



Daily Trading Plan for March. 23, 2009

1. ESM9 IN PREVIOUS DAY

Open	High	Low	Closing
783.75	785.00	761.50	764.00

2. PIVOTS FOR ESM9

	Daily	Weekly	Monthly	Yearly
R3	802.33	849.25	967.83	2082.17
R2	793.67	825.00	920.42	1781.33
R1	778.83	794.50	827.33	1340.67
PPT	770.17	770.25	779.92	1039.83
S1	755.33	739.75	686.83	599.17
S2	746.67	715.50	639.42	448.75
S3	731.83	685.00	546.33	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	778.50-779.50	820.00-821.75
2nd Sell level	793.00-795.50	855.25-857.00
1st Buy level	755.25-753.75	721.00-724.00
2nd Buy level	738.75-737.25	692.75-692.75

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 768.54 on Friday for a net weekly gain of 11.99 points. Even though the market pulled back down 4.5% from 800 area high in the last two days, \$SPX still held up more than 14% — a significant gain.

Since November 2007 the stock market has had 16 consecutive declining months and broke last bear market's low decisively. It went into a long term deeply oversold condition. Since the new low 666.79 on Mar 6, 2009, expectations for the long term recovery of earnings and the economy have been raised. In addition, the U.S government intervened dramatically and market sentiment changed very quickly from extreme bearish into the somewhat bullish. Is this the low? My answer "maybe".

Triple witch expiration day is behind us. Focusing on the chart is our major job. So far \$SPX is only retesting the 2003 bear market low, which was a firm support level. Last Friday \$SPX still closed slightly below that low. It indicates that price is in the indecision range; it still could go either direction this week. For upside, 855.50 can be reached if 742 line holds. For downside, 700 line can be retested if 739 line fails to hold. This week, economic reports (see the list below) will play a major role.

Major monthly resistance level 875 and support level is 625
 Weekly resistance level 850 and support level is 700

SPX WEEKLY CHART



5. DAILY OUTLOOK

ES formed a short-term TOP. In the past two days, it was in a correction process. Market sentiment shifted too fast too soon, leading the price to bounce too sharply in the past 7 days' rally. Short-term overbought; a further pullback in the beginning of the week should be expected.

The price action last week did give some encouragement to the bulls. Upside momentum pushed the price above last Jan's low which indicates the March 6 low could be the end of the first impulse declining wave. The upward correction could continue for several weeks or months.

Step by step. First for today we should pay attention on how low ES could go. Below the current price, there are three major support levels (748.50, 739 and 721-24; see chart). The price could bounce from each of those support levels. There was a major breakout movement at 723.50 level last week. A move below 721 line will be negative. As long as ES doesn't breach last major support zone, **BUY ON DIP** still is our strategy in the coming days.

ESM9 DAILY Chart



6. TRADING STRATEGY FOR March. 23, 2009

Last Friday ES had a second retracement day. Today ES may go down a little further to 748-749 (First buy) area to search for support. Based on 60min chart, the current down move is only a correction move from past 7 days' rally. Small a-b-c pattern possible to form a big B bottom. The B bottom could be landing around 739 area or lower to 724-21 range depending how market sentiment shows.

ESM9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	777.00-779.25	785.75	793.00-795.00
Buy level	755.50-753.00	746.00-745.50	735.25-731.75

7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=3.91)

789.06	+2/8
785.16	+1/8
781.25	8/8
777.34	7/8
773.44	6/8
769.53	5/8
765.63	4/8
761.72	3/8
757.81	2/8
753.91	1/8
750.00	0/8
746.09	-1/8
742.19	-2/8

