



Daily Trading Plan for March. 2, 2009

1. ESH9 IN PREVIOUS DAY

Open	High	Low	Closing
735.25	750.75	732.50	734.25

2. PIVOTS FOR ESH9

	Daily	Weekly	Monthly	Yearly
R3	764.08	812.00	967.83	2082.17
R2	757.42	795.75	920.42	1781.33
R1	745.83	765.00	827.33	1340.67
PPT	739.17	748.75	779.92	1039.83
S1	727.58	718.00	686.83	599.17
S2	720.92	701.75	639.42	448.75
S3	709.33	671.00	546.33	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1 st Sell level	* 743.75-742 757.75- 758.50	766.50-765.50
2 nd Sell level	766.50- 768.75	795.75-798.00
1 st Buy level	721.50- 723.75	705.50
2 nd Buy level	705.50 - 703.25 *687-685	653.50

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 735.09 on Friday for a net weekly loss of 34.96 points. Last week, \$SPX tried to hold the price above last November's low early in the week, but on Friday, it followed \$INDU and \$DJT down and closed below last year's low. For us, the more important thing is that \$SPX closed below its previous bear market low 768.63, which is a significant long term support level. It indicates that a further decline should still be expected.

All economic reports in past week were not good. Home sales and prices continue to decline, Job losses continue to rise. No surprise that GDP and consumer confidence declined in Feb from Jan. We are in a bear market. Don't expect that the real economy will get better soon; in fact we should be thankful if it doesn't get worse in the coming month. The long list of economic reports coming out this week will give us some idea.

Based on the \$SPX weekly chart, S&P 500 has had 9 weeks on the downside, and it just closed slightly under last November's low. The current level area could be considered a double bottom area. But there are several downside targets (735, 723-21, 716.50, 705, 698 or 652 max) that still need to be completed before \$SPX makes a sustained correction. Also I repeat again, we need to see a big panic selling move to push market pessimism to an extreme level to complete the first impulse declining wave pattern. For now, we remain bearish.

Major monthly resistance level 875 and support level is 625
 Weekly resistance level 780 and support level is 650

SPX WEEKLY CHART



5. DAILY OUTLOOK

The market completely lost confidence in the bank bailout plan. Six straight months of decline have wiped out 12 year's gain. Whoever bought and held in those 12 years will lose their shirts... and probably their pants. The banking crisis is far from over. But the level of pessimism and fear from investors is very close to the level of the 2000-2003 bear market.

Based on daily chart, ES broke last year's low 739 line and closed under it. The price seems to already break down the previous support line, and a further decline to 706-704 or deeper to reach 666.25-652 range is possible in the coming days. A small CIT day is around Mar 5 or the following week. Also ES is near the first impulse declining wave low area. We need to wait for ES to show the strength on upside before we enter the buy side aggressively. But we also shouldn't short too aggressively on the new low level. We are at or near an inflection point.

ESH9 DAILY Chart



6. TRADING STRATEGY FOR March. 2, 2009

Last Friday ES gapped down at open, it did try to fill the gap in early in the session, but in the end it sold off for closing as traders covered their positions for the weekend. Also it broke the 739 line. Today we may see ES go down first to search for new support levels. It could be around 723-721 or 718-716 in the early morning. If ES can hold those levels, it may move up to retest 743.75 or higher to Friday's high area. A move below 716 would be bearish, the price could be pushed sharply down to 705-704 range.

ESH9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	735.25	743.75	755.50
Buy level	712.50	705.25	687- 685

7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=3.91)

757.81	+2/8
753.91	+1/8
750.00	8/8
746.09	7/8
742.19	6/8
738.28	5/8
734.38	4/8
730.47	3/8
726.56	2/8
722.66	1/8
718.75	0/8
714.84	-1/8
710.94	-2/8

