



## Daily Trading Plan for Aug. 4, 2008

### 1. ESU8 IN PREVIOUS DAY

Open	High	Low	Closing
1270.00	1271.75	1253.00	1260.25

### 2. PIVOTS FOR ESU8

	Daily	Weekly	Monthly	Yearly
R3	1289.08	1337.83	1399.08	1796.75
R2	1280.42	1311.42	1346.17	1691.75
R1	1270.33	1285.83	1306.58	1584.50
<b>PPT</b>	<b>1261.67</b>	<b>1259.42</b>	<b>1253.67</b>	<b>1479.50</b>
S1	1251.58	1233.83	1214.08	1372.25
S2	1242.92	1207.42	1161.17	1267.25
S3	1232.83	1181.83	1121.58	1160.00

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

Sell levels	Buying levels
1277.75- 80.25 ( First Sell# )	1251.75-1249.00 (first Buy#)
1286.25- 89.50 (Second Sell#)	1235.75-1233 (second Buy#)

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

<b>Resistance</b>	1272.50	1284.75	1289.50	1294.50	1299.50
<b>Support</b>	1254.25	1250.50	1245.75	1240.75	1234.50

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

The S&P 500 (\$SPX) closed at 1260.31 on Friday, net gain 2.55 points for the week.

July 2008 was a very important month for the stock markets. Crude oil peaked, the dollar hit its lowest level and the credit crisis continues to disrupt the stock market. After mid-July, we saw a rally, but this rally was not convincing, and can only be called a “bounce” from oversold condition. The problem mainly came from lack of volume to support this rally.

This week could be the last opportunity for the bulls to push the price up to the 1295-1321 range. If \$SPX rally fails, it is likely to resume the declining sub-wave (3) of wave 3 toward a destination around 1166. Based on the weekly chart, so far the price is sitting in no-decision territory. It indicates the price could go either direction in the early week. But for medium term, the major trend direction remains down. Long positions should be considered only on a short-term basis.

Major monthly resistance level is 1325 and major support level is 1145

Major weekly resistance level is 1323 and support level 1200

### SPX WEEKLY Chart



## 6. WEEKLY OUTLOOK - ESU8

Last week ES made a low on Monday and bounced up. Even though it managed to hold its Monday's gap 1235 area for the rest of the week, We are still not convinced that price can move above the previous weekly high at 1294.75, at least not this week. As long as 200 weekly moving average line holds ES down, the main trend is down and prices are far from a bottom.

This week, we may see a bounce if 1250 level holds in the early week, but we really should expect a decline if ES fails to retest 1285 line. FOMC announcement will be on Tuesday. It could bring high volatility into the market again.

Weekly major resistance level is 1323.75, weekly major support is 1200.50

### ES WEEKLY Chart



## 7. DAILY OUTLOOK

Last Friday was the first day of Aug, ES barely held above 1250 line for closing. Today we may see price moves up to retest 1275 if ES breaks out 1265.75, but we may also see the price move down to 1233-35 area first before it bounces up again.

ESU8 DAILY Chart



## 8. TRADING STRATEGY FOR Aug 4, 2008

Today a move above 1265.75 line will trigger upside momentum and price could be pushed up to 1274.75-75 or higher to 1284.75 -86.75 area (short there). A break below 1246, downside momentum could be triggered, and price could go lower to 1233-35 (long there).

