



Daily trading plan for Oct. 21, 2008

1. ESZ8 IN PREVIOUS DAY

Open	High	Low	Closing
952.75	992.75	943.00	990.50

2. PIVOTS FOR ESZ8

	Daily	Weekly	Monthly	Yearly
R3	1057.58	1282.17	1467.17	1796.75
R2	1025.17	1182.33	1385.33	1691.75
R1	1007.83	1036.67	1277.17	1584.50
PPT	975.42	936.83	1195.33	1479.50
S1	958.08	791.17	1087.17	1372.25
S2	925.67	691.33	1005.33	1267.25
S3	908.33	545.67	897.17	1160.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	-Buying levels
1015.75-1017.50 (First Sell#)	925.75-923.75 (First buy#)
1057.50-1064.75 (Second Sell#)	900.75 (Second buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1003.50	1015.75	1025.25	1037.25	1057.50
Support	918.75	894.75	887.50	875.00	865.25

5. DAILY OUTLOOK

The stock market continues its countertrend rally. When the pattern of this correction is complete, the market is likely to decline again.

ES recovered from last Friday's low, closing higher on the lightest volume of the month. Even with relatively light volume yesterday; this indicates that sub-wave 5 down has not started yet. Sub-wave 4 could hold the price up a bit longer before declining to new lows. The a-b-c-d-c triangle pattern still needs to be completed before a sharp thrust down to new lows to complete the big wave 3.

ESZ8 Daily Chart



6. TRADING STRATEGY FOR Oct. 21, 2008

Based on equal length move, last Friday's high as C top could be too steep, it also didn't bounce up on 78% retracement. That means C top needs to be a little higher 1002 –1017.75 area to make a triangle pattern more gentle. Also it could fill Oct. 14's gap and make the normal angle. And the d down could be started as soon as C top is in.

Intraday swing position entry on short side:
1002.25 (scalping) 1015.75-17.75 (agg) and 1057.75-1063 (cons)
Intraday swing position entry on long side:
925-23.75 (scalping) 900.75-898.50 (agg) and 875.25 (cons)



7. PREDICTION FOR TODAY'S MOVEMENT

Current interval=7.81)

1015.63	+2/8
1007.81	+1/8
1000.00	8/8
992.19	7/8
984.38	6/8
976.56	5/8
968.75	4/8
960.94	3/8
953.13	2/8
945.31	1/8
937.50	0/8
929.69	-1/8
921.88	-2/8

Up (Interval=15.63)

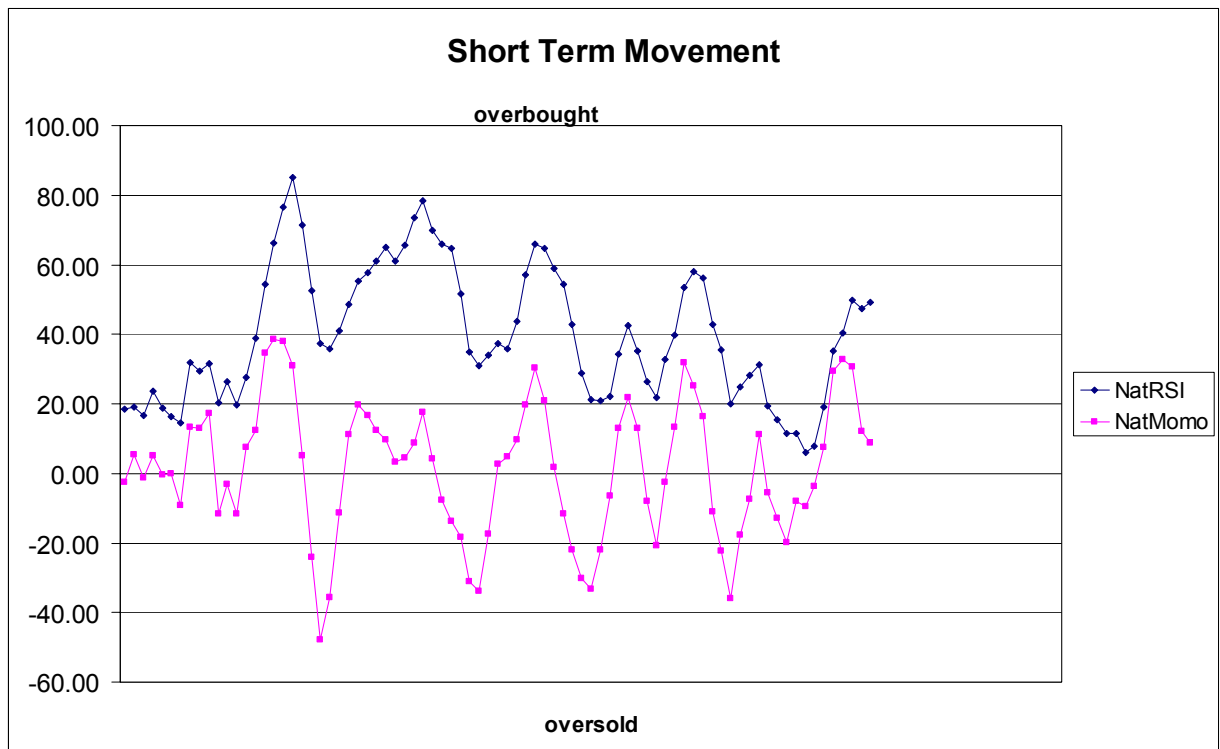
1093.75	+2/8
1078.13	+1/8
1062.50	8/8
1046.88	7/8
1031.25	6/8
1015.63	5/8
1000.00	4/8
984.38	3/8
968.75	2/8
953.13	1/8
937.50	0/8
921.88	-1/8
906.25	-2/8

Down (Interval=15.63)

1015.63	+2/8
1007.81	+1/8
1000.00	8/8
992.19	7/8
984.38	6/8
976.56	5/8
968.75	4/8
960.94	3/8
953.13	2/8
945.31	1/8
937.50	0/8
929.69	-1/8
921.88	-2/8

8. OTHER INDICATORS

NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.49	8.81	79.65	971.63
neutral			



9. WEEKLY ECONOMIC REPORTS (<http://www.tradethenews.com/weekly-calendar.php>)

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Oct 22	10:35	Crude Inventories	10/18		NA	NA	NA
Oct 23	08:30	Initial Claims	10/18		NA	NA	NA
Oct 24	10:00	Existing Home Sales	Sep		NA	4.93M	4.91M