



Daily Trading Plan for Jan. 12, 2009

1. ESH9 IN PREVIOUS DAY

Open	High	Low	Closing
908.50	909.50	882.75	885.50

2. PIVOTS FOR ESH9

	Daily	Weekly	Monthly	Yearly
R3	929.17	984.58	1048.08	2082.17
R2	919.33	963.67	983.67	1781.33
R1	902.42	924.58	941.83	1340.67
PPT	892.58	903.67	877.42	1039.83
S1	875.67	864.58	835.58	599.17
S2	865.83	843.67	771.17	448.75
S3	848.92	804.58	729.33	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	903.50-906.75	942.25-945.00
2nd Sell level	914.50-916.50	982.25-985.00
1st Buy level	875.50- 872.50	875.00-872.50
2nd Buy level	864.50- 862.00	825.00-826.25

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 890.35 on Friday for a net weekly loss of 41.45 points. The market gave up most of Christmas holiday's gain.

The decline of the past week started with the ADP employment report. As we said last issue, employment will be an important issue for at least the first 6 months of the year, and the payroll numbers will continue to affect the market. Even though we pretty much expect the numbers will continue to be bad, and the bad news will be discounted, but the steady reminders of a failing economy will affect investors. They are in bailout mode, and we should follow their moves, regardless of what we think about the current situation. Long-term investors may see this as an opportunity; we see it as a time to follow the market.

For the weekly outlook for \$SPX, the price did its retracement back into the level where most traders left for the Christmas holiday. That is normal behavior. This week is option expiration week, when the real game starts. The 875 line will become a battlefield for the bears and bulls early in the week. Bears will fight for pushing the price down for 850-825 and bulls will fight for 900-915 range. As long as the key line 850 can be held up, the price may move up from whatever low is made this week to the end of the month.

Major monthly resistance level 1065 and support level is 750
 Weekly resistance level 925 and support level is 810



5. DAILY OUTLOOK

The employment report knocked the financial market down in the early morning trading session on Friday. But ES was holding well above its major support line until the last hour. The final decline occurred right after former Treasury Secretary Rubin announced his plans to leave Citigroup Inc. At the end, ES lost 21.25 points.

Nothing in that move should surprise our traders. ES went into its normal trading pattern. Today we may see a continuation down to hit our major target to complete the pattern before ES bounces back up again. The area around 864-862 where uptrend and downtrend lines cross is very importance today.

ESH9 DAILY Chart



6. TRADING STRATEGY FOR Jan. 12, 2009

ES is in retracement mode. This decline seems not to be complete yet. On Friday the short range (for the daily range breakdown method) held the price down quite well. The major target is around 879.25-875.25 range. But ES only hit low 882.75 on Friday. Therefore we should expect Sunday night or today to complete the major target before ES bounces up again. If ES goes up first, the 898.50-896.75 range (SHORT) should be able to hold price down in the early morning for 879.25-875.25 range move (LONG). If there is a breakout of the 903.50 line, it is likely for ES to move up to retest last Friday's high in the 909.50-914.50 range.

ESH9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	898.50-896.50	903.50-906.50	914.50-912.50
Buy level	875.50-872.75	864-862	850.75-852.00

7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=3.91)

914.06	+2/8
910.16	+1/8
906.25	8/8
902.34	7/8
898.44	6/8
894.53	5/8
890.63	4/8
886.72	3/8
882.81	2/8
878.91	1/8
875.00	0/8
871.09	-1/8
867.19	-2/8

