



Daily Trading Plan for Jan. 5, 2009

1. ESH9 IN PREVIOUS DAY

Open	High	Low	Closing
902.25	932.75	896.50	925.50

2. PIVOTS FOR ESH9

	Daily	Weekly	Monthly	Yearly
R3	976.25	1033.92	1048.08	2082.17
R2	954.50	983.33	983.67	1781.33
R1	940.00	954.42	941.83	1340.67
PPT	918.25	903.83	877.42	1039.83
S1	903.75	874.92	835.58	599.17
S2	882.00	824.33	771.17	448.75
S3	867.50	795.42	729.33	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	947.00-946.00	988.25-986.25
2nd Sell level	958.00-954.50	1007.25-1006.75
1st Buy level	902.25-899.50	892.50-888.75
2nd Buy level	888.75-886.50	856.75

4. LONG -TERM OUTLOOK - \$SPX

The S&P 500 (\$SPX) closed at 931.80 on Friday. The first day of year 2009 had a gain of 3% from last year's closing. Many investors are looking forward to seeing the economy being improved this year and many more are glad that 2008 is finally over.

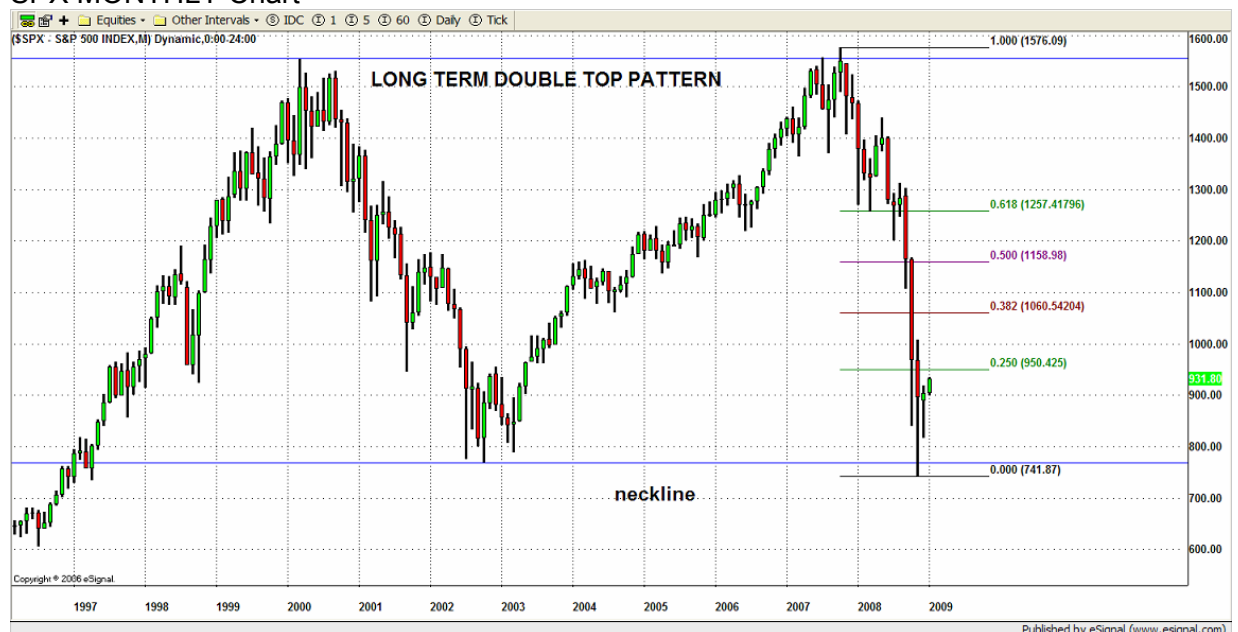
From chart technical analysis point view: the SPX is holding the neckline of its long term double top pattern even though it was beaten up very hard for a whole year in 2008. For the past two months the SPX managed to hold the 2002 low from the previous bear market and bounced more than 150 points from its own recent low on Nov. 11 for a higher close for the year. No market will go down forever, and we expect to see a further bounce. If we see a strong bear market bounce, 1250-1200 may be the maximum for year 2009; if the bear market rally is weak, 1060-1080 could be the top. In both cases, we are expecting rallies in a bear market; they may develop into long-term reversals but we can't call that yet. Will the market make a new low this year? It will depend on how far the price rallies; the further up the price goes, the less chance we will reach new lower lows.

