



Daily Trading Plan for April 20, 2009

1. ESM9 IN PREVIOUS DAY

Open	High	Low	Closing
863.75	872.00	856.75	866.75

2. PIVOTS FOR ESM9

	Daily	Weekly	Monthly	Yearly
R3	888.83	922.50	1026.33	2082.17
R2	880.42	897.25	928.42	1781.33
R1	873.58	882.00	861.58	1340.67
PPT	865.17	856.75	763.67	1039.83
S1	858.33	841.50	696.83	599.17
S2	849.92	816.25	598.92	448.75
S3	843.08	801.00	532.08	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	876.25-877.50	892.25- 895.25
2nd Sell level	886.25-887.25	916.75 - 921.00
1st Buy level	851.00-849.25	813.25-809.75
2nd Buy level	841.50-842.00	798.25 -796.00

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 869.60 on Friday for a net weekly gain of 13.04 points. The rally from March's low to last Friday's closing has more than a 30% gain. This rally occurred on very short notice and in a short period of time. It started from an extremely oversold market condition and squeezed higher towards the option expiration day. We haven't seen a movement of this type in recent years; but now it is time for the rally to prove if it is real or not, by climbing to a higher level.

For the past several weeks our daily plan said to **BUY on DIP** almost every day. But this week, we have to change our overall trading strategy to **"wait for a clear market direction signal before we jump in."** There are two possible outcomes: a continuation high movement or a sharp decline in very short period of time with a bounce up later. We need a signal before we attempt to decide.

Based on weekly chart, SPX closed above 20 weekly moving average line, which is bullish, and it is possible for price to move higher to 950 area to test the broken low line of the previous year's long-term downtrend channel. In addition there is a potential inverted H&S pattern which also indicates a continuation high is possible. If SPX can hold above 850 line and breakout 875 line, the buyers will favor higher 950 line move.

On the other hand, the volume was decreasing when the price moved high last Friday. Market sentiment switched from low to high level. Last week's economic reports and news were not all good. Bankruptcy and Credit card losses still have not been accounted for. If SPX fails to hold up 853 level, specially 843.75 line, a sharp decline to 800-790 range should be expected. Major monthly resistance level 1000 and support level is 775
Weekly resistance level 950 and support level is 775

SPX WEEKLY CHART



5. DAILY OUTLOOK

ES pushed the price to the new highs on Friday with declining volume. In the short-term, a pullback is likely.

There is a rising bearish wedge pattern on daily chart, plus the first inverted H&S pattern neckline just above the current price level. It is likely for ES to pause or pullback into 850 area today. If there is a big gap down at open this morning, then a sharp declining movement should be expected.

ES had a weekly NR7 this week, and high volatility should be expected. A break above 888 will be bullish; the price could be pushed up to 925 or higher to 950 area. A move below 840 will be negative; the downside momentum could push in 809 area or lower to 798. Any price below 790 area, we should look for major support level for next upside move.

ESM9 DAILY Chart



6. TRADING STRATEGY FOR April 20, 2009

Today is CIT day. ES could make a new high in the early morning and reversal sharply. The key line is around 848 area. ES may go up first to make a strong gap up to 886-887 (short entry) area to trap the buyers. If 848 line fails to hold up later, the rising wedge pattern is broken, and could lead to strong selling. If ES goes down first, especially if it moves below 848 line before open, we should wait for 9:40am or later to go long on first attempt to close half the gap. Otherwise, buyers may have to wait for later opportunity.

