



Daily Trading Plan for March. 9, 2009

1. ESH9 IN PREVIOUS DAY

Open	High	Low	Closing
689.00	699.25	665.75	687.75

2. PIVOTS FOR ESH9

	Daily	Weekly	Monthly	Yearly
R3	736.25	777.92	967.83	2082.17
R2	717.75	751.08	920.42	1781.33
R1	702.75	719.42	827.33	1340.67
PPT	684.25	692.58	779.92	1039.83
S1	669.25	660.92	686.83	599.17
S2	650.75	634.08	639.42	448.75
S3	635.75	602.42	546.33	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	708.50	729.50
2nd Sell level	718.50-617.75	751.50
1st Buy level	670.75	670.00
2nd Buy level	659.25-660.00	625.00

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 683.38 on Friday for a net weekly loss of 51.71 points. Last week \$SPX made new lows after it broke the 2008's low 741.02 in its previous week and closed more than 5% under that support level in the following week trading. It clearly states that the breakdown was strong and the market may not be able to rally back above last year's support level.

Based on the \$SPX weekly chart, S&P 500 hit its downtrend channel low boundary line. It bounced up sharply in last hour of Friday. But that doesn't mean the bear market is ended. We are in secular bear market. We may see price moves up to retest last week's broken support area which has now turned into a major resistance zone (741.02-750 range). Because the price broke down through the support level, any bounce may not live very long. There is a good chance we will see more panic selling in the coming weeks.

Major monthly resistance level 875 and support level is 625

Weekly resistance level 750 and support level is 625

SPX WEEKLY CHART



5. DAILY OUTLOOK

The market decisively broke its major support zone (739-723) and made news closing lows. Should the price continue declining toward 1996 or 1994's low? We can't eliminate that possibility.

Based on the economic reports, there is no sign for recovery. Citi group used to be the largest bank in the world, now it is a penny stock. You can buy a share of General Motors for less than a gallon of gas. Nothing seems working right now. We are in second wave of economic tsunami move. It will take time to restore the energy and rebuild our system before the economy recovers.

Based on daily chart, ES broke the 723 line which is decisive line for the double bottom and closed under it last Monday. Price then collapsed into the potential support line we identified in last Monday's weekly preview. ¹ Even though ES bounced from sharply 666.25 level, it may just CIT day effect. ES could bounce up 709-710 or a little further to 731.75-735 to test 2008's low before the price falls back down again.

ESH9 DAILY Chart



¹ On March 1 we wrote: *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.* Prescient.

6. TRADING STRATEGY FOR March. 9, 2009

Last Friday ES made a new low at 665.75. It bounced sharply for closing. Based on last hour action, it showed a little bullishness. Today if 670 line can be held up in overnight trading, ES could make a further bounce up to 699-703.50 or further to fill March 5 gap around 708.50-709 range (short entry). If it fails to hold 670 line during regular trading session, then last Friday's low 665-666 (long entry) range can be retested again.

ESH9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	703.50	709.75-710.50	718.50-720.50
Buy level	672.75-670	666-665.50	660- 659.25

7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=7.81)

703.13	+2/8
695.31	+1/8
687.50	8/8
679.69	7/8
671.88	6/8
664.06	5/8
656.25	4/8
648.44	3/8
640.63	2/8
632.81	1/8
625.00	0/8
617.19	-1/8
609.38	-2/8

