



Daily Trading Plan for Oct. 13, 2008

1. ESZ8 IN PREVIOUS DAY

Open	High	Low	Closing
870.75	943.00	837.00	891.00

2. PIVOTS FOR ESZ8

	Daily	Weekly	Monthly	Yearly
R3	1049.67	1282.17	1467.17	1796.75
R2	996.33	1182.33	1385.33	1691.75
R1	943.67	1036.67	1277.17	1584.50
PPT	890.33	936.83	1195.33	1479.50
S1	837.67	791.17	1087.17	1372.25
S2	784.33	691.33	1005.33	1267.25
S3	731.67	545.67	897.17	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
996-25- 999 (First Sell#)	837-850 (first Buy#)
1042.75-1060 (Second Sell#)	795-775 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	944.00	996.25	1003.75	1023.00	1051.00
Support	850.00	837.75	784.00	758.00	730.50

5. LONG -TERM OUTLOOK - \$SPX

The S&P 500 (\$SPX) closed at 899.22 on Friday, ending with weekly net loss of 200.01 points. Last week the stock market gave back almost all of its gains of the 2002-2007 bull market. It lost 37% for this year.

I didn't expect our stock market to go this far past my expected support line around 1020-1060, but I did mention in our daily trading plan that October should see the lowest level for the year. Before the market has made its low, any rally won't be significant. Also our CIT date (~Oct. 20) had not arrived last week when the price hit 1020-1060 zone. We expected the market to fall; we didn't expect it to fall this fast.

When the stock market went into panic mode, the price moves become irrational..Volatility will be high, and all the support lines, which usually will hold in the normal trading day, will be broken. Under this kind of situation, often the best trading strategy is to stand aside line and keep your cash safe in the pocket.

This week, we may see a violent fighting move (Up and down) due to option expiration. Based on last Friday's move, a doji pattern was made. It is possible for price to reverse if last Friday's low can be held. Recent breakdown points (970, 1025, 1066, 1135 and 1250) could be retested again, but it will be very nasty fighting by both bears and bulls on those lines.

Major monthly resistance level is 1221 and major support level is 750
Major weekly resistance level is 1078 and support level 750

SPX WEEKLY Chart



6. WEEKLY OUTLOOK - ESZ8

Last week, public confidence was destroyed further by many foreign financial companies. Financials led the global crash in stock markets. So did ES. ES broke 1055 line and created a massive panic selling movement right into last Friday.

Do we see the bottom? Maybe. Based on breaching major support line 1060, it changed our full measurement. So far last Friday's price is very close to our 764-770 range. This week we may see ES move down to retest last Friday's low or further to 764-770 range. As long as those two can be held and manage to close above 930 line on coming Friday, we should see small testing rally move in the coming weeks. But those rallies still be killed on the major resistance line below 1250 before Thanksgiving holiday.

Weekly resistance line 1078 and support line 764.00

ES WEEKLY Chart



WEEKLY FOCUS NUMBERS

Sell levels	Buying levels
989-996.75 (First Sell#)	739.25-750 (first Buy#)
1049-1060 (Second Sell#)	663.25 (second Buy#)

7. DAILY OUTLOOK

Last Friday we saw a little reversal move. The market gave us a little hope, but this hope could be based on G7 meeting. If today there is no action from G7 or Fed, it is possible to retest last Friday's low or make new lows before price reverses again.

So far ES is located in extremely oversold territory in all timeframes,. A sharp nasty bounce still could be seen due to option expiration week.

ESZ8 DAILY Chart



8. TRADING STRATEGY FOR Oct. 13, 2008

Today first hour movement could be within last Friday's range. But if 850 line can be held up in first hour and later price can be reversed above 950, that is bullish signal. Price could be pushed up to 1023-1066 for resting first major breakdown point. If there is a failure to hold price above 835, it is likely to see 770-750 range before price reverses again.

Intraday swing position entry on short side:
975-976 (scalping) 998-1003 (agg) and 1045-1066.00 (cons)
Intraday swing position entry on long side:
837 (scalping) 764.75 (agg) and 731.75 (cons)



9. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=15.63)

968.75	+2/8
953.13	+1/8
937.50	8/8
921.88	7/8
906.25	6/8
890.63	5/8
875.00	4/8
859.38	3/8
843.75	2/8
828.13	1/8
812.50	0/8
796.88	-1/8
781.25	-2/8

Up (Interval=15.63)

