



## Daily Trading Plan for July 21, 2008

### 1. ESU8 IN PREVIOUS DAY

Open	High	Low	Closing
1262.00	1263.00	1251.50	1260.50

### 2. PIVOTS FOR ESU8

	Daily	Weekly	Monthly	Yearly
R3	1276.67	1344.33	1499.92	1796.75
R2	1269.83	1303.67	1452.83	1691.75
R1	1265.17	1282.08	1366.92	1584.50
<b>PPT</b>	<b>1258.33</b>	<b>1241.42</b>	<b>1319.83</b>	<b>1479.50</b>
S1	1253.67	1219.83	1233.92	1372.25
S2	1246.83	1179.17	1186.83	1267.25
S3	1242.17	1157.58	1100.92	1160.00

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

Sell levels	Buying levels
1278.75- 74.50 ( First Sell# )	1240.00-37.75 (first Buy#)
1286.00- 1288 (Second Sell#)	1228.50-1225.00 (second Buy#)

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

<b>Resistance</b>	1268.75	1276.75	1282.25	1290.75	1297.50
<b>Support</b>	1239.75	1235.50	1228.25	1224.75	1219.75

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

The S&P 500 (\$SPX) closed at 1260.67 on Friday, net gain 31.19 points for the week.

In the beginning of last week, the S&P 500 opened down, breaking significant support and kept moving lower. That was a deep “look out below” move which some might call a near-crash. The index rallied substantially, with help from two government decisions: the decision to remove (in part) the U.S. prohibition on off-shore drilling, which led to a drop in oil prices and a new SEC change in the rules affecting naked short selling, which sparked a short-covering rally.

This week the S&P 500 could move up early in the week. There are two overhead resistance of a declining tops line (orange color). If first key resistance zone can hold price down, a pullback into 1241-38 range for testing should be expected. If 1241-38 line holds the price up, the market can push back up to test the second resistance around 1317-20 range.

There are plenty of reasons to believe in this rally. Based on wave theory, the current rally could be the first impulse down wave of the big 3 declining wave. In other words, that is not a bull rally. If the S&P 500 heads back down for a retest, the small v wave bottom could be formed, which would complete the first impulse down wave.

Major monthly resistance level is 1335 and major support level is 1175  
Major weekly resistance level is 1321 and support level 1175

# SPX DAILY Chart



Copyright 2007 by Natus.com Ltd. All rights are reserved. Photocopying and further distribution of this newsletter are strictly prohibited. Information, opinion, research, and commentary contained herein is obtained from sources believed to be reliable; their reliability, however, cannot be guaranteed. The maxim of Caveat Emptor applies – let the buyer beware! This newsletter is for education purpose only. It doesn't provide individual investment advice, or act as an investment advisor, or individually advocate the purchase or sale of any security or investment. In making any investment decision, you will rely solely on your own review and examination of the facts and the records relating to such investments. Past performance of our recommendations is not an indication of future performance. We shall have no liability of whatever nature in respect of any claim, damages, loss or expense arising out of or in connection with the reliance by you on the contents of our newsletter, any promotion, published material, alert or update.

## 6. WEEKLY OUTLOOK - ESU8

Last week, we mentioned “the sellers became exhausted in an oversold market, the price should bounce for a period of time.” The ES did reverse after the first hour heavy selling on last Tuesday and rallied to the end since then.

This week, we may see a continuation high week if ES can hold price above 1240-25 range in the early week trading. But there is lots of resistance lines ahead of current price. Bulls need to fight through each resistance level to get to their destination testing around 1321.25 area. Not easy but possible.

Weekly major resistance level is 1321.75, weekly major support is 1175.00

### ES WEEKLY Chart



## 7. DAILY OUTLOOK

Last Friday due to option expiration day, and after two days of relatively big rallies, ES went sideways for consolidation. Today we may see ES move higher in the early going to set up a Daily Grail Sale price and retrace from there for testing the 1240 line.

### ESU8 DAILY Chart



## 8. TRADING STRATEGY FOR July 21, 2008

Based on 60 min chart, ES consolidated last Friday. Today, a move above 1263 line could create an Up-Momentum move and push ES up to 1274.50-75.75 area. There is a major intraday resistance around 1278.75-79. If ES can't break through this intraday resistance level, it is possible for ES to move back down to try and break down through the 1250 line. A break below 1250 line will be bearish. It could trigger downside momentum move and push down to 1240 line. In the early morning, we look for which direction ES goes, GO SHORT at 1278-80 area with stop loss 1281.75 if ES goes up first.

