



Daily Trading Plan for Dec 1, 2008

1. ESZ8 IN PREVIOUS DAY

Open	High	Low	Closing
881.75	897.00	880.50	895.25

2. PIVOTS FOR ESZ8

	Daily	Weekly	Monthly	Yearly
R3	917.83	1015.17	1289.42	1796.75
R2	907.42	956.08	1148.08	1691.75
R1	901.33	925.67	1021.67	1584.50
PPT	890.92	866.58	880.33	1479.50
S1	884.83	836.17	753.92	1372.25
S2	874.42	777.08	612.58	1267.25
S3	868.33	746.67	486.17	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
917.50-918.25 (First Sell#)	855.75 (first Buy#)
938.75-941.75 (Second Sell#)	829-828.00 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	906.25	911.25	917.25	925.25	938.75
Support	886.25	881.25	875.25	867.25	859.25

5. LONG -TERM OUTLOOK - \$SPX

The S&P 500 (\$SPX) closed up 8.55 points for Friday's session at 896.25, that was 12.02% better than the prior week's close. At the meantime, SPX also closed above the 20 daily moving average line on Friday for the first time since early November; it looks like it could keep going for a little while.

This week, we could see the SPX make a continuation high move. How high could this wave 4 go? One possibility is that price could carry to at least the Fibonacci 0.382 retracement of its previous wave 3. That level is in the 1010 area, which is near November 4's unfilled gap (around 1005). The price could also go a little higher to 1062 area, which is also the overlap area of 20 weekly moving average line with 0.382 retracement of its previous waves.

But one thing should also get our attention: the CBOE Put/call ratio. Last week's rally brought that ratio to the lowest level since Oct 2007, which was the highest level of SPX. That is what bears are watching for; a repeat of the rapid decline we saw then.

Due to holiday season, in the early days of this week we may see a little pullback in the first day or two and a rally in the later days. As long as SPX stays above 760 line, the countertrend wave 4 remains intact.

Major monthly resistance level is 1065 and major support level is 760
Major weekly resistance level is 975 and support level 800

SPX WEEKLY Chart



6. WEEKLY OUTLOOK - ESZ8

Last week ES managed to push price back up into the consolidation range and closed inside the range.

This week, on the upside, we could see 953-955 first if ES can hold price above 875 line in the first three days. For the downside, the price needs to go below 760 level to trigger the panic selling again. It would be unusual to see a panic sell-off this month, during the Christmas season, unless we have very bad unexpected news or events. A slowly advancing price should be expected.

Weekly resistance line 975 and support line 800

ES WEEKLY Chart



WEEKLY FOCUS NUMBERS

Sell levels	Buying levels
955.75- 957.25 (First Sell#)	829.75- 828.25 (first Buy#)
1037.25-1043.75 (Second Sell#)	763.25-761.25 (second Buy#)

7. DAILY OUTLOOK

Everybody takes Thanksgiving off, and the half day trading on Friday made the lowest volume in this year. The ES gained on Friday, but we may still see the price pull back today, when the professionals return to the market.

Based on the daily chart, ES closed above 20 daily moving average line for the first time since early last November. Momentum may keep pushing price higher to 40 daily moving average line area. A move above 918 is bullish, and would make a continuation to 950 area more likely. A break below 855 is bearish, and there is a chance for ES to go lower to 829-825 range.

ESZ8 DAILY Chart



8. TRADING STRATEGY FOR Dec. 1 , 2008

Today we should pay attention to the 908.50 line first, and ES going above this line overnight may trap some buyers in the early morning. If later ES goes below 908.50, the price could drop fast to 875-868 range for testing. But as long as 855 line can be held up, ES could pause or reverse from that point.

Intraday swing position entry on short side:
917.25 (scalping) 937.50-39.25(agg) and 953.75-955 (cons)
Intraday swing position entry on long side:
862.50-860.75 (scalping) 829.75- 828.25 (agg) and 798.50-796 (cons)



9. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

902.34	+2/8
900.39	+1/8
898.44	8/8
896.48	7/8
894.53	6/8
892.58	5/8
890.63	4/8
888.67	3/8
886.72	2/8
884.77	1/8
882.81	0/8
880.86	-1/8
878.91	-2/8

Up (Interval=7.81)

