



Daily Trading Plan for Jan. 16, 2009

1. ESH9 IN PREVIOUS DAY

Open	High	Low	Closing
836.75	848.50	812.75	839.25

2. PIVOTS FOR ESH9

	Daily	Weekly	Monthly	Yearly
R3	890.00	984.58	1048.08	2082.17
R2	869.25	963.67	983.67	1781.33
R1	854.25	924.58	941.83	1340.67
PPT	833.50	903.67	877.42	1039.83
S1	818.50	864.58	835.58	599.17
S2	797.75	843.67	771.17	448.75
S3	782.75	804.58	729.33	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1 st Sell level	868.50-869.00	942.25-945.00
2 nd Sell level	877.50-879.75	982.25-985.00
1 st Buy level	833.50-832.50	875.00-872.50 * S turns R
2 nd Buy level	812.50-811.25	825.00-826.25

4. DAILY OUTLOOK

In the early morning yesterday, the market sold harder after economic reports and JPM earning announcement. And later the market was cheered up by the news the Senate will pass the \$350 billion bailout bill.

During option expiration week, especially the day before expiration, the news dominates the market. Nothing else! We will see more bad news dropping from the sky in the coming months. The \$350 billion bailout bill still is long way short of what is required to save the economy. Yesterday's rally was only a range bounce; ES hit December's low and bounced from it. If ES can't breakout above the 900 line, the major long term trend remains down. Any rally won't live very long. Failure to above 900 line will indicate that ES is still in the correction wave 4 process.

ESH9 DAILY Chart



5. TRADING STRATEGY FOR Jan. 16, 2009

Short covering sometimes is quite nasty for our traders. Yesterday due to the news, all the shorts rushed into the market to cover their positions. But so far it hasn't changed the intraday long timeframe trend yet. ES needs to go at least above 880 line to force the intraday trend to change. But based on yesterday's afternoon movement, the momentum seemed to pick up on the buying side. If this morning ES can hold price up above 829 line, upside move still should be expected. A move above 853.25 will be bullish. Upside momentum could push the price up to 863-862 or higher to 878-880 area if price can be held up above 859 line. A move below 828 will be negative and will likely lead to a retest of yesterday's low 812-813 range.

ESH9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	848.50-847.75	863.75- 862.75	877.75-880.50
Buy level	829.00-831.75	819.50-817.00	808.25-809.75

6. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=3.91)

851.56	+2/8
847.66	+1/8
843.75	8/8
839.84	7/8
835.94	6/8
832.03	5/8
828.13	4/8
824.22	3/8
820.31	2/8
816.41	1/8
812.50	0/8
808.59	-1/8
804.69	-2/8

Up (Interval=3.91)

867.19	+2/8
863.28	+1/8
859.38	8/8
855.47	7/8
851.56	6/8
847.66	5/8
843.75	4/8
839.84	3/8
835.94	2/8
832.03	1/8
828.13	0/8
824.22	-1/8
820.31	-2/8

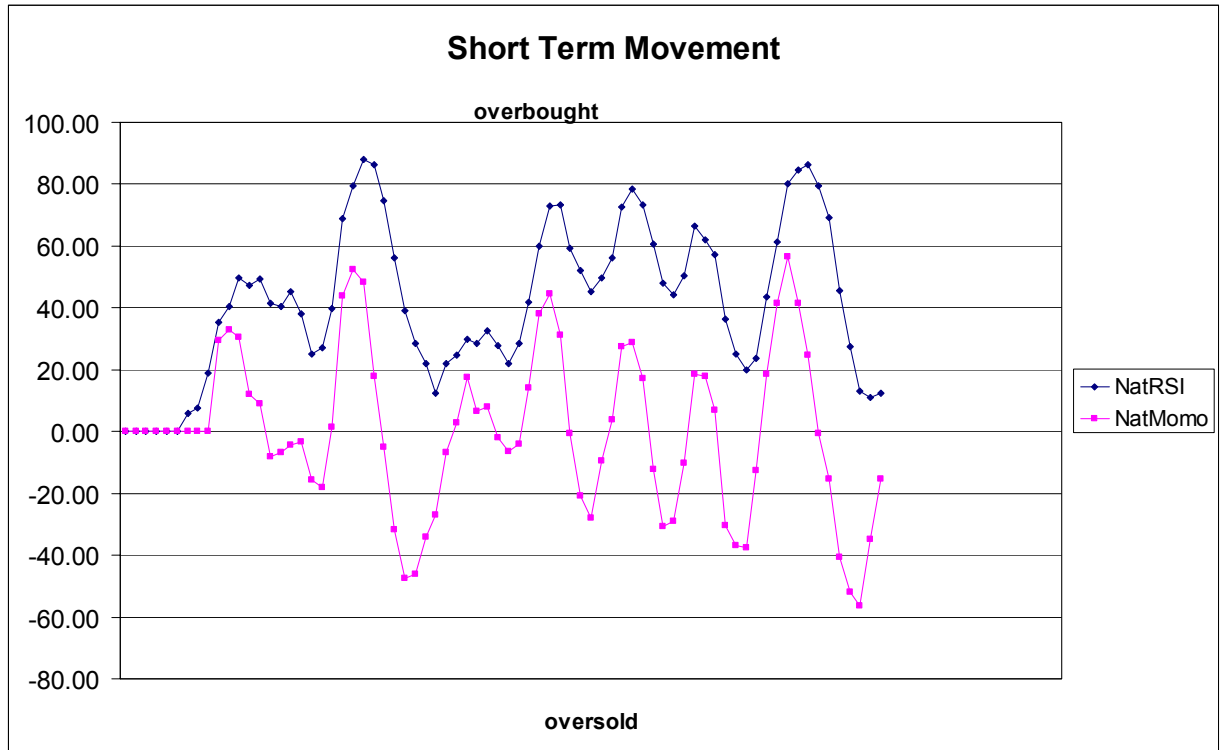
Down (Interval=3.91)

851.56	+2/8
847.66	+1/8
843.75	8/8
839.84	7/8
835.94	6/8
832.03	5/8
828.13	4/8
824.22	3/8
820.31	2/8
816.41	1/8
812.50	0/8
808.59	-1/8
804.69	-2/8

7. OVERNIGHT CALL

	1 st Sell level	2 nd Sell level
	847.50-848.50	852.50-853.25
Central line	840.50	
	832.50	828.75
	1 st Buy level	2 nd Buy level

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 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