</b>	<b>1241.25</b>	<b>1248.00</b>	<b>1319.83</b>	<b>1479.50</b>
S1	1224.00	1217.25	1233.92	1372.25
S2	1208.25	1194.75	1186.83	1267.25
S3	1191.00	1164.00	1100.92	1160.00

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

Sell levels	Buying levels
1257- 59.25( First Sell# )	1218- 14.50 (first Buy#)
1269.50 (Second Sell#)	1207 - 06.20 (second Buy#)

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

<b>Resistance</b>	1248.00	1259.25	1270.50	1278.50	1286.50
<b>Support</b>	1223.00	1217.25	1206.25	1198.50	1194.75

## 5. LONG -TERM OUTLOOK - \$SPX

The S&P 500 (\$SPX) closed at 1229.49 on Thursday, net loss 33.41 points for the week,

Last week Cisco mentioned that the recovery may not happen until 2009 and the Twins — Fannie and Freddie — were under huge selling pressure, alleviated temporarily by a rumor they were being given access to federal discount facilities. Plus Indymac joined the list of failed financial institutions and was taken over by government regulators on Friday. There was lots of volatility as a result, but no matter what Fed and U.S government will do, the direction for this market is south, not north.

This week is option expiration week. We may see some bounce, but any bounce could be killed right away around the intraday major resistance lines. Weekly chart remains bearish and down. Only a bounce to the 1335 area would force the trend to change; unfortunately with high oil and high gold prices, and the low U.S. dollar index, there is no driving force existing in the market, and little possibility of an immediate change in trend.

Major monthly resistance level is 1335 and major support level is 1175  
 Major weekly resistance level is 1278 and support level 1175.00

SPX WEEKLY Chart



## 6. WEEKLY OUTLOOK - ESU8

ES held below its broken support line very well last week. Without the confidence of public investors, our market will remain under this broken support line 1278.75 for a while until the price reaches the big wave 3 target area. Before the market regains its strength, any attempted rally shouldn't last very long. Therefore, we are dancing with the shorts.

This week, option expiration day is on Friday 18. Also this is the key week. We may see a short term bottom being created during this week or beginning of next week. Last week's low wasn't a significant bottom. But when the sellers become exhausted in an oversold market, the price should bounce for a period of time. Certainly ES is near that area.

Two things may occur this week. One could be that ES goes straight down to 1205-06 area and bounces from this area toward 1278-86 area. Another could be that ES breaks down 1205-02 area to accelerate downside speed to 1175-86 area and bounces from there. Anything can happen during option expiration week. Trade with caution.

Weekly major resistance level is 1278.75, weekly major support is 1175.00

### ES WEEKLY Chart



## 7. DAILY OUTLOOK

Last Friday ES gapped down at open strongly due to Indymac news. But in the afternoon, ES shot up higher to fill that gap and closed around Friday's opening price. That may look "Bullish", but the appearance is deceptive. There is an absence of buyers in this bear market, and Friday was only an example of short term period bounce when the sellers got exhausted. No big deal.

Today we may see price go up to retest last Friday's high 1258-59.75 or dip down 1206-05 area and bounce sharply from it. As long as ES stays below 1265 line, bears remain incontrol of today's market.

### ESU8 DAILY Chart



## 8. TRADING STRATEGY FOR July 14, 2008

Based on 60 min chart, long timeframe resistance lines hold ES down. Before the market opens, we need to pay attention to overnight trading. If price goes above 1246.50 line, it is likely for ES to go up to retest last Friday's high. Short it when we see 1258-59 range first time. If price goes below 1229, it is likely for ES to go down to retest yesterday's low or make new lows. In that case we are looking for reversal signal around 10:25-10:45am.

**Intraday swing position entry on short side:**

**1253.25-55.75 (scalping) 1259.75- 61.75 (agg) and 1265-68.00 (cons)**

**Intraday swing position entry on long side:**

**1223.00 (scalping) 1214.50-12.50 (agg) and 1207.75-1206 (cons)**

### ESM8 INTRADAY



## 9. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=7.81)

1265.63	+2/8
1257.81	+1/8
1250.00	8/8
1242.19	7/8
1234.38	6/8
1226.56	5/8
1218.75	4/8
1210.94	3/8
1203.13	2/8
1195.31	1/8
1187.50	0/8
1179.69	-1/8
1171.88	-2/8