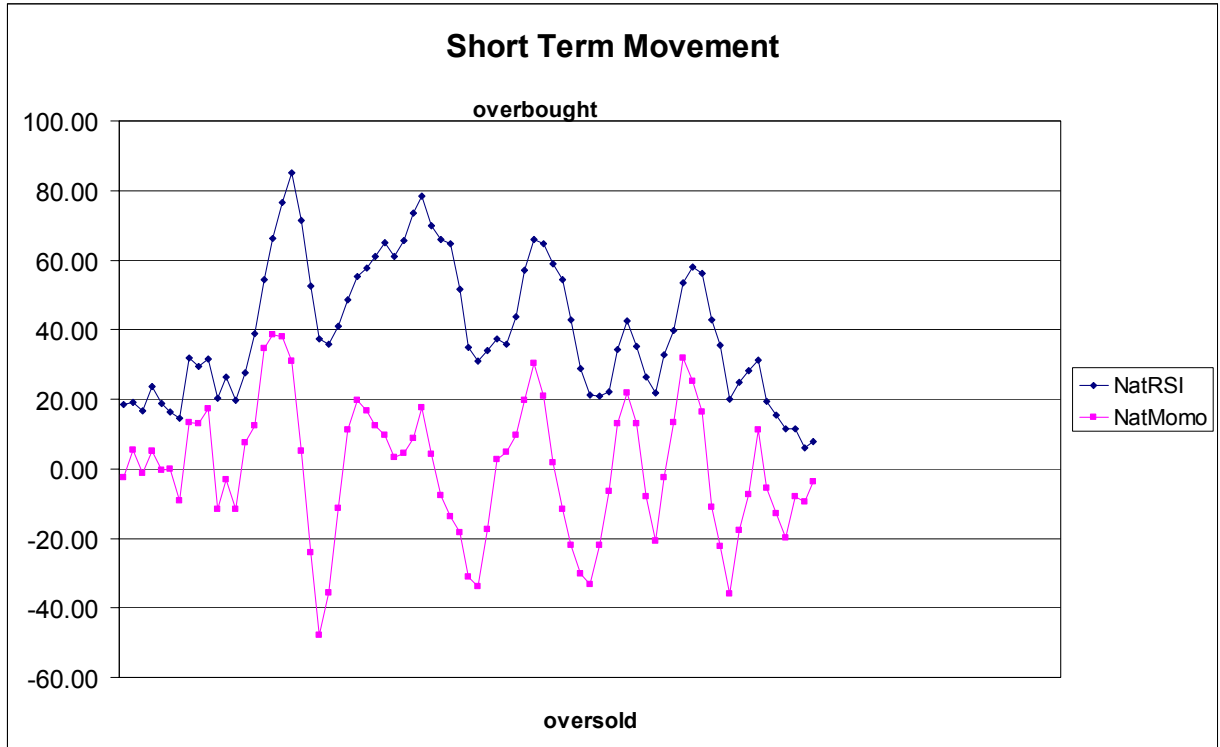
1031.25	+2/8
1015.63	+1/8
1000.00	8/8
984.38	7/8
968.75	6/8
953.13	5/8
937.50	4/8
921.88	3/8
906.25	2/8
890.63	1/8
875.00	0/8
859.38	-1/8
843.75	-2/8

Down (Interval=15.63)

968.75	+2/8
953.13	+1/8
937.50	8/8
921.88	7/8
906.25	6/8
890.63	5/8
875.00	4/8
859.38	3/8
843.75	2/8
828.13	1/8
812.50	0/8
796.88	-1/8
781.25	-2/8

10. OTHER INDICATORS

NatRSI (5day)	NatMoMo	ATR 10	Waist number	
0.07	-3.71	67.53	880.88	
oversold				



11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Oct 13	14:00	Treasury Budget	Sep	NA	NA	NA	NA
Oct 15	08:30	Core PPI	Sep	NA	0.2%	0.2%	0.2%
Oct 15	08:30	NY Empire State Index	Oct	NA	-10.0%	-7.4%	-7.4%
Oct 15	08:30	PPI	Sep	NA	-0.3%	-0.9%	-0.9%
Oct 15	08:30	Retail Sales	Sep	NA	-0.4%	-0.3%	-0.3%
Oct 15	08:30	Retail Sales ex-auto	Sep	NA	0.1%	-0.7%	-0.7%
Oct 15	10:00	Business Inventories	Aug	NA	0.4%	1.1%	1.1%
Oct 15	10:35	Crude Inventories	10/11	NA	NA	NA	NA
Oct 15	14:00	Fed's Beige Book					
Oct 16	08:30	Core CPI	Sep	NA	0.2%	0.2%	0.2%
Oct 16	08:30	CPI	Sep	NA	0.1%	-0.1%	-0.1%
Oct 16	08:30	Initial Claims	10/11	NA	NA	NA	NA
Oct 16	09:00	Net Foreign Purchases	Aug	NA	NA	NA	NA
Oct 16	09:15	Capacity Utilization	Sep	NA	78.0%	78.7%	78.7%
Oct 16	09:15	Industrial Production	Sep	NA	-0.8%	-1.1%	-1.1%
Oct 16	10:00	Philadelphia Fed	Oct	NA	-5.0	3.8	3.8
Oct 17	08:30	Building Permits	Sep	NA	845K	854K	854K
Oct 17	08:30	Housing Starts	Sep	NA	880K	895K	895K
Oct 17	10:00	Mich Sentiment-Prel.	Oct	NA	69.0	70.3	70.3