



## Daily Trading Plan for Jan. 20, 2009

### 1. ESH9 IN PREVIOUS DAY

Open	High	Low	Closing
855.25	855.75	826.50	848.50

### 2. PIVOTS FOR ESH9

	Daily	Weekly	Monthly	Yearly
R3	889.92	957.83	1048.08	2082.17
R2	872.83	921.67	983.67	1781.33
R1	860.67	885.08	941.83	1340.67
<b>PPT</b>	<b>843.58</b>	<b>848.92</b>	<b>877.42</b>	<b>1039.83</b>
S1	831.42	812.33	835.58	599.17
S2	814.33	776.17	771.17	448.75
S3	802.17	739.58	729.33	298.33

### 3. FOCUS NUMBERS

	Daily	Weekly
<b>1<sup>st</sup> Sell level</b>	<b>861.75-864.50</b>	<b>885.50-883.50</b>
<b>2<sup>nd</sup> Sell level</b>	<b>875.50-877.25</b>	<b>919.25-921.75</b>
<b>1<sup>st</sup> Buy level</b>	<b>826.50-827.25</b>	<b>814.75-812.50</b>
<b>2<sup>nd</sup> Buy level</b>	<b>813.00-812.00</b>	<b>777.75-775.50</b>

#### 4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 850.12 on Friday for a net weekly loss of 40.23 points. The market gave up all the gain from the first day of 2009.

Many investors were surprised by the Bank of America report — selling shares in a large Chinese bank and the big loss announcement of Merrill Lynch, which BofA I buying. In addition Nortel declared bankruptcy last week. The news shocked many investors, and the market sold off in panic mode at the beginning of the week. Even though the price moved back up to the 850 line level — due mainly to option expiration day on Friday — the move didn't eliminate the fear running through the market.

This week the market is closed on Monday and Tuesday is Obama's inauguration. We may see price moving up first and later move to the declining side. In the real economy there is no quick way to solve the many problems accumulated over so many years. It will take time before investors get so inured to bad news that the market can move back up.

In the chart analysis there is a triangle pattern forming. Below it, there is a support range consisting of last month's low and the last Bear market low from 2002. Above it, there is intermediate - term resistance. The \$SPX may stay inside this triangle for consolidation this week. The key line is 877.61. As long as the price doesn't close above it on the weekly chart, the major trend remains down, and the previous low will be likely retested before the price bounces up again.

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



## 5. DAILY OUTLOOK

The futures contract (ES) bounced up from last month's low (the low of the consolidation range) and closed above it, but that is mainly regarded as an option expiration move. It doesn't change the big picture very much. The decline in the past 8 days did lots of damage on the daily chart; it indicates that bears still dominated this market. The ES is more likely to go to new lows below last year's low in the coming weeks.

Today is inaugural day. We may see price move up to retest Last Friday's high or last Weekly high to fill the 868.50 gap, and then go down from there. As long as ES doesn't breakout above 885 line, the major trend should be stay on the downside and challenge the 812 range support line.

ESH9 DAILY Chart



## 6. TRADING STRATEGY FOR Jan. 20, 2009

Since last Thursday afternoon ES has made its correction move. On 60min chart, there is the potential for an a-b-c pattern. The C top could be around 871.50-868.50 range. ES could move up there if the price holds above last Friday's low. A breakout 877.50 line could be a little bullish, and the price may be pushed up higher to 885.50 line for testing last week's high. A failure to breakout 875.50 line will likely send the ES back down to retest last Friday's low 826-827 range. A move below 825 will be negative. The downside momentum could push price down to 812-813 range. More bearish is ES going under 809 line. If it does, ES is likely to go lower than last year's low in the coming days.

### ESH9 INTRADAY



### INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
<b>Sell level</b>	<b>862.00-864.50</b>	<b>871.50-875.00</b>	<b>885.50-888.75</b>
<b>Buy level</b>	<b>826.50-827.25</b>	<b>812.25- 813.00</b>	<b>801.75-799.50</b>

## 7. PREDICTION FOR TODAY'S MOVEMENT

### Current (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

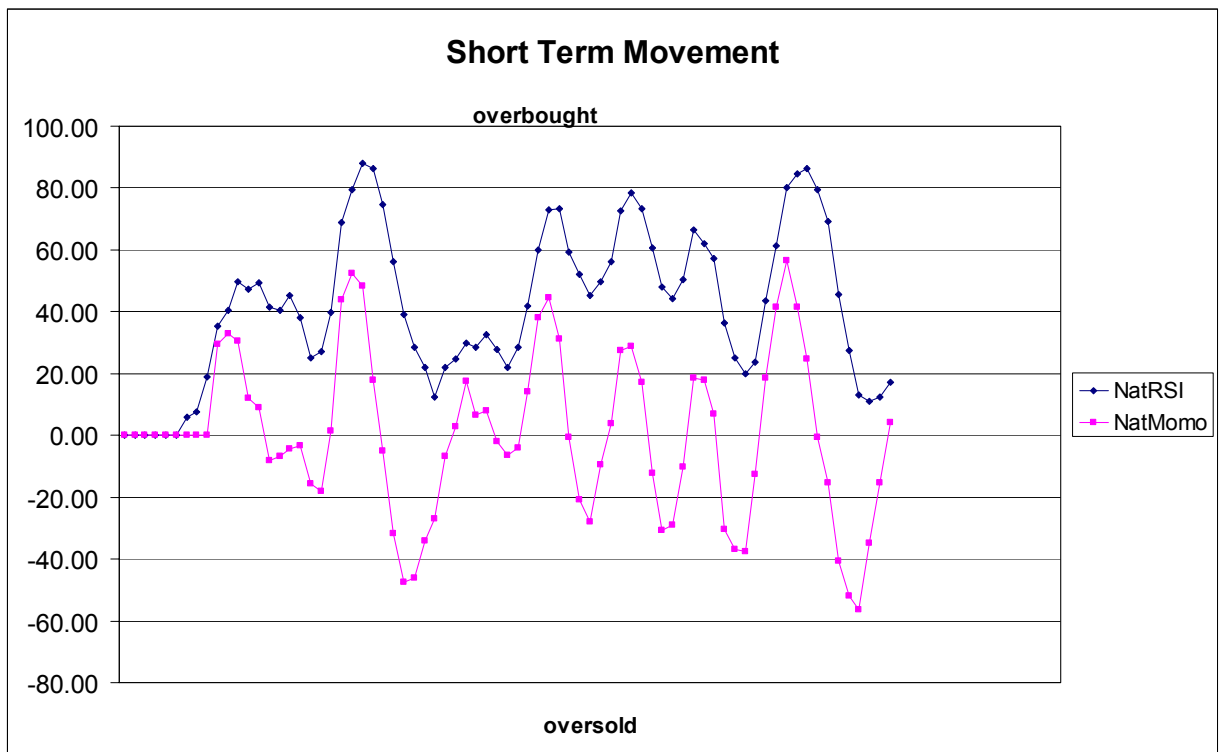
### Up (Interval=7.81)

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

### Down (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

## 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 22	08:30	<a href="#">Building Permits</a>	Dec		NA	615K	616K
Jan 22	08:30	<a href="#">Housing Starts</a>	Dec		NA	610K	625K
Jan 22	08:30	<a href="#">Initial Claims</a>	01/17		NA	548K	524K
Jan 22	11:00	<a href="#">Crude Inventories</a>	1/16		NA	NA	1.14M