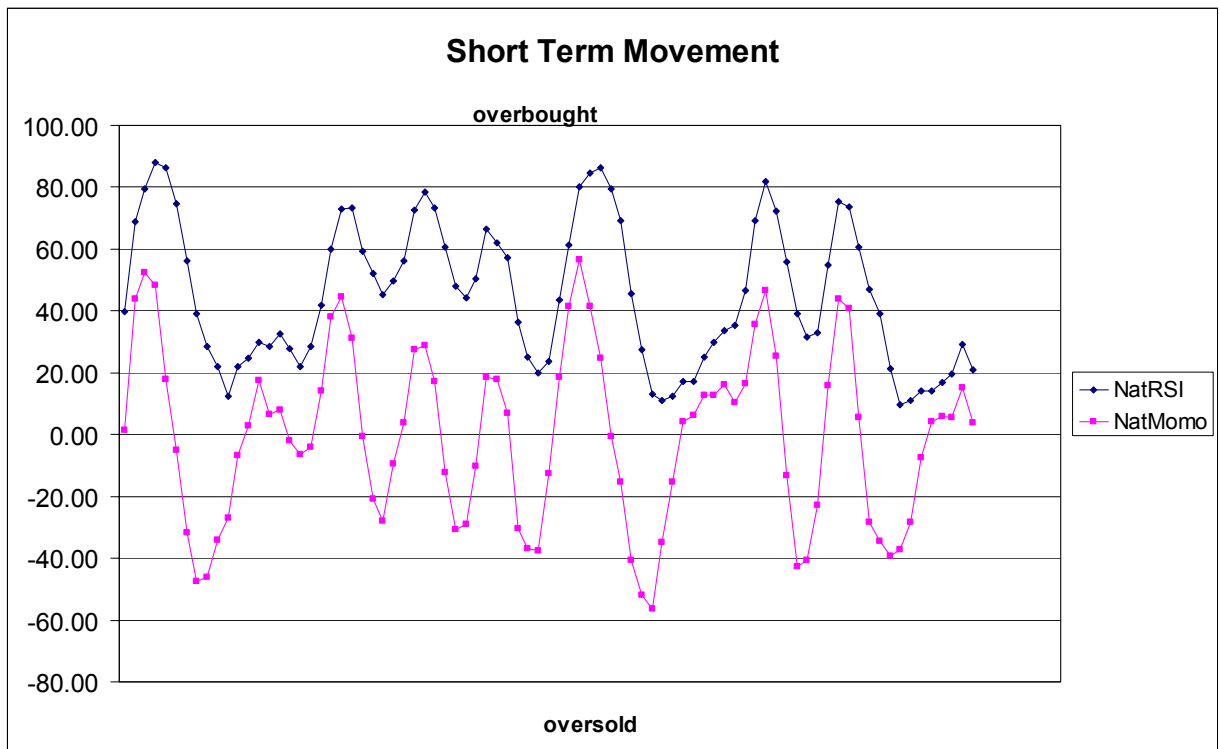
Up (Interval=7.81)

796.88	+2/8
789.06	+1/8
781.25	8/8
773.44	7/8
765.63	6/8
757.81	5/8
750.00	4/8
742.19	3/8
734.38	2/8
726.56	1/8
718.75	0/8
710.94	-1/8
703.13	-2/8

Down (Interval=7.81)

765.63	+2/8
757.81	+1/8
750.00	8/8
742.19	7/8
734.38	6/8
726.56	5/8
718.75	4/8
710.94	3/8
703.13	2/8
695.31	1/8
687.50	0/8
679.69	-1/8
671.88	-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
Mar 02	08:30	Personal Income	Jan	NA	-0.2%	-0.2%	
Mar 02	08:30	Personal Spending	Jan	NA	0.4%	-1.0%	
Mar 02	08:30	Core PCE	Jan	NA	0.1%	0.0%	
Mar 02	10:00	Construction Spending	Jan	NA	-1.5%	-1.4%	
Mar 02	10:00	ISM Index	Feb	NA	34.0	35.6	
Mar 03	10:00	Pending Home Sales	Jan	NA	-3.0%	6.3%	
Mar 03	14:00	Auto Sales	Feb	NA	NA	NA	
Mar 03	14:00	Truck Sales	Feb	NA	NA	NA	
Mar 04	08:15	ADP Employment Change	Feb	NA	-613K	-522K	
Mar 04	10:00	ISM Services	Feb	NA	41.3	42.9	
Mar 04	10:30	Crude Inventories	02/27	NA	NA	717K	
Mar 04	14:00	Fed Beige Book		NA	NA		
Mar 05	08:30	Productivity-Rev.	Q4	NA	1.6%	3.2%	
Mar 05	08:30	Unit Labor Costs	Q4	NA	3.4%	1.8%	
Mar 05	08:30	Initial Claims	02/28	NA	NA	NA	
Mar 05	10:00	Factory Orders	Jan	NA	-2.1%	-3.9%	
Mar 06	08:30	Average Workweek	Feb	NA	33.3	33.3	
Mar 06	08:30	Hourly Earnings	Feb	NA	0.3%	0.3%	
Mar 06	08:30	Nonfarm Payrolls	Feb	NA	-615K	-598K	
Mar 06	08:30	Unemployment Rate	Feb	NA	7.9%	7.6%	
Mar 06	14:00	Consumer Credit	Jan	NA	-\$4.0B	-6.6B	