ESM9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	877.50-880.50	887.75	891.75-894.50
Buy level	851.50-849.25	842.00-841.50	826.25-825.25

7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=1.95)

878.91	+2/8
876.95	+1/8
875.00	8/8
873.05	7/8
871.09	6/8
869.14	5/8
867.19	4/8
865.23	3/8
863.28	2/8
861.33	1/8
859.38	0/8
857.42	-1/8
855.47	-2/8

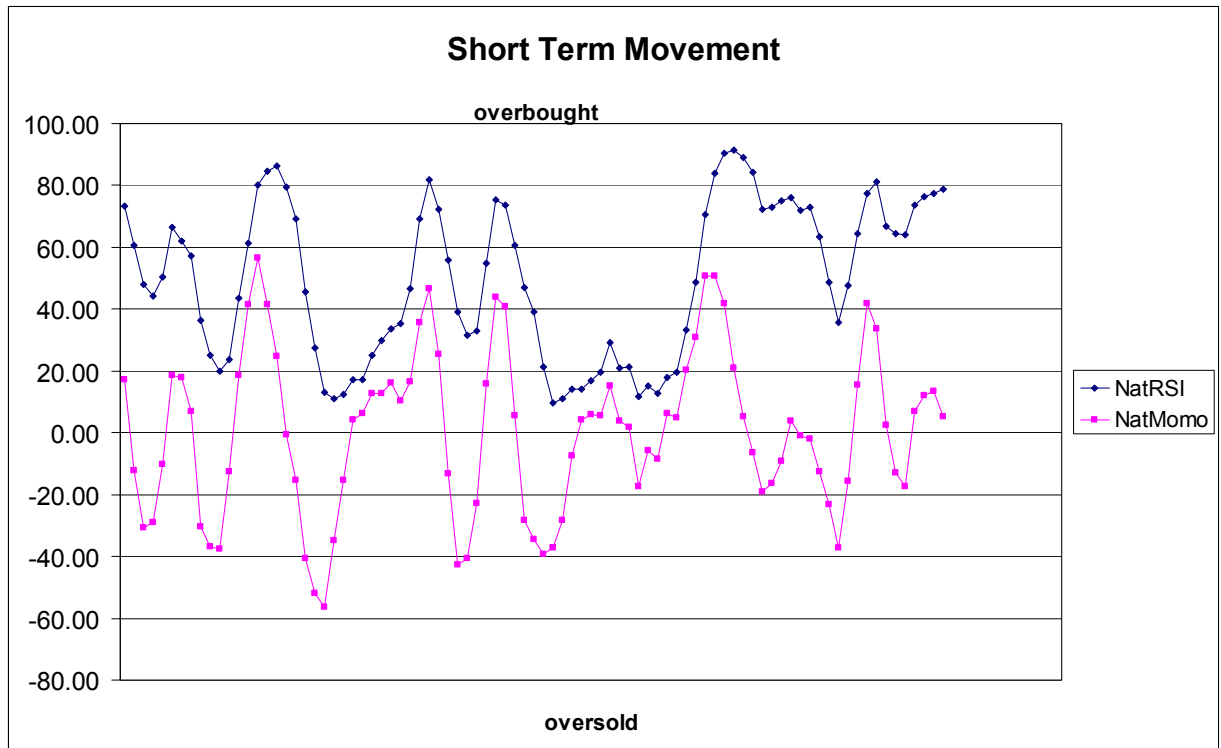
Up (Interval=3.91)

898.44	+2/8
894.53	+1/8
890.63	8/8
886.72	7/8
882.81	6/8
878.91	5/8
875.00	4/8
871.09	3/8
867.19	2/8
863.28	1/8
859.38	0/8
855.47	-1/8
851.56	-2/8

Down (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

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 20	10:00	Leading Indicators	Mar		NA	-0.2%	-0.4%
Apr 22	10:35	Crude Inventories	04/17		NA	NA	+5670K
Apr 23	08:30	Initial Claims	04/18		NA	630K	610K
Apr 23	10:00	Existing Home Sales	Mar		NA	4.65M	4.72M
Apr 24	08:30	Durable Orders	Mar		NA	-1.5%	5.1%
Apr 24	08:30	Durable Orders, Ex-Auto	Mar		NA	-1.2%	3.9%
Apr 24	10:00	New Home Sales	Mar		NA	340K	337K