



Daily Trading Plan for Nov. 17, 2008

1. ESZ8 IN PREVIOUS DAY

Open	High	Low	Closing
890.00	918.00	860.25	861.50

2. PIVOTS FOR ESZ8

	Daily	Weekly	Monthly	Yearly
R3	957.33	1072.42	1487.83	1796.75
R2	937.67	1012.33	1330.42	1691.75
R1	899.58	936.92	1148.83	1584.50
PPT	879.92	876.83	991.42	1479.50
S1	841.83	801.42	809.83	1372.25
S2	822.17	741.33	652.42	1267.25
S3	784.08	665.92	470.83	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
924.25- 925 (First Sell#)	816.75-814 (first Buy#)
958-957.00 (Second Sell#)	785.50 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	880.25	895.75	904.25	910.50	921.50
Support	841.75	818.25	803.25	798.00	784.25

5. LONG -TERM OUTLOOK - \$SPX

The S&P 500 (\$SPX) closed at 873.29 on Friday, ending with weekly net loss of 57.70 points. It has now declined another 11% in the first two weeks of this month.

Don't be confused by the action in this mark. Actually it acts quite normally. After sharp drops in late Sept and early Oct., the market went sideways for consolidation. It tried to balance out over-supply and reduced demand, a process that is continuing. As soon as it finds out the equilibrium level, the next trend direction will be given.

For the real economy, the outlook will be worse than before. The recession is one of the more serious in recent history, already worse than 1973-74 period. It could be similar to the decline in the 1937-38 period. At the close last Friday, the SPX was down nearly 46% from its high of last October, not far from the bear market move of 1937-38.

For this week, due to the option expiration, we may see fighting for the downside move one more time. But if ES can hold up the price and close above 834 line on this Friday, there is hope for ES to have another 20% bounce before the end of the year.

Major monthly resistance level is 1225 and major support level is 750
 Major weekly resistance level is 951 and support level 750

SPX WEEKLY Chart



6. WEEKLY OUTLOOK - ESZ8

Last week ES traveled inside the trading range. It did fake breakout move on the downside then rallied, but it was on a weak bounce. Also it lost the battle for the 900 line weekly closing again.

This week, any news could help to move the market due to option expiration week. The option game battle line is 850-860: bull fights for 900 line or higher 950 area and bear fights for 800 or lower to 750 area. As long as ES holds price below 951-958 range, the trend remains down and 788-768 range still intact.

Weekly resistance line 958 and support line 750

ES WEEKLY Chart



WEEKLY FOCUS NUMBERS

Sell levels	Buying levels
1025.50 (First Sell#)	778.25-768.75 (first Buy#)
1077.25-1080.50 (Second Sell#)	749.75-747.75 (second Buy#)

7. DAILY OUTLOOK

Every bounce was weaker than the previous one. Continuation Low move should be expected this week. But as soon as the new lows have been made, a sharp bounce on momentum should be expected. We should not ignore the triple bottom lines. As soon as price moves back above this line, all shorts may get squeezed very hard.

ESZ8 DAILY Chart



8. TRADING STRATEGY FOR Nov. 17, 2008

Today we may see ES go up again for retesting last Friday's high or near the high around 900 area. If ES stays below 895.75 line in the early morning, it is possible for ES to go down to retest last week's low area again or make a new low. If we see a move below 845, a panic sell-off could be seen again, and downside momentum could push price down to 803 or lower 798 area.

Intraday swing position entry on short side:
892-893.50 (scalping) 912.50-13.75 (agg) and 925.75-929.75 (cons)
Intraday swing position entry on long side:
846-847 (scalping) 818.75 (agg) and 796.50 (cons)



9. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=7.81)

953.13	+2/8
945.31	+1/8
937.50	8/8
929.69	7/8
921.88	6/8
914.06	5/8
906.25	4/8
898.44	3/8
890.63	2/8
882.81	1/8
875.00	0/8
867.19	-1/8
859.38	-2/8

Up (Interval=7.81)

