



Daily Trading Plan for May 11, 2009

1. ESM9 IN PREVIOUS DAY

Open	High	Low	Closing
915.75	927.75	909.75	924.75

2. PIVOTS FOR ESM9

	Daily	Weekly	Monthly	Yearly
R3	949.75	990.75	1017.58	2082.17
R2	938.75	959.25	951.67	1781.33
R1	931.75	942.00	910.83	1340.67
PPT	920.75	910.50	844.92	1039.83
S1	913.75	893.25	804.08	599.17
S2	902.75	861.75	738.17	448.75
S3	895.75	844.50	697.33	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	932.50-935.00	945.75-947.00
2nd Sell level	943.25-946.00	974.00-978.25
1st Buy level	906.50-903.50	880.25-875.50
2nd Buy level	893.75-891.75	866.00-862.25

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 929.23 on Friday for a net weekly gain of 51.71 points. The bank stress test was finally released last week. There was no panic reaction to that news; it was deliberately leaked piece by piece before the final test announcement. The market had been fully absorbed and anticipated the banking sector would perform better in the future. The rally continued and immediately invited the hedge funds into the party.

The SPX steadily approaches the long term resistance level (40 and 50 weekly moving average line). There is a rising wedge pattern on the weekly chart, which indicates a decline for correction is near. But this decline may not last very long.

This week is option expiration week. The option site has been very active lately. We may see the price to hold above 900 line. Bulls are fighting for 950 or higher, and bears are fighting for 900 or little lower to 890 area due to option expiration week. Lots of Economic reports will be out this week, plus Ben will speak on Monday. In the past, the market declined on every time he spoke. But his appearances have been positive recently. All of external events may influence the price fluctuation.

Major monthly resistance level 1025 and support level is 800
 Weekly resistance level 962 and support level is 890

SPX WEEKLY CHART



5. DAILY OUTLOOK

ES entered into the third consolidation range. This week, we may see a range sideways move until option expiration week ends. The top range is around 953-956 area, the bottom range is around 890 area. As long as this third consolidation range doesn't get breached, the price is likely traveling inside it.

Today we may see ES attempt to move up to fill Jan 7's gap around 931-935 area. A move above 937.50 is bullish. The price could be pushed up to the major resistance zone 943-946 area. A break below 909.75 will be negative. The price could be pushed down to 900-898 area. Nevertheless, the 889-875 range needs to hold up for option expiration day. Otherwise, it will give bear courage that right shoulder's low could be on the way.

The market bullish sentiment been picked up very fast in the past two days. Too bullish may not be a good thing. A correction in the coming days or next week should be expected. This correction may not be significantly, but definitely needed.

