



Daily Trading Plan for Feb. 2, 2009

1. ESH9 IN PREVIOUS DAY

Open	High	Low	Closing
845.50	848.25	817.50	825.75

2. PIVOTS FOR ESH9

	Daily	Weekly	Monthly	Yearly
R3	874.25	920.50	1058.42	2082.17
R2	861.25	898.25	1000.58	1781.33
R1	843.50	862.00	913.17	1340.67
PPT	830.50	839.75	855.33	1039.83
S1	812.75	803.50	767.92	599.17
S2	799.75	781.25	710.08	448.75
S3	782.00	745.00	622.67	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	843.50- 845.00	885.50-886.50
2nd Sell level	853.75- 856.50	896.75-898.50
1st Buy level	802.50- 799.00	774.25-772.25
2nd Buy level	786.75 -785.75	750.00-753.25

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 825.88 on Friday for a net weekly loss of 6.07 points. For the month of January it lost 77.37 points, or 8.6%.

January was terrible, and many people believe that indicates the rest of the year may also be bad. Maybe, maybe not. That has often been the case in the past, but the world is changing, and so is the market.

The current decline began in Oct. 2007, and has been continuing for about 16 months. We are in the later stages of the process, and the SPX is already at the 61.8% Fibonacci Retracement level. SPX is searching for support levels. As soon as it forms those supports, it can make a sharp bearish countermove anytime.

For short term, the SPX remains on the downside in the latest stage of first impulse decline. How long it will take and how far it can go depends on whether the SPX can break down the psychological support in the 800-797 range this week. If SPX breaks down this support, then any one of the lower targets can be hit. Heavy economic reports this week could also make for choppy price moves.

Major monthly resistance level 1065 and support level is 650
 Weekly resistance level 875 and support level is 750



5. DAILY OUTLOOK

Last Friday, ES lost 17 points, which was close to a 2.2% decline from its previous day. It seems that ES resumes its downtrend move from the Jan. 28 high. Today it is important to see how the price reacts to the psychological support beneath it. A break below 797.50 will be bearish. It could lead to more selling pressure and last year's low could be retested. If ES can hold up last Friday's low, we may see ES to move up last Friday's high 849-851 area for testing. No matter which direction ES goes, as long as it stays below 874 line, the current short term trend remains downside.

ESH9 DAILY Chart



6. TRADING STRATEGY FOR Feb. 2, 2009

Last week ES had an island reversal gap on the 60min chart. That is a bearish pattern. Today ES needs to stay below 845.50 -840.50 range (first short entry) to maintain the downside move, and breakdown 812 support level to get 802.50-799 range. If ES can hold the price above 823-825 level in the early morning trading, it may attempt to move up first, If ES moves down below 812 at open, it will be a bearish signal. A further down move should be expected later in the session.

ESH9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	842.75-845.00	853.75	862.25-861.75
Buy level	802.25-801.75	786.75-785.00	772.25-774.25