**Intraday swing position entry on short side:**  
**1274.50-75.75 (scalping) 1286-88.50 (agg) and 1297.50 (cons)**  
**Intraday swing position entry on long side:**  
**1240 (scalping) 1228.50 (agg) and 1217.00 (cons)**



## 9. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=1.95)

1269.53	+2/8
1267.58	+1/8
1265.63	8/8
1263.67	7/8
1261.72	6/8
1259.77	5/8
1257.81	4/8
1255.86	3/8
1253.91	2/8
1251.95	1/8
1250.00	0/8
1248.05	-1/8
1246.09	-2/8

### Up (Interval=3.91)

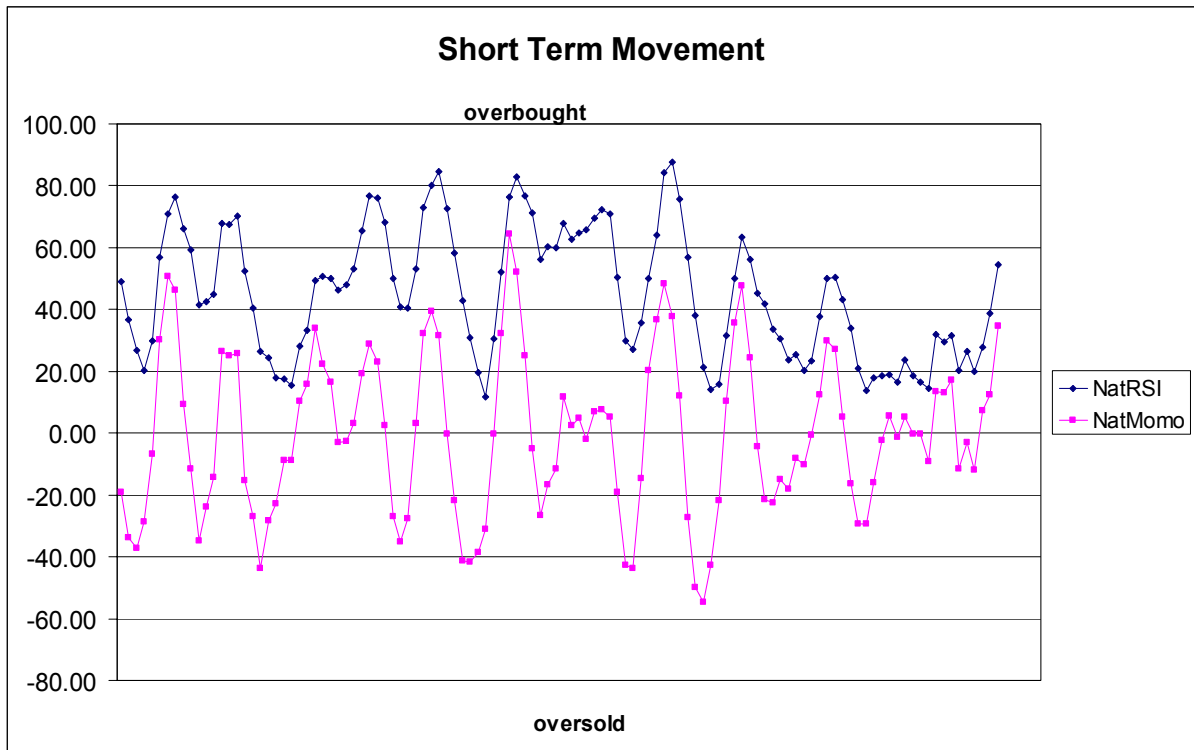
1289.06	+2/8
1285.16	+1/8
1281.25	8/8
1277.34	7/8
1273.44	6/8
1269.53	5/8
1265.63	4/8
1261.72	3/8
1257.81	2/8
1253.91	1/8
1250.00	0/8
1246.09	-1/8
1242.19	-2/8

### Down (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

## 10. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.43	0.54	34.49	28.98	1261.25
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 21	10:00	<a href="#">Leading Indicators</a>	Jun		-0.3%	-0.1%	0.1%
Jul 23	10:35	Crude Inventories	07/19		NA	NA	2952K
Jul 23	14:00	Fed's Beige Book					
Jul 24	08:30	<a href="#">Initial Claims</a>	07/19		372K	NA	366K
Jul 24	10:00	<a href="#">Existing Home Sales</a>	Jun		4.97M	4.95M	4.99M
Jul 25	08:30	<a href="#">Durable Orders</a>	Jun		0.0%	0.1%	0.0%
Jul 25	10:00	<a href="#">Mich Sentiment-Rev.</a>	Jul		NA	NA	NA
Jul 25	10:00	<a href="#">New Home Sales</a>	Jun		507K	505K	512K