



Daily Trading Plan for April 13, 2009

1. ESM9 IN PREVIOUS DAY

Open	High	Low	Closing
842.50	854.50	839.00	852.50

2. PIVOTS FOR ESM9

	Daily	Weekly	Monthly	Yearly
R3	873.83	911.50	1026.33	2082.17
R2	864.17	883.00	928.42	1781.33
R1	858.33	867.75	861.58	1340.67
PPT	848.67	839.25	763.67	1039.83
S1	842.83	824.00	696.83	599.17
S2	833.17	795.50	598.92	448.75
S3	827.33	780.25	532.08	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	864.25- 866.25	881.25- 877.50
2nd Sell level	875.25- 877.50	917.00- 920.00
1st Buy level	831.75-830.00	823.50-821.25
2nd Buy level	823.50-821.25	792.75-796.00

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 856.56 on Friday for a net weekly gain of 14.06 points. The rally continued last week, especially last Thursday; the increasing upside volume suggests the current rally is heading towards our predicted target area around 950.

Last week was a short week due to the holiday Friday. After a small retracement the first two days, \$SPX resumed its rally. The short term overbought conditions were being cleared by small corrections — acting like a bull market. Many people will think this is the beginning of a new bull market. We don't have a long term buying confirmation, it is too early to call this a new bull market. We can treat the current rally as a counter rally.

Based on weekly chart, SPX still is in the testing process, but the chart shows a possible bullish pattern in the near term. The weekly closing price was above the first resistance level by 5.2 points. That is not 100% confirmation of a breakout of that resistance line, but it indicates a breakout is probable.

A break above 859.50 line will be bullish. It is likely for price to move higher to 872-875 area to fill Jan. 29's gap or higher to 884-886 range for option game target. A move below 840-839 range will be a little negative, and a small pullback into 831-830 or lower to 822-819 range is possible. No matter how much the price pulls back, buyers are lining up to buy on the major support area. As long as 775-800 range holds up firmly, **BUY ON DIP** still should be the current trading strategy.

Major monthly resistance level 1000 and support level is 775
 Weekly resistance level 900 and support level is 800

SPX WEEKLY CHART



5. DAILY OUTLOOK

ES may be forming a inverted H&S pattern on a daily basis (CHART below). It is possible for ES to reach the first neckline 878-876 area this week before it pulls back to form a right shoulder low.

The 20/40 daily moving average line crossed last week and gave us a buying signal. If ES continues to rally and behave in a bullish way, the daily buying signal could be upgraded to a weekly buying signal. If so, it is possible to create a bull market; but so far, the weekly buying signal still hasn't given yet.

So step by step. First we focus on our pattern. Short term target 875 remains intact if today ES makes a continuation high in the early morning first, and tomorrow we see ES pullback down to form the right shoulder's low. That low could be around 821-819 or lower to 804-799 area. If ES goes down first, it will search for support around 830-831 or lower to 821-819 area; then watch to see if price is pushed back up to the opening area in the last hour trading.

This week is option expiration week, plus lots of important economic reports and many earning reports. Choppiness and high volatility should be expected.

ESM9 DAILY Chart



6. TRADING STRATEGY FOR April 13, 2009

Last Thursday ES gapped up strongly and held up for high closing. This is bullish behavior, but it could also be holiday behavior too. Today as long as last Thursday's gap holds up, the market is bullish. The price is likely to move up to 859.50 or higher to 863-864.50 (SHORT entry). If ES breaks down 839 line, it is likely for it to move down to attempt to fill last Thursday's gap around 822.50-820 (LONG entry). 855-856 range is key for upside and 839-837.50 range is key for downside.

ESM9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	864.25	875.00 - 877.50	884.25-886.50
Buy level	840.75-838.75	831.00-827.75	821.25-819.50

7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

855.47	+2/8
853.52	+1/8
851.56	8/8
849.61	7/8
847.66	6/8
845.70	5/8
843.75	4/8
841.80	3/8
839.84	2/8
837.89	1/8
835.94	0/8
833.98	-1/8
832.03	-2/8

