



## Daily Trading Plan for Feb. 9, 2009

### 1. ESH9 IN PREVIOUS DAY

Open	High	Low	Closing
844.25	869.25	842.50	867.75

### 2. PIVOTS FOR ESH9

	Daily	Weekly	Monthly	Yearly
R3	903.92	948.92	1058.42	2082.17
R2	886.58	909.08	1000.58	1781.33
R1	877.17	888.42	913.17	1340.67
<b>PPT</b>	<b>859.83</b>	<b>848.58</b>	<b>855.33</b>	<b>1039.83</b>
S1	850.42	827.92	767.92	599.17
S2	833.08	788.08	710.08	448.75
S3	823.67	767.42	622.67	298.33

### 3. FOCUS NUMBERS

	Daily	Weekly
<b>1<sup>st</sup> Sell level</b>	<b>877.25- 881.25</b>	<b>906.50-909.25</b>
<b>2<sup>nd</sup> Sell level</b>	<b>895.50- 896.00</b>	<b>932.50-935.00</b>
<b>1<sup>st</sup> Buy level</b>	<b>849.50- 847.50</b>	<b>836.75-840.25</b>
<b>2<sup>nd</sup> Buy level</b>	<b>841.75- 840.50</b>	<b>804.50-802.75</b>

#### 4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 868.60 on Friday for a net weekly gain of 42.72 points. It had one of the most positive weeks since the beginning of this year.

Last week the stock market had a very choppy movement that seemed unrelated to the economic news. The price mainly followed rumors about the stimulus plan. "Buy the runour" is still influencing investor thinking, and hope and optimism can still influence buying behavior.

This week there are some key speeches that could move the market. Treasury Secretary Geithner will speak at noon on Monday and Wednesday, and Fed chairman Bernanke will speak at 1pm on Tuesday. Meantime the Senate may pass the stimulus plan bill next week.

Based on the \$SPX weekly chart, for the past two weeks the index was in countertrend move from the Jan. 20 low at 797.50. It doesn't eliminate the possibility of a nasty decline after this countertrend move. The key line 877.61 was a very important prior rally peak on Jan. 28. If Monday morning the price can breakout that key line, 886-889 range or higher to 906-909 range should be expected. If the price stalls below 877 area, and followed by a decline that breaks down 855.44, that will be an indication that upmove is exhausted and resumption of downtrend should be expected.

Major monthly resistance level 1065 and support level is 750  
 Weekly resistance level 916 and support level is 800



## 5. DAILY OUTLOOK

After the contraction move of the past two days, ES finally broke out that consolidation range on Friday in anticipation that the Senate will pass the stimulus bill. It gained almost 5% from its previous day. Very impressive!

But looking at ES daily chart, there is nothing too surprising. Based on Elliot wave pattern, it looks ES still performs an irregular wave 4, with each bounce and dip close to a 75% Fibonacci retracement of the sub-wave 2 of the final wave 5.

There are two possible scenarios here. In one, the irregular wave 4 needs to go further up to 906 area before it pulls back down to 825 area again. In the second, this is sub-wave 2 of the final wave 5; in this case ES should stall before 876 line and reverses from it to breakdown 816 line and make lows below 797.50 line to complete sub-wave 3. The speeches of Geithner and the news of the stimulus plan will help determine which scenario wins.

ESH9 DAILY Chart



## 6. TRADING STRATEGY FOR Feb. 9, 2009

Last week ES just missed filling the gap at 871.50. Today it could fill that gap in the early trading, especially on Sunday night. If ES stalls under 876 line and breakdown 852.25 in the morning, last Friday's low could be retested and the gap at 840.50 may also be filled. If ES breaks out 876-878 range, the next high 889-886 or higher to 896-898 should be expected first before the reversal starts. At 12pm, Treasury Secretary Geithner is expected to reveal how the Treasury Department intends to use the \$700 billion in TARP money. If the market likes it, price will go up. If doesn't, price will go down.

