



Daily Trading Plan for Nov. 3, 2008

1. ESZ8 IN PREVIOUS DAY

Open	High	Low	Closing
950.00	984.00	943.00	967.25

2. PIVOTS FOR ESZ8

	Daily	Weekly	Monthly	Yearly
R3	1027.50	1172.83	1487.83	1796.75
R2	1005.75	1078.42	1330.42	1691.75
R1	986.50	1022.83	1148.83	1584.50
PPT	964.75	928.42	991.42	1479.50
S1	945.50	872.83	809.83	1372.25
S2	923.75	778.42	652.42	1267.25
S3	904.50	722.83	470.83	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
992.25 (First Sell#)	931.25 (first Buy#)
1012.50 (Second Sell#)	899.50 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	987.50	992.25	1002.25	1010.75	1025.75
Support	925.25	912.25	899.50	885.50	850.00

5. LONG -TERM OUTLOOK - \$SPX

October is finally over. The Dow industrials fell 14% and the S&P 500 (\$SPX) closed at 968.75 on Friday, ending with weekly net gain of 91.98 points, but a loss for the month of 17%.

In the past 10 months, S&P 500 wiped out the gains from the past 5 year from 2002-2007. Even though it managed to close above its long-term major support line on last Friday on a monthly basis, the outlook for economic and financial markets for the coming weeks and months remains weak.

There is a big multi-year “M” pattern in formation for SPX, also known as a double top pattern. If this is occurring, we could see a little further down ahead of the current price. But the election is Nov. 4, next Tuesday. Based on the past election-year performance, we may see a bear market rally to the end of this year.

This month, we may see SPX attempt to retest last month’s low 839.80 area. If that low can be held up well this month, SPX should move up to retest its previous breakdown points --- any one of 1060.72, 1136, 1178 and 1219 --- before it moves down to make new lows next year.

For this week, two things may happen. One suggests that a rally could be seen on Tuesday and a closing price above 1060.72 would confirm that interpretation. The second suggests a hard decline could be seen on Monday due to the unfinished downside bearish pattern before SPX gets ready to rally later. Nevertheless, the market is in a period of change, and this year’s low may have been seen already.

Major monthly resistance level is 1225 and major support level is 750
Major weekly resistance level is 1138 and support level 780

SPX MONTHLY Chart



6. WEEKLY OUTLOOK - ESZ8

ES had a good week, but a bad month. October is often the worst seasonal month for the stock market. Now it passed, we should look ahead the coming weeks and months.

This week, with the election on Tuesday, our market may sell off on Monday and rally later on Tuesday or Wednesday. If ES can hold up 935 line all the way through to Wednesday, then the rally could carry up to 1134 or higher by the end of week.

Weekly resistance line 1138 and support line 850

ES WEEKLY Chart



WEEKLY FOCUS NUMBERS

Sell levels	Buying levels
996.75-1002.25 (First Sell#)	855.00-847.25(first Buy#)
1138-1145 (Second Sell#)	778.25-768.75 (second Buy#)

7. DAILY OUTLOOK

ES broke its intermediate-term downtrend line, and closed below its daily resistance level. For short-term, it is overbought. And there was light volume accompanying upside move, which indicates buyers still are nervous, and the rally only came from short-covering. Therefore, we may see a sell off move today to smooth out the overbought condition.

ESZ8 DAILY Chart



8. TRADING STRATEGY FOR Nov. 3, 2008

Daily chart sets up a grail sale pattern. And 60min chart has a breakout pattern. Today 933 is key line. Holding above this key line, price still could be pushed up to 992-1002 range. If there is a break below 933, it is likely for price to dip into 907 area for the limit maximum move possible.