For the economic point view: The economic disaster that was 2008 will not heal quickly. The housing market doesn't show any signs of recovering. The auto industry is still struggling for survival. Sharp declines in retail sales reflect low consumer spending. The unemployment rate shot up to the highest level in 10 years within a three-month period. The economy is getting into a worse recession. For year 2009, employment will become a major issue for our economy. And while there may be signs that promise improvement, we can get more bad news at any moment.

There is always a sense of starting fresh with the new year; but it is hard to believe that many companies will be reporting big earning increases when the first quarter ends. Bear markets are subject to very violent moves in both directions, and we can expect more sky-rocket moves in 2009.

Major monthly resistance level is 1065 and major support level is 750

SPX MONTHLY Chart

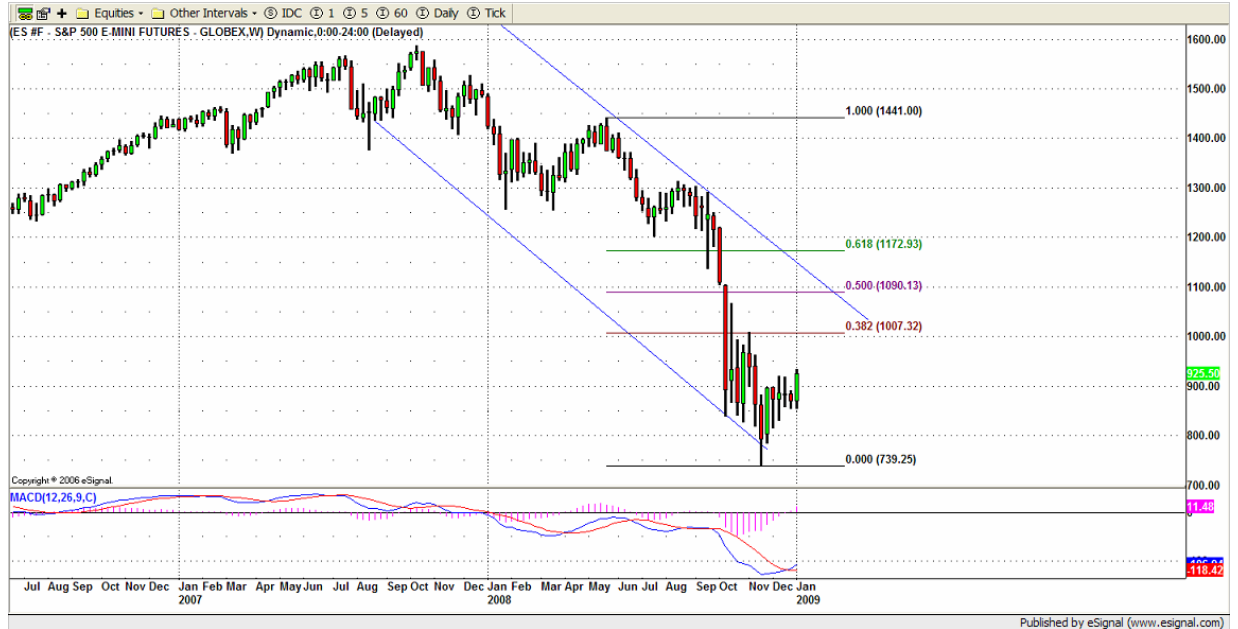


5. WEEKLY OUTLOOK – ESH9

The closing price for the year 2008 was the 900 level for ES, and Friday it managed to close at 925.50 level — an optimistic beginning for the year. The 900 level will become a key level. During this first week of the new year the seasonal buying spiral will remain high. We may see ES being pushed up to 958 area to fill the Nov. 6, 2008 gap, or higher to make a high for the month around the 1000 area if the support range 903.75-899.50 holds firmly. If ES fails to hold 896.50 line, last week's low 853-855 range is likely to be retested.

Weekly resistance line 1000 and support line 800

ES WEEKLY Chart



6. DAILY OUTLOOK

ES broke out of its short term downtrend channel with light volume in the past two days. The momentum quite clearly favors the upside. Today ES may continue to push up towards top (1008.50-985) of the consolidation range before it drops back into the breakout point area for testing. Alternatively we may see ES go down near the 872 area, which will bring more buyers into the market.