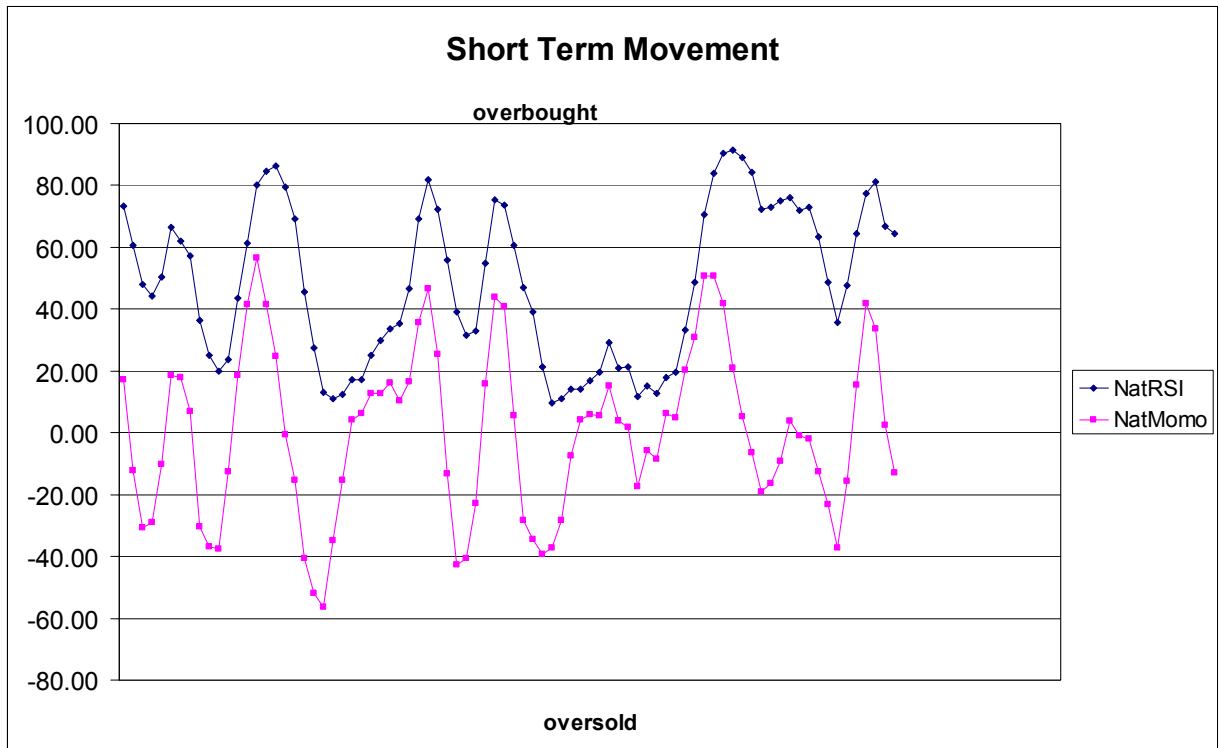
Up (Interval=3.91)

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

Down (Interval=3.91)

867.19	+2/8
863.28	+1/8
859.38	8/8
855.47	7/8
851.56	6/8
847.66	5/8
843.75	4/8
839.84	3/8
835.94	2/8
832.03	1/8
828.13	0/8
824.22	-1/8
820.31	-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
Apr 14	08:30	Core PPI	Mar		NA	0.1%	0.2%
Apr 14	08:30	PPI	Mar		NA	0.0%	0.1%
Apr 14	08:30	Retail Sales	Mar		NA	0.3%	-0.1%
Apr 14	08:30	Retail Sales ex-auto	Mar		NA	0.1%	0.7%
Apr 14	10:00	Business Inventories	Feb		NA	-1.1%	-1.1%
Apr 15	08:30	Core CPI	Mar		NA	0.1%	0.2%
Apr 15	08:30	CPI	Mar		NA	0.2%	0.4%
Apr 15	08:30	Empire Manufacturing	Apr		NA	-35.0	-38.2
Apr 15	09:00	Net Long-Term TIC Flows	Feb		NA	NA	-\$43.0B
Apr 15	09:15	Capacity Utilization	Mar		NA	69.7%	70.9%
Apr 15	09:15	Industrial Production	Mar		NA	-0.9%	-1.4%
Apr 15	10:30	Crude Inventories	04/10		NA	NA	+1645K
Apr 15	14:00	Fed's Beige Book					
Apr 16	08:30	Building Permits	Mar		NA	550K	547K
Apr 16	08:30	Housing Starts	Mar		NA	550K	583K
Apr 16	08:30	Initial Claims	04/11		NA	NA	654K
Apr 16	10:00	Philadelphia Fed	Apr		NA	-32.0	-35.0
Apr 17	09:55	Mich Sentiment-Prel	Apr		NA	58.5	57.3