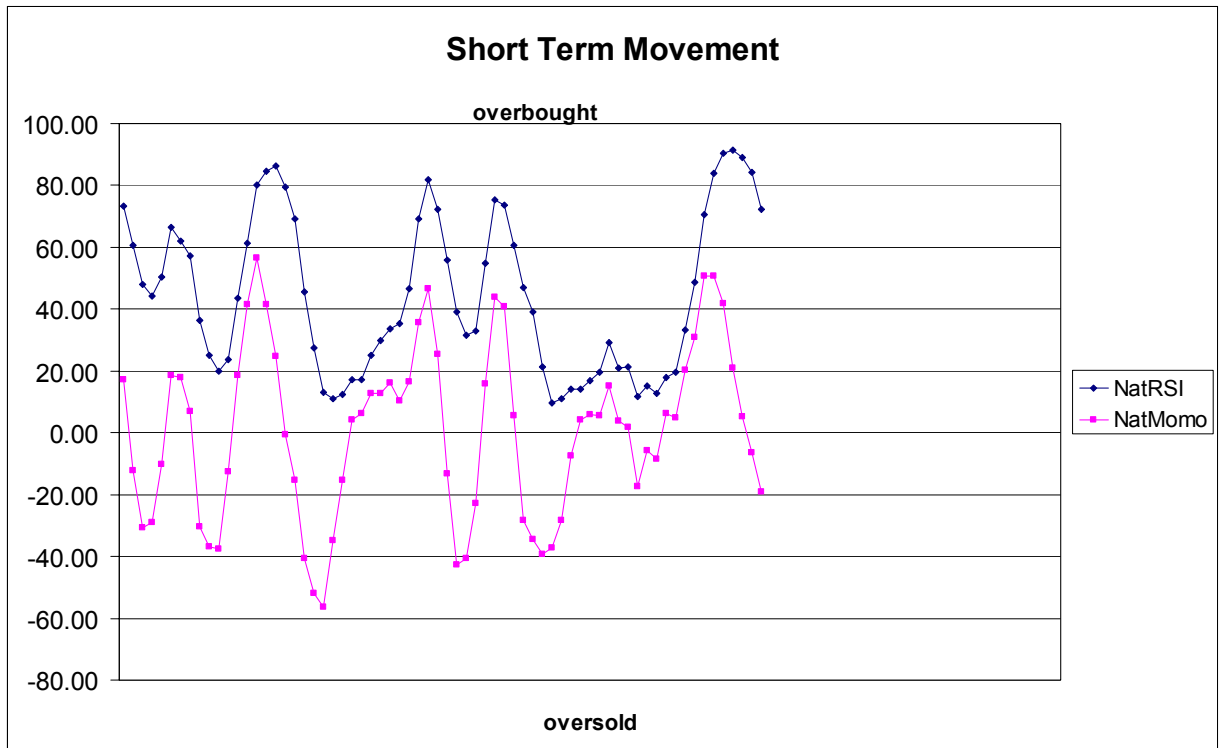
Up (Interval=3.91)

804.69	+2/8
800.78	+1/8
796.88	8/8
792.97	7/8
789.06	6/8
785.16	5/8
781.25	4/8
777.34	3/8
773.44	2/8
769.53	1/8
765.63	0/8
761.72	-1/8
757.81	-2/8

Down (Interval=3.91)

773.44	+2/8
769.53	+1/8
765.63	8/8
761.72	7/8
757.81	6/8
753.91	5/8
-750.00	4/8
746.09	3/8
742.19	2/8
738.28	1/8
734.38	0/8
730.47	-1/8
726.56	-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 23	10:00	Existing Home Sales	Feb	NA	4.45M	4.49M	
Mar 25	08:30	Durable Goods Orders	Feb	NA	-2.0%	-5.2%	
Mar 25	08:30	Durables, Ex-Transportation	Feb	NA	-2.0%	-2.5%	
Mar 25	10:00	New Home Sales	Feb	NA	300K	309K	
Mar 25	10:30	Crude Inventories	03/20	NA	NA	+1942K	
Mar 26	08:30	Initial Claims	03/21	NA	650K	NA	
Mar 26	08:30	Q4 GDP - Final	Q4	NA	-6.6%	-6.2%	
Mar 26	08:30	GDP Price Index	Q4	NA	0.5%	0.5%	
Mar 27	08:30	Personal Income	Feb	NA	-0.1%	0.4%	
Mar 27	08:30	Personal Spending	Feb	NA	0.3%	0.6%	
Mar 27	09:55	Mich Sentiment-Rev	Mar	NA	56.0	NA	