7. 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

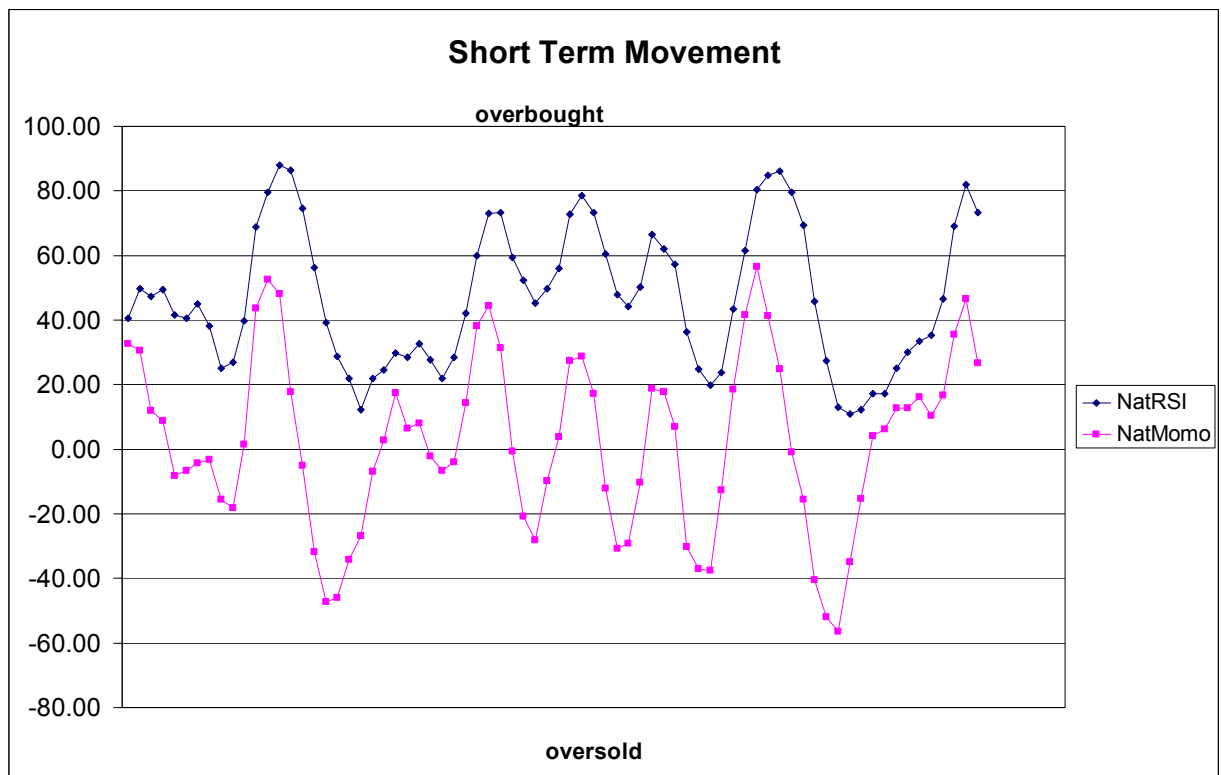
Up (Interval=3.91)

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

Down (Interval=7.81)

859.38	+2/8
851.56	+1/8
843.75	8/8
835.94	7/8
828.13	6/8
820.31	5/8
812.50	4/8
804.69	3/8
796.88	2/8
789.06	1/8
781.25	0/8
773.44	-1/8
765.63	-2/8

8. SHORT TERM SENTIMENT



9. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Consensus	Prior
Feb 02	08:30	Personal Income	Dec	-0.4%	-0.2%	
Feb 02	08:30	Personal Spending	Dec	-0.9%	-0.6%	
Feb 02	10:00	Construction Spending	Dec	-0.9%	-0.6%	
Feb 02	10:00	ISM Index	Jan	32.0	32.4	
Feb 03	10:00	Pending Home Sales	Dec	0.0%	-4.0%	
Feb 03	14:00	Auto Sales	Jan	NA	NA	
Feb 03	14:00	Truck Sales	Jan	NA	NA	
Feb 04	08:15	ADP Employment Change	Jan	-515K	-693K	
Feb 04	10:00	ISM Services	Jan	39.0	40.1	
Feb 04	10:30	Crude Inventories	01/30	NA	6.2 mln	
Feb 05	08:30	Initial Claims	01/31	592K	588K	
Feb 05	08:30	Productivity-Prel	Q4	1.0%	1.3%	
Feb 05	08:30	Unit Labor Costs	Q4	3.0%	2.8%	
Feb 05	10:00	Factory Orders	Dec	-3.0%	-4.6%	
Feb 06	08:30	Average Workweek	Jan	33.3	33.3	
Feb 06	08:30	Hourly Earnings	Jan	0.3%	0.3%	
Feb 06	08:30	Nonfarm Payrolls	Jan	-500K	-524K	
Feb 06	08:30	Unemployment Rate	Jan	7.5%	7.2%	
Feb 06	14:00	Consumer Credit	Dec	-\$2.3B	-\$7.9B	