### ESH9 INTRADAY



### INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
<b>Sell level</b>	<b>876.00-875.50</b>	<b>886.50-889.00</b>	<b>896.00-898.00</b>
<b>Buy level</b>	<b>853.75-852.75</b>	<b>840.50-841.50</b>	<b>825.50-823.00</b>

## 7. PREDICTION FOR TODAY'S MOVEMENT

### Current (interval=3.91)

882.81	+2/8
878.91	+1/8
875.00	8/8
871.09	7/8
867.19	6/8
863.28	5/8
859.38	4/8
855.47	3/8
851.56	2/8
847.66	1/8
843.75	0/8
839.84	-1/8
835.94	-2/8

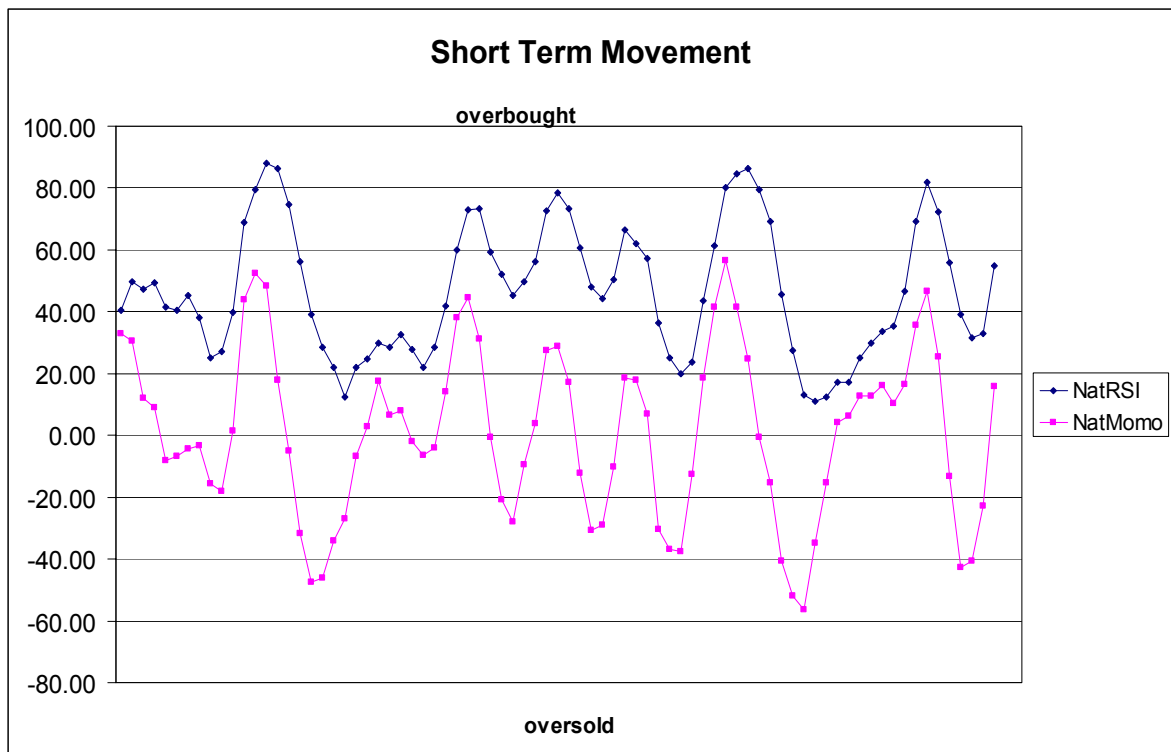
### Up (Interval=7.81)

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=3.91)

882.81	+2/8
878.91	+1/8
875.00	8/8
871.09	7/8
867.19	6/8
863.28	5/8
859.38	4/8
855.47	3/8
851.56	2/8
847.66	1/8
843.75	0/8
839.84	-1/8
835.94	-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
Feb 10	10:00	<a href="#">Wholesale Inventories</a>	Dec	-0.7%	-0.7%	-0.6%	
Feb 11	08:30	<a href="#">Trade Balance</a>	Dec	-\$36.0B	-\$37.0B	-\$40.4B	
Feb 11	10:35	Crude Inventories	02/06	NA	NA	7.2M	
Feb 11	14:00	<a href="#">Treasury Budget</a>	Jan	NA	-\$75.0B	-\$83.6B	
Feb 12	08:30	<a href="#">Initial Claims</a>	02/07	585K	610K	626K	
Feb 12	08:30	<a href="#">Retail Sales</a>	Jan	-0.2%	-0.3%	-2.7%	
Feb 12	08:30	<a href="#">Retail Sales ex-auto</a>	Jan	-0.2%	-0.4%	-3.1%	
Feb 12	10:00	<a href="#">Business Inventories</a>	Dec	-0.7%	-0.6%	-0.7%	
Feb 13	09:55	<a href="#">Mich Sentiment-Prel</a>	Feb	62.0	61.5	61.2	