ESH9 DAILY Chart



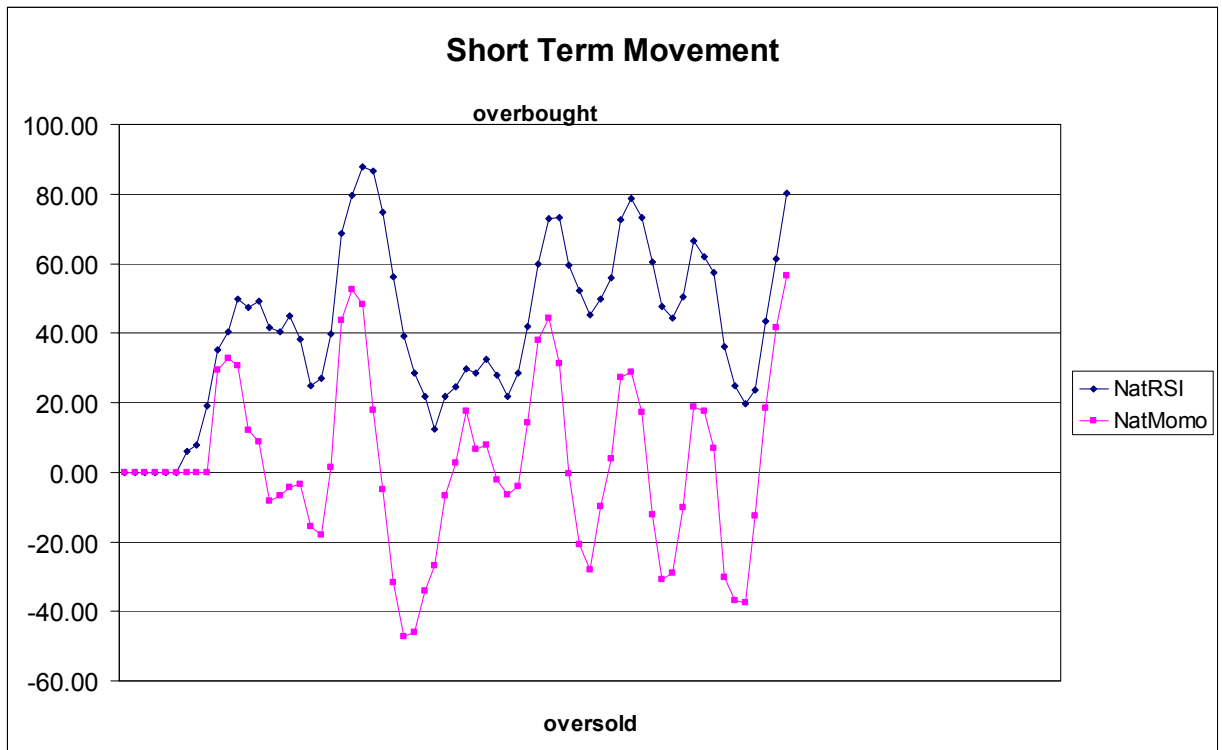
7. TRADING STRATEGY FOR Jan. 5, 2009

Last week, ES broke its small sideways range (877.50-853.25), and later it broke its weekly highs to fill the Nov. 11, 2008 gap around 921.50. During the holiday season a breakout with low volume often leads the price to pullback into the breakout level for testing. Also before Christmas week, the closing price was 881.25, which is the price likely be acting as a support level. If ES goes down first today, "buy on dip" strategy will be used first. If ES goes up first today, Gap play short will be used for our first trading.

ESH9 INTRADAY



8. SHORT TERM SENTIMENT



9. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Jan 05	10:00	Construction Spending	Nov		NA	-1.2%	-1.2%
Jan 05	14:00	Auto Sales	Dec		NA	NA	NA
Jan 05	14:00	Truck Sales	Dec		NA	NA	NA
Jan 06	10:00	Factory Orders	Nov		NA	-2.6%	-5.1%
Jan 06	10:00	ISM Services	Dec		NA	37.0	37.3
Jan 07	10:35	Crude Inventories	01/02		NA	NA	NA
Jan 08	08:30	Initial Claims	01/03		NA	550K	492K
Jan 08	14:00	Consumer Credit	Nov		NA	\$0.5B	-\$3.5B
Jan 09	08:30	Average Workweek	Dec		NA	33.5	33.5
Jan 09	08:30	Hourly Earnings	Dec		NA	0.2%	0.4%
Jan 09	08:30	Nonfarm Payrolls	Dec		NA	-475K	-533K
Jan 09	08:30	Unemployment Rate	Dec		NA	7.0%	6.7%
Jan 09	10:00	Wholesale Inventories	Nov		NA	-0.9%	-1.1%