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

**1275- 77 (scalping) 1286- 85 (agg) and 1289.50-91.75 (cons)**

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

**1246.00 (scalping) 1235-33 (agg) and 1228.75 (cons)**

### ESM8 INTRADAY



## 9. PREDICTION FOR TODAY'S MOVEMENT

### Current (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

### Up (Interval=3.91)

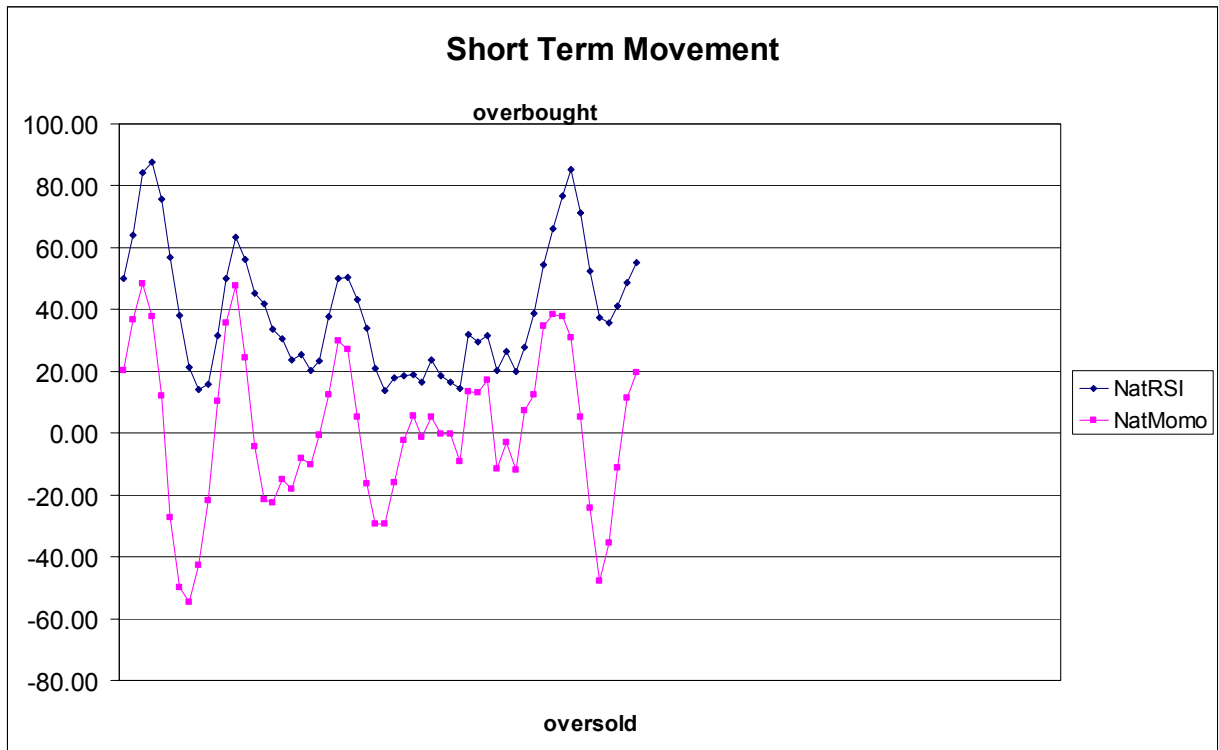
1289.06	+2/8
1285.16	+1/8
1281.25	8/8
1277.34	7/8
1273.44	6/8
1269.53	5/8
1265.63	4/8
1261.72	3/8
1257.81	2/8
1253.91	1/8
1250.00	0/8
1246.09	-1/8
1242.19	-2/8

### 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
0.24	0.55	19.55	21.43	1265.13
Neutral	neutral			



## 11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Aug 04	08:30	<a href="#">Personal Income</a>	Jun	0.0%	-0.1%	1.9%	
Aug 04	08:30	<a href="#">Personal Spending</a>	Jun	0.4%	0.5%	0.8%	
Aug 04	10:00	<a href="#">Factory Orders</a>	Jun	0.5%	0.7%	0.6%	
Aug 05	10:00	<a href="#">ISM Services</a>	Jul	51.0	48.0	48.2	
Aug 05	14:15	FOMC Policy Statement					
Aug 06	10:35	Crude Inventories	08/02	NA	NA	-81K	
Aug 06	15:00	<a href="#">Consumer Credit</a>	Jun	\$7.0B	\$6.0B	\$7.8B	
Aug 07	08:30	<a href="#">Initial Claims</a>	08/02	NA	NA	448K	
Aug 07	10:00	Pending Home Sales	Jun		-1.3%	-4.7%	
Aug 08	08:30	<a href="#">Productivity-Prel</a>	Q2	2.8%	2.6%	NA	
Aug 08	10:00	<a href="#">Wholesale Inventories</a>	Jun	0.6%	0.6%	0.8%	