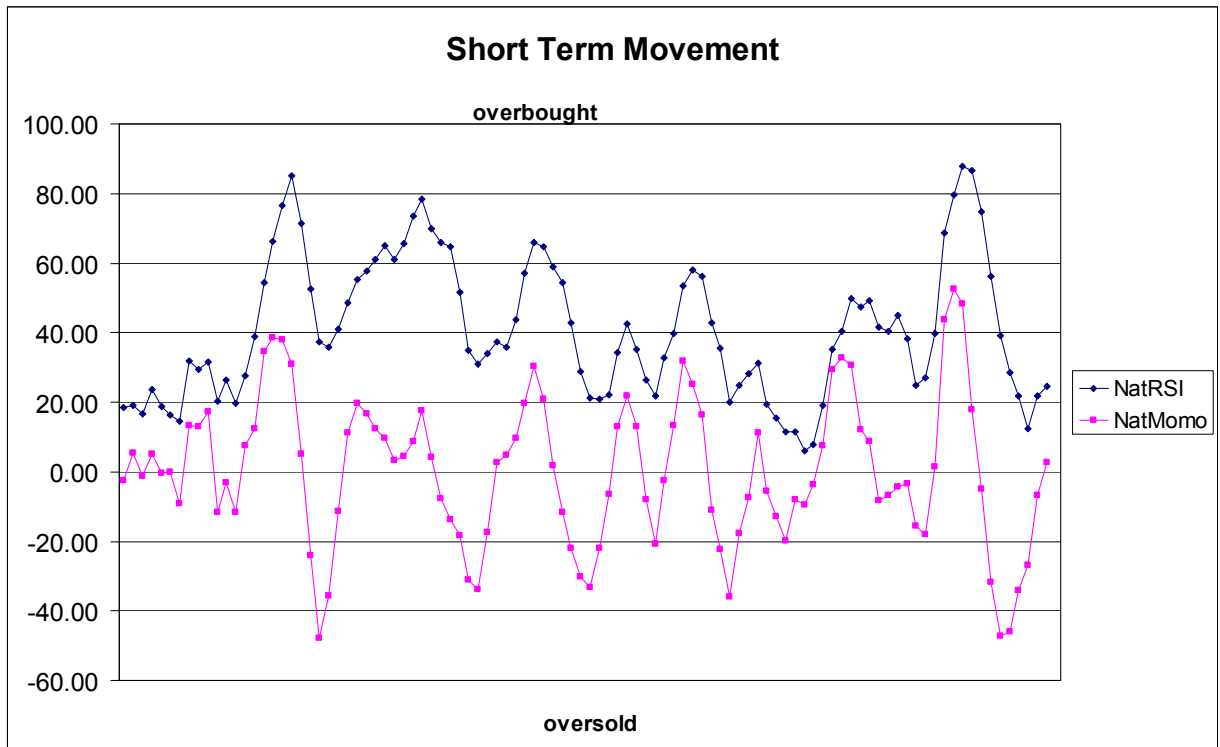
953.13	+2/8
945.31	+1/8
937.50	8/8
929.69	7/8
921.88	6/8
914.06	5/8
906.25	4/8
898.44	3/8
890.63	2/8
882.81	1/8
875.00	0/8
867.19	-1/8
859.38	-2/8

Down (Interval=15.63)

906.25	+2/8
890.63	+1/8
875.00	8/8
859.38	7/8
843.75	6/8
828.13	5/8
812.50	4/8
796.88	3/8
781.25	2/8
765.63	1/8
750.00	0/8
734.38	-1/8
718.75	-2/8

10. OTHER INDICATORS

NatRSI (5day)	NatMoMo	ATR 10	Waist number	
0.22	-6.78	54.55	875.38	
neutral				



11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Nov 17	08:30	NY Empire State Index	Nov		NA	-26.0	-24.6
Nov 17	09:15	Capacity Utilization	Oct		NA	76.6%	76.4%
Nov 17	09:15	Industrial Production	Oct		NA	-0.1%	-2.8%
Nov 18	08:30	Core PPI	Oct		NA	0.2%	0.4%
Nov 18	08:30	PPI	Oct		NA	-1.5%	-0.4%
Nov 18	09:00	Net Foreign Purchases	Sep		NA	NA	\$14.0B
Nov 19	08:30	Building Permits	Oct		NA	770K	805K
Nov 19	08:30	Core CPI	Oct		NA	0.2%	0.1%
Nov 19	08:30	CPI	Oct		NA	-0.8%	0.0%
Nov 19	08:30	Housing Starts	Oct		NA	780K	817K
Nov 19	14:00	FOMC Minutes	Oct 29				
Nov 20	08:30	Initial Claims	11/15		NA	NA	NA
Nov 20	10:00	Leading Indicators	Oct		NA	-0.6%	0.3%
Nov 20	10:00	Philadelphia Fed	Nov		NA	-30.0	-37.5