



Daily Trading Plan for Dec 8, 2008

1. ESZ8 IN PREVIOUS DAY

Open	High	Low	Closing
831.50	879.50	817.00	872.50

2. PIVOTS FOR ESZ8

	Daily	Weekly	Monthly	Yearly
R3	958.17	963.50	1289.42	1796.75
R2	918.83	921.50	1148.08	1691.75
R1	895.67	897.00	1021.67	1584.50
PPT	856.33	855.00	880.33	1479.50
S1	833.17	830.50	753.92	1372.25
S2	793.83	788.50	612.58	1267.25
S3	770.67	764.00	486.17	1160.00

3. FOCUS NUMBERS (Intra-day Position trading)

Sell levels	Buying levels
895.00-894.00 (First Sell#)	840.00-841.75 (first Buy#)
923.50- 925.75 (Second Sell#)	830.25- 828.25 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	895.75	909.00	919.00	925.75	938.50
Support	861.00	852.75	840.75	833.25	824.50

5. LONG -TERM OUTLOOK - \$SPX

The S&P 500 (\$SPX) closed at 876.07 on Friday, with net weekly loss 20.18%. In fact the stock market did what we said last week: *“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”*.

This week will be a highly volatile and exciting week. For the bullish side: we are in the holiday season, when cheerful spirits lead us to temporarily forget recent pain. Plus the SPX is developing a descending wedge pattern on its daily chart, which is a bullish pattern and an indication that a short-term upside breakout may soon move the market to the next higher level. If SPX does break out, a good rally up to 1030-1045 is very possible.

For the bearish side: the internal strength didn't match the price move, which still indicates lack of buying interests in this market. It seems that the previous rallies were just parts of a countertrend correction move and as soon as the correction is exhausted, there is a new decline, which may retest last month's low.

Even though there are two possibilities existing this week, my suggestion is that we should stay neutral. When price goes into a contraction move, it often moves back and forth in both directions until one side gives up. As long as the price doesn't breakout 896 to 815 range, a sharp whipsaw move should be expected. If we see confirmation of the breakout move, then we should follow in the direction of the breakout the next day.

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

SPX DAILY Chart



6. WEEKLY OUTLOOK - ESZ8

Last week ES pulled back down to its previous week's low for testing; it managed to hold that low and close near the high of the weekly range. The price action was bullish last Friday.

This week we may still see a repeat of last week's action. (Pullback on Monday and go up Tuesday, pullback on Thursday and go up Friday). A move above 886, confirmed by a price at 890 or higher, is bullish. It is likely for ES to go higher to fill the Nov. 10 gap around 921.50 area. A break below 815-813 range will be negative, and downside momentum could push price down to 800 or lower to 792 to fill the Nov. 24 gap.

Weekly resistance line 975 and support line 800

ES WEEKLY Chart



WEEKLY FOCUS NUMBERS

Sell levels	Buying levels
936.75-939.75 (First Sell#)	829.75- 828.25 (first Buy#)
982.75- 986.25 (Second Sell#)	783.25-781.00(second Buy#)

7. DAILY OUTLOOK

ES has moved more-or-less sideways for four weeks now. Today in the morning we may see a little pullback. If ES can manage to hold price above the 833-35 range, next day we may see an upside breakout move. If ES fails to hold this range, 815-817 range could be retested again.

Based on the daily chart, ES closed above 20 daily moving average line for the second time last week. The 40-day moving average is likely to be the next upside target if ES breaks above the 879.50 line, confirmed by prices around 886.50 or higher. In that case upside momentum could push price as high as the 939.75 area. The a-b-c countertrend rally target around 971-980 area still lies ahead.

ESZ8 DAILY Chart



8. TRADING STRATEGY FOR Dec. 8 , 2008

If we see a break above 879.50 confirmed by a touch of the 886.50 level in overnight trading, we need to go long after the early morning retracement. If we don't see an overnight breakout move, we are looking for major support at 840-41 and 829-828 to go long and looking for major resistance levels around 895.25-897 and higher 917.00 - 921.75 range to go short.

