



Daily Trading Plan for Feb. 17, 2009

1. ESH9 IN PREVIOUS DAY

Open	High	Low	Closing
831.00	840.50	818.75	820.00

2. PIVOTS FOR ESH9

	Daily	Weekly	Monthly	Yearly
R3	851.25	927.67	1058.42	2082.17
R2	844.50	900.33	1000.58	1781.33
R1	832.25	860.17	913.17	1340.67
PPT	825.50	832.83	855.33	1039.83
S1	813.25	792.67	767.92	599.17
S2	806.50	865.33	710.08	448.75
S3	794.25	725.17	622.67	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	837.25-839.50	870.75-875.50
2nd Sell level	846.50- 847.75	885.25-886.75
1st Buy level	794.75-792.00	802.75-799.50
2nd Buy level	773.50	773.00-777.00

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 826.84 on Friday for a net weekly loss of 41.76 points. In the past two weeks, the stock market was focused on the passage of the economic stimulus plan. The price went sideways, mainly nowhere.

This week it is option expiration week, and there is also lots of economic news being reported. The news could move the market sharply, especially in a short week.

Based on the \$SPX weekly chart, S&P 500 struggled to hold the price above the low of last year. Even though the major trend still remains on the downside, this could be the last stage of the first impulse decline movement. We may see a decent bear market rally from 738-731 range as soon as the testing of last year's low is complete.

Major monthly resistance level 1065 and support level is 750
 Weekly resistance level 850 and support level is 750

SPX WEEKLY CHART



5. DAILY OUTLOOK

After the disappointing Geithner plan, ES gave back almost all the gains from the previous week. It formed a double top pattern on recent price move.

Based on Elliott wave theory, ES is in the sub 3 wave process of wave 5. If it can break down the major psychological support level 800, the price could fall further to complete this sub 3 wave. There are several area that ES could reach (730.75, 719.00) but the main intention is testing last year's low area.

This is a short week because the market was closed on Monday. Plus there is a fairly heavy schedule of potential market-moving economic reports coming out, and option expiration week. High volatility moves should be expected.

ESH9 DAILY Chart



6. TRADING STRATEGY FOR Feb. 17, 2009

Last week ES successfully held price below our R1 level. It pushed price down above key support zone (805-797.50). Today if the price can hold itself below 829-826 range, ES may breakdown 800 to retest last month's low. If ES can hold the price above 808.75, it could move up to 834-835 area to retest last Friday's high. Today we may see a two-day move compressed into one day.

ESH9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	826.50-829.75	837.50-839.50	846.25-845.25
Buy level	802.75	794.75-792	775.50-773.50

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

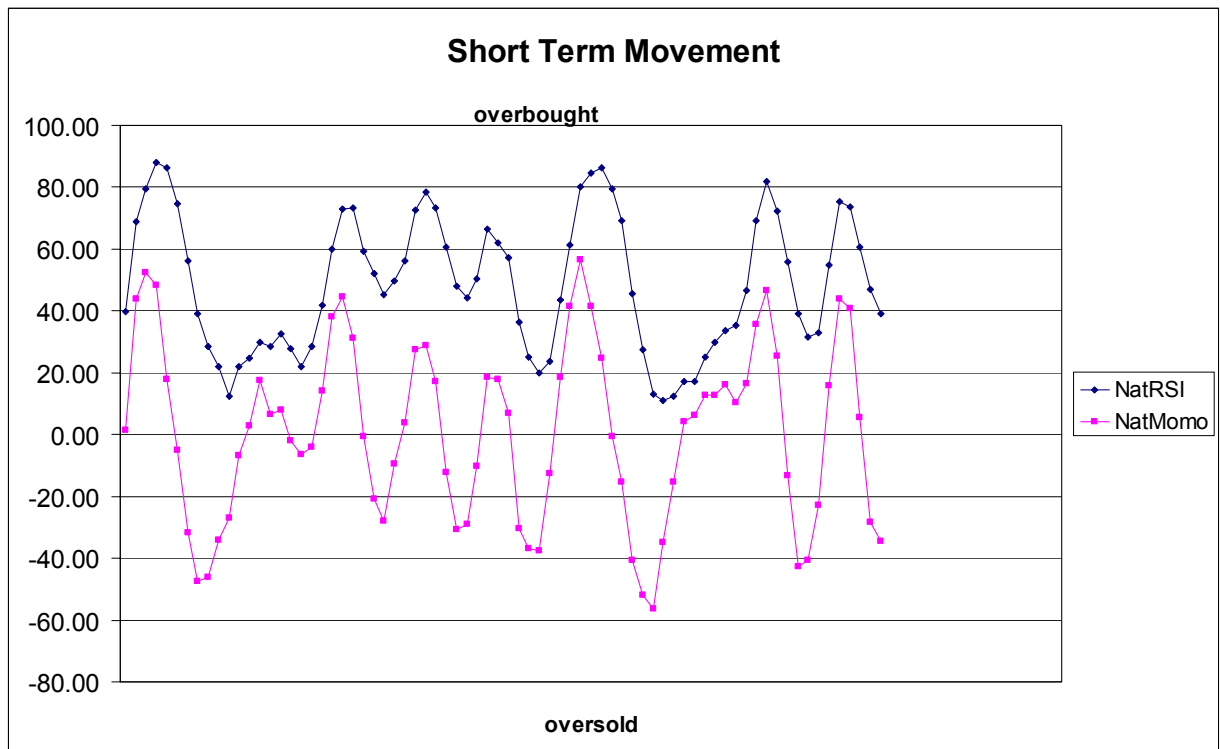
Up (Interval=3.91)

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=3.91)

835.94	+2/8
832.03	+1/8
828.13	8/8
824.22	7/8
820.31	6/8
816.41	5/8
812.50	4/8
808.59	3/8
804.69	2/8
800.78	1/8
796.88	0/8
792.97	-1/8
789.06	-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 17	08:30	Empire State Mfg.	Feb	NA	-24.0	-22.2	
Feb 17	09:00	Net Long-Term TIC Flows	Dec	NA	\$20.0B	-\$21.7B	
Feb 18	08:30	Housing Starts	Jan	NA	530K	550K	
Feb 18	08:30	Building Permits	Jan	NA	525K	547K	
Feb 18	08:30	Export Prices ex-ag.	Jan	NA	NA	NA	
Feb 18	08:30	Import Prices ex-oil	Jan	NA	NA	NA	
Feb 18	09:15	Capacity Utilization	Jan	NA	72.5%	73.6%	
Feb 18	09:15	Industrial Production	Jan	NA	-1.4%	-2.0%	
Feb 18	14:00	FOMC Minutes	Jan. 28	NA	NA	NA	
Feb 19	08:30	Core PPI	Jan	NA	0.1%	0.2%	
Feb 19	08:30	PPI	Jan	NA	0.2%	-1.9%	
Feb 19	08:30	Initial Claims	02/14	NA	615K	623K	
Feb 19	10:00	Leading Indicators	Jan	NA	0.0%	0.3%	
Feb 19	10:00	Philadelphia Fed	Feb	NA	-25.0	-24.3	
Feb 19	11:00	Crude Inventories	2/13	NA	NA	4.72M	
Feb 20	08:30	Core CPI	Jan	NA	0.1%	0.0%	
Feb 20	08:30	CPI	Jan	NA	0.3%	-0.7%	