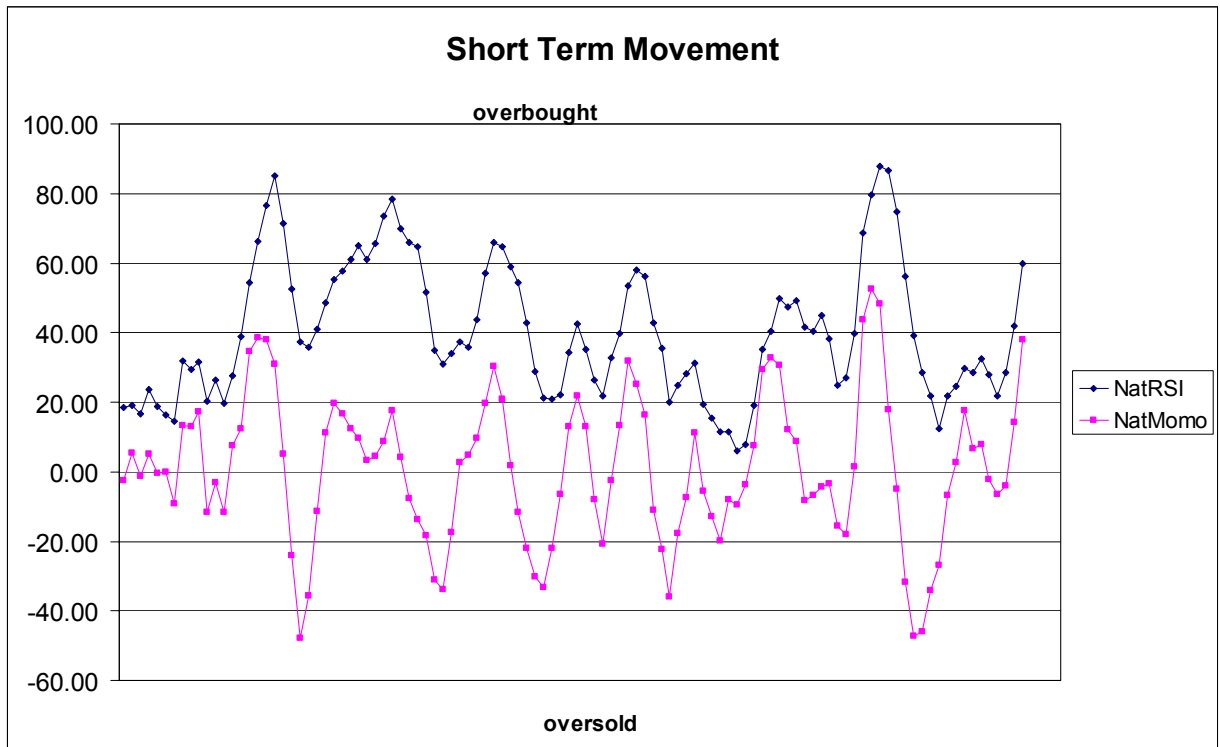
953.13	+2/8
945.31	+1/8
937.50	8/8
929.69	7/8
921.88	6/8
914.06	5/8
906.25	4/8
898.44	3/8
890.63	2/8
882.81	1/8
875.00	0/8
867.19	-1/8
859.38	-2/8

Down (Interval=7.81)

921.88	+2/8
914.06	+1/8
906.25	8/8
898.44	7/8
890.63	6/8
882.81	5/8
875.00	4/8
867.19	3/8
859.38	2/8
851.56	1/8
843.75	0/8
835.94	-1/8
828.13	-2/8

10. OTHER INDICATORS

NatRSI (5day)	NatMoMo	ATR 10	Waist number	
0.60	38.04	49.83	888.50	
neutral				



11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Dec 01	10:00	Construction Spending	Oct		NA	-0.9%	-0.3%
Dec 01	10:00	ISM Index	Nov		NA	38.0	38.9
Dec 02	00:00	Auto Sales	Nov		NA	NA	NA
Dec 02	00:00	Truck Sales	Nov		NA	NA	NA
Dec 03	08:15	ADP Employment	Nov			-173K	
Dec 03	08:30	Productivity-Rev.	Q3		NA	0.9%	1.1%
Dec 03	10:00	ISM Services	Nov		NA	42.6	44.4
Dec 03	14:00	Fed's Beige Book					
Dec 04	08:30	Initial Claims	11/29		NA	NA	NA
Dec 04	10:00	Factory Orders	Oct		NA	-2.7%	-2.5%
Dec 05	08:30	Average Workweek	Nov		NA	33.6	33.6
Dec 05	08:30	Hourly Earnings	Nov		NA	0.2%	0.2%
Dec 05	08:30	Nonfarm Payrolls	Nov		NA	-300K	-240K
Dec 05	08:30	Unemployment Rate	Nov		NA	6.8%	6.5%
Dec 05	15:00	Consumer Credit	Oct		NA	\$2.7B	\$6.9B