Intraday swing position entry on short side:
884-883.75 (scalping) 895.75-896.75 (agg) and 923.50-925.75 (cons)
Intraday swing position entry on long side:
852.75 (scalping) 841.25-840.00 (agg) and 828.25-830 (cons)



9. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=7.81)

890.63	+2/8
882.81	+1/8
875.00	8/8
867.19	7/8
859.38	6/8
851.56	5/8
843.75	4/8
835.94	3/8
828.13	2/8
820.31	1/8
812.50	0/8
804.69	-1/8
796.88	-2/8

Up (Interval=7.81)

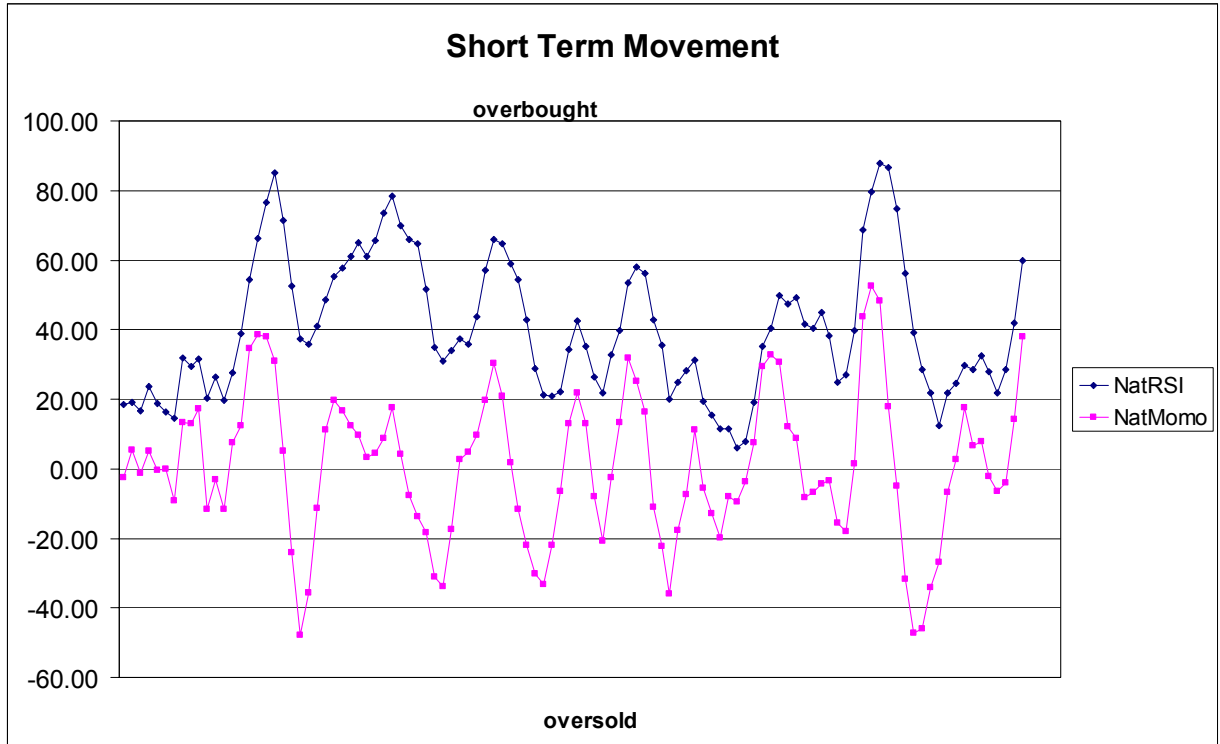
953.13	+2/8
945.31	+1/8
937.50	8/8
929.69	7/8
921.88	6/8
914.06	5/8
906.25	4/8
898.44	3/8
890.63	2/8
882.81	1/8
875.00	0/8
867.19	-1/8
859.38	-2/8

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	
0.49	-9.67	47.00	852.00	
neutral				



11. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Dec 09	10:00	Pending Home Sales	Oct			-2.3%	-4.6%
Dec 10	10:00	Wholesale Inventories	Oct	0.2%	0.2%	0.2%	-0.1%
Dec 10	10:35	Crude Inventories	12/06	NA	NA	NA	NA
Dec 10	14:00	Treasury Budget	Nov	NA	NA	-\$193.0B	
Dec 11	08:30	Export Prices ex-ag.	Nov	NA	NA	NA	-1.2%
Dec 11	08:30	Import Prices ex-oil	Nov	NA	NA	NA	-0.9%
Dec 11	08:30	Initial Claims	12/06	NA	NA	NA	NA
Dec 11	08:30	Trade Balance	Oct	-\$53.5B	-\$54.0B	-\$54.0B	-\$56.5B
Dec 12	08:30	Core PPI	Nov	0.1%	0.2%	0.2%	0.4%
Dec 12	08:30	PPI	Nov	-1.9%	-1.8%	-1.8%	-2.8%
Dec 12	08:30	Retail Sales	Nov	-1.8%	-1.4%	-1.4%	-2.8%
Dec 12	08:30	Retail Sales ex-auto	Nov	-1.5%	-1.7%	-1.7%	-2.2%
Dec 12	10:00	Business Inventories	Oct	0.0%	0.0%	-0.1%	-0.2%
Dec 12	10:00	Mich Sentiment-Prel.	Dec	58.0	58.0	58.0	55.3