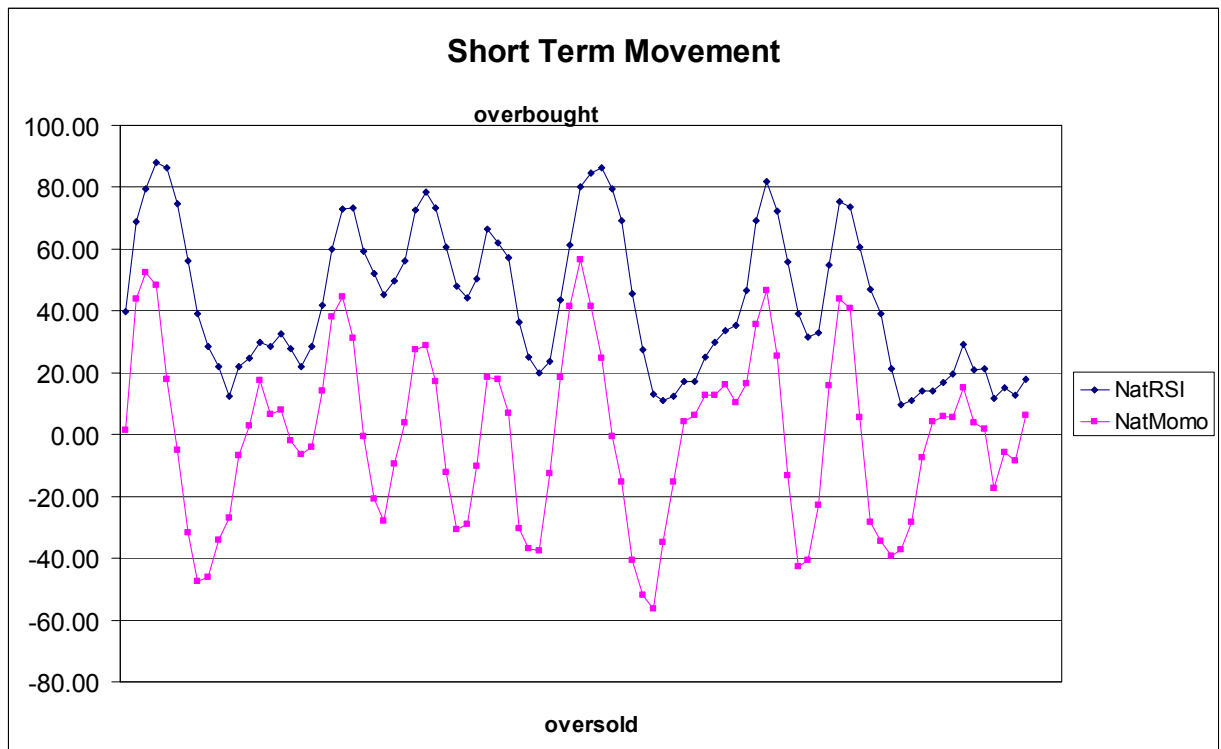
Up (Interval=3.91)

710.94	+2/8
707.03	+1/8
703.13	8/8
699.22	7/8
695.31	6/8
691.41	5/8
687.50	4/8
683.59	3/8
679.69	2/8
675.78	1/8
671.88	0/8
667.97	-1/8
664.06	-2/8

Down (Interval=7.81)

703.13	+2/8
695.31	+1/8
687.50	8/8
679.69	7/8
671.88	6/8
664.06	5/8
656.25	4/8
648.44	3/8
640.63	2/8
632.81	1/8
625.00	0/8
617.19	-1/8
609.38	-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 10	10:00	Wholesale Inventories	Jan	NA	-1.0%	-1.4%	
Mar 11	10:30	Crude Inventories	03/06	NA	NA	-757K	
Mar 11	14:00	Treasury Budget	Feb	NA	-\$200B	NA	
Mar 12	08:30	Initial Claims	03/07	NA	640K	639K	
Mar 12	08:30	Retail Sales	Feb	NA	-0.4%	1.0%	
Mar 12	08:30	Retail Sales ex-auto	Feb	NA	-0.2%	0.9%	
Mar 12	10:00	Business Inventories	Jan	NA	-1.1%	-1.3%	
Mar 13	08:30	Export Prices ex-ag.	Feb	NA	NA	0.0%	
Mar 13	08:30	Import Prices ex-oil	Feb	NA	NA	-0.8%	
Mar 13	08:30	Trade Balance	Jan	NA	-\$38.2B	-\$39.9B	
Mar 13	10:00	Mich Sentiment-Prel	Mar	NA	56.3	56.3	