Intraday swing position entry on short side:
992.25 (scalping) 1010.75-12.50 (agg) and 1050-55 (cons)
Intraday swing position entry on long side:
933.50 (scalping) 907-05 (agg) and 875.00(cons)



9. 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=7.81)

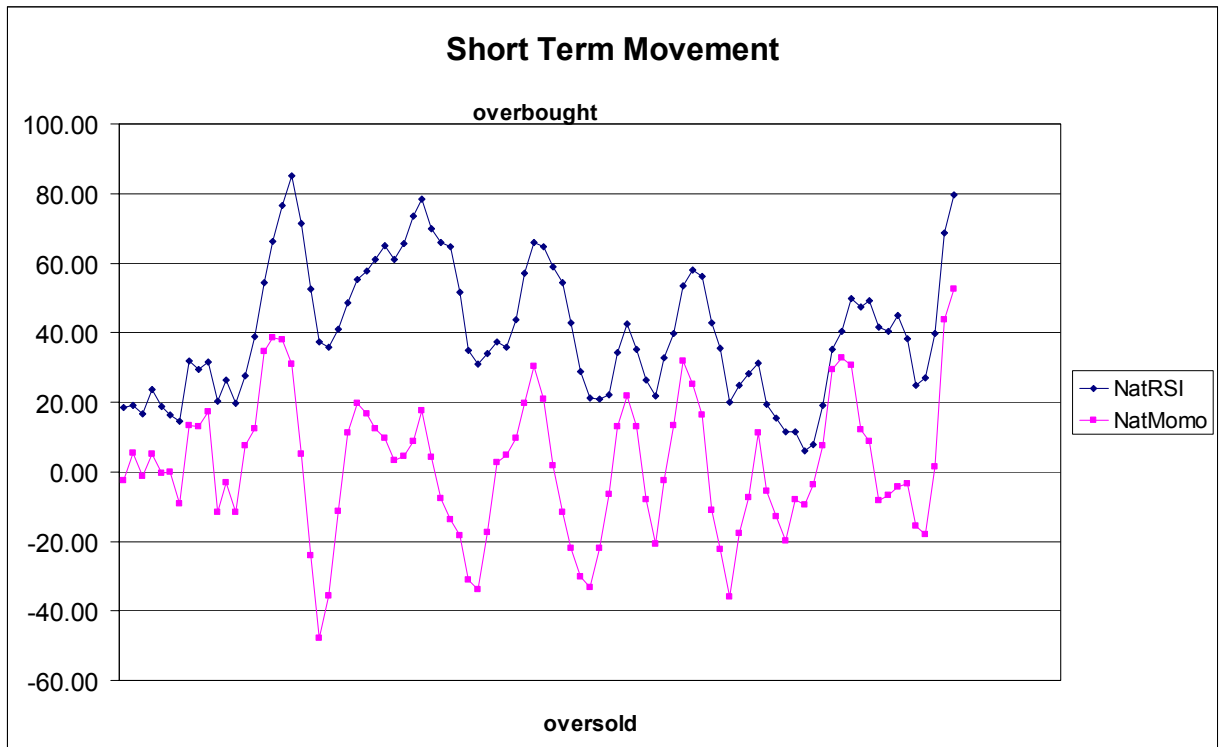
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937.50	0/8
929.69	-1/8
921.88	-2/8

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

10. OTHER INDICATORS

NatRSI (5day)	NatMoMo	ATR 10	Waist number	
0.79	52.58	55.95	958.63	
overbought				



11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Nov 03	10:00	Construction Spending	Sep	NA		-0.8%	0.0%
Nov 03	10:00	ISM Index	Oct	NA		42.0	43.5
Nov 04	00:00	Auto Sales	Oct	NA		NA	4.3M
Nov 04	00:00	Truck Sales	Oct	NA		NA	5.3M
Nov 04	10:00	Factory Orders	Sep	NA		-1.5%	-4.0%
Nov 05	08:15	ADP Employment	Oct			-80K	-8K
Nov 05	10:00	ISM Services	Oct	NA		48.5	50.2
Nov 06	08:30	Initial Claims	11/01	NA		NA	NA
Nov 06	08:30	Productivity-Prel	Q3	NA		1.0%	4.3%
Nov 07	08:30	Average Workweek	Oct	NA		NA	33.6
Nov 07	08:30	Hourly Earnings	Oct	NA		NA	0.2%
Nov 07	08:30	Nonfarm Payrolls	Oct	NA		NA	-159K
Nov 07	08:30	Unemployment Rate	Oct	NA		NA	6.1%
Nov 07	10:00	Pending Home Sales	Sep				7.4%
Nov 07	10:00	Wholesale Inventories	Sep	NA		NA	0.8%
Nov 07	15:00	Consumer Credit	Sep	NA		NA	-\$7.9B