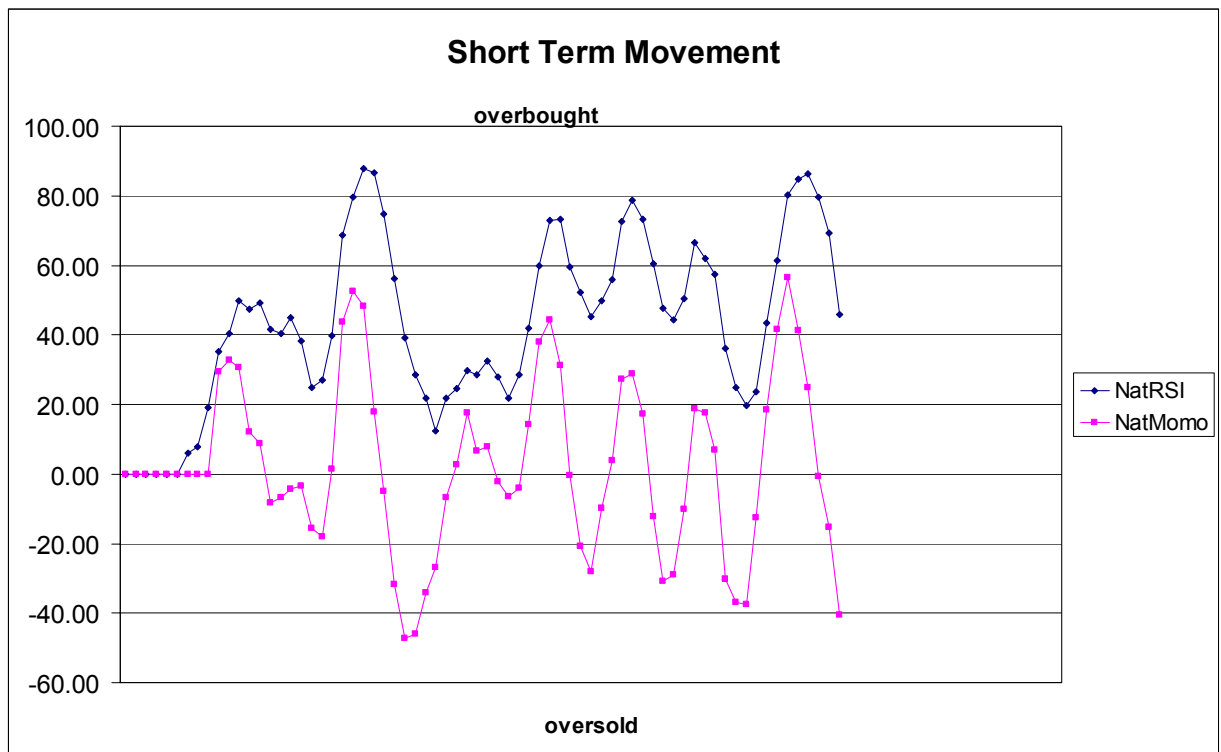
Up (Interval=7.81)

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)

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

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 13	14:00	Treasury Budget	Dec	NA		-\$33.0B	-\$48.3B
Jan 14	08:30	Export Prices ex-ag.	Dec	NA		NA	NA
Jan 14	08:30	Import Prices ex-oil	Dec	NA		NA	NA
Jan 14	08:30	Retail Sales	Dec	-1.0%		-1.1%	-1.8%
Jan 14	08:30	Retail Sales ex-auto	Dec	-1.2%		-1.2%	-1.6%
Jan 14	10:00	Business Inventories	Nov	-0.5%		-0.5%	-0.6%
Jan 14	10:35	Crude Inventories	01/09	NA		NA	NA
Jan 15	08:30	Core PPI	Dec	0.1%		0.1%	0.1%
Jan 15	08:30	Initial Claims	01/10	NA		NA	NA
Jan 15	08:30	PPI	Dec	-1.7%		-1.9%	-2.2%
Jan 15	10:00	Philadelphia Fed	Jan	-35.0		-35.0	-32.9
Jan 16	08:30	Core CPI	Dec	0.0%		0.1%	0.0%
Jan 16	08:30	CPI	Dec	-1.0%		-1.0%	-1.7%
Jan 16	09:15	Capacity Utilization	Dec	NA		74.7%	75.4%
Jan 16	09:15	Industrial Production	Dec	NA		-0.8%	-0.6%
Jan 16	09:55	Mich Sentiment-Prel	Jan	61.0		60.0	60.1