### Up (Interval=3.91)

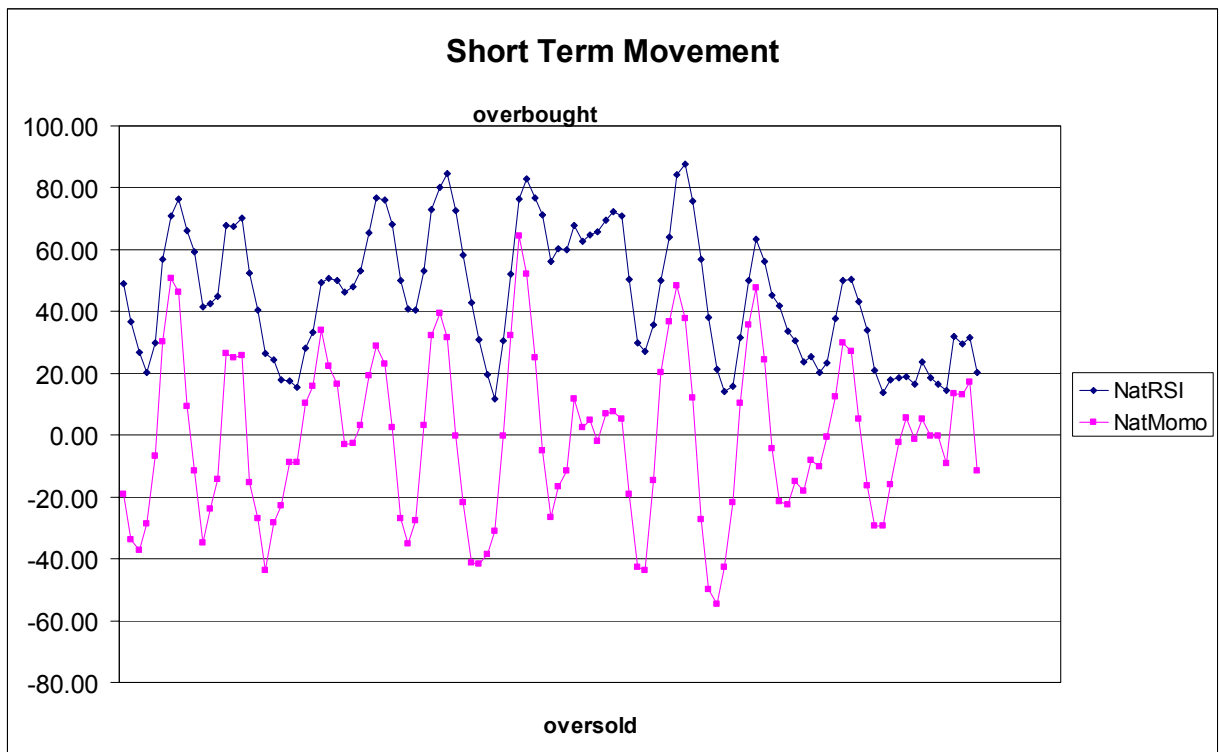
1273.44	+2/8
1269.53	+1/8
1265.63	8/8
1261.72	7/8
1257.81	6/8
1253.91	5/8
1250.00	4/8
1246.09	3/8
1242.19	2/8
1238.28	1/8
1234.38	0/8
1230.47	-1/8
1226.56	-2/8

### Down (Interval=7.81)

1265.63	+2/8
1257.81	+1/8
1250.00	8/8
1242.19	7/8
1234.38	6/8
1226.56	5/8
1218.75	4/8
1210.94	3/8
1203.13	2/8
1195.31	1/8
1187.50	0/8
1179.69	-1/8
1171.88	-2/8

## 10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.52	0.21	-11.71	26.93	1239.25
neutral	neutral			



## 11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Jul 15	08:30	Core PPI	Jun		0.3%	0.3%	0.2%
Jul 15	08:30	NY Empire State Index	Jul		-5.0	-4.0	-8.7
Jul 15	08:30	PPI	Jun		1.3%	1.3%	1.4%
Jul 15	08:30	Retail Sales	Jun		0.5%	0.3%	1.0%
Jul 15	08:30	Retail Sales ex-auto	Jun		1.0%	0.8%	1.2%
Jul 15	10:00	Business Inventories	May		0.5%	0.5%	0.5%
Jul 16	08:30	Core CPI	Jun		0.2%	0.2%	0.2%
Jul 16	08:30	CPI	Jun		0.7%	0.7%	0.6%
Jul 16	09:00	Net Foreign Purchases	May		NA	NA	\$115.1B
Jul 16	09:15	Capacity Utilization	Jun		79.4%	79.4%	79.4%
Jul 16	09:15	Industrial Production	Jun		0.2%	0.2%	-0.2%
Jul 16	10:30	Crude Inventories	07/12		NA	NA	-5840K
Jul 16	14:00	FOMC Minutes	Jun 25				
Jul 17	08:30	Building Permits	Jun		980K	970K	969K
Jul 17	08:30	Housing Starts	Jun		985K	968K	975K
Jul 17	08:30	Initial Claims	07/12		NA	NA	346K
Jul 17	10:00	Philadelphia Fed	Jul		-15	-15.2	-17.1