ESM9 DAILY Chart

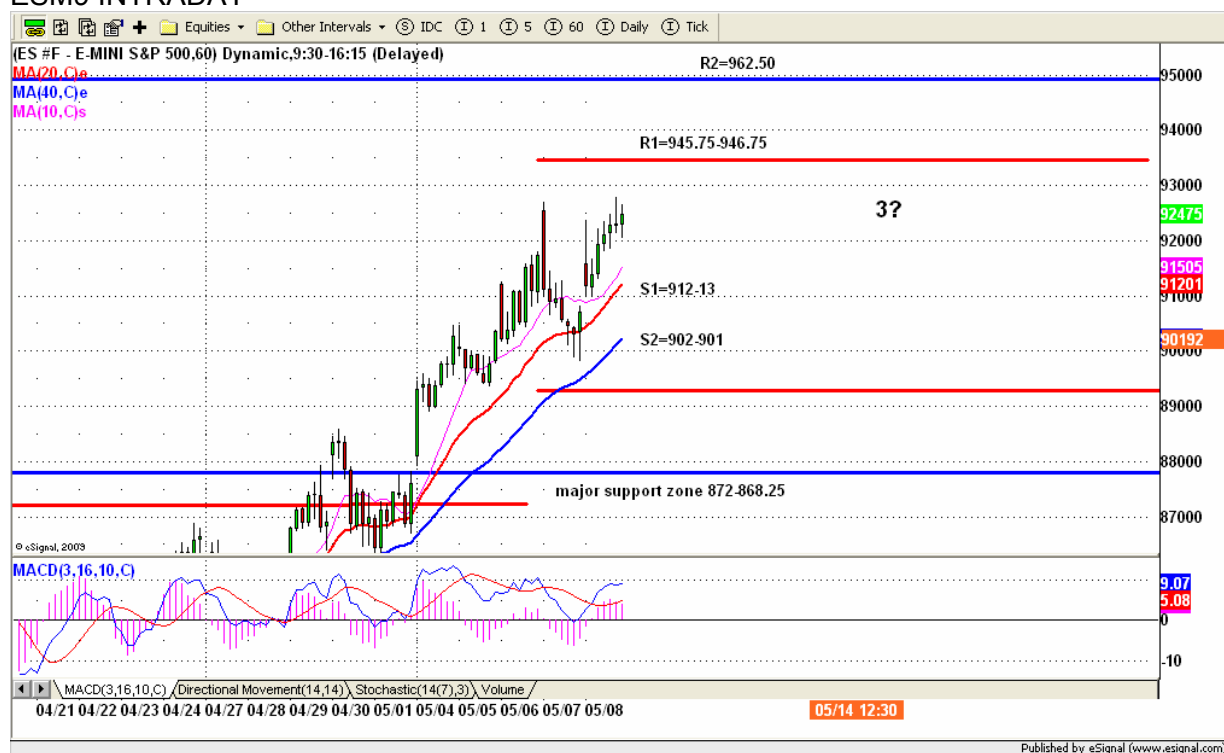


6. TRADING STRATEGY FOR May 11, 2009

Today we need to pay attention to last week's high. Because on H&S pattern on daily chart, the time is due to test the neckline and the decline to make a right shoulder low should be started soon. If last week's high can hold price down firmly, today we first look for a repeat of Friday's range or lower to fill last Friday's gap at 907. Second later in the day, price could bounce from the low.

Last Friday the put/call ratio moved up again. It indicates the buyers' side retains their energy and won't give up so easily. Especially those hedge funds just recently get into the party. However those funds are often acting at the wrong time and the music may end soon for temporary resting.

ESM9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	932.50-935.50	943.75-956.75	953.25-956.00
Buy level	906.50-903.50	893.75-891.25	875.00-877.00

7. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=3.91)

945.31	+2/8
941.41	+1/8
937.50	8/8
933.59	7/8
929.69	6/8
925.78	5/8
921.88	4/8
917.97	3/8
914.06	2/8
910.16	1/8
906.25	0/8
902.34	-1/8
898.44	-2/8

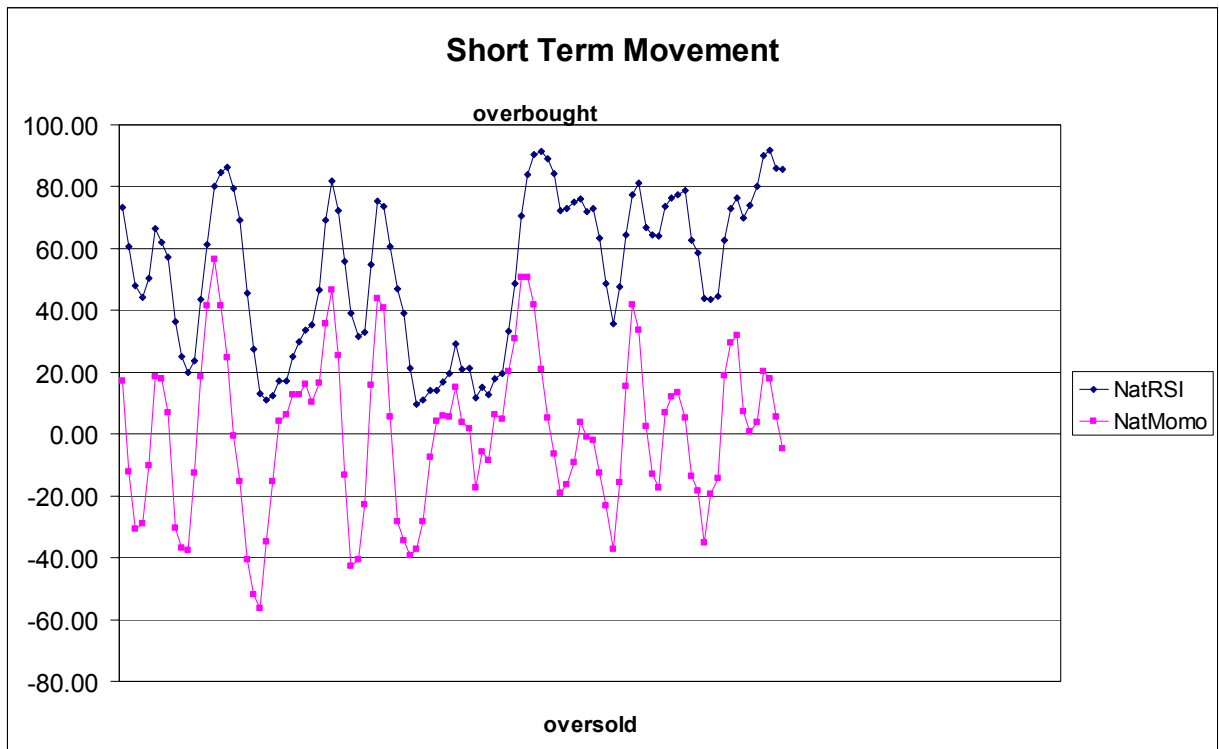
Up (Interval=3.91)

960.94	+2/8
957.03	+1/8
953.13	8/8
949.22	7/8
945.31	6/8
941.41	5/8
937.50	4/8
933.59	3/8
929.69	2/8
925.78	1/8
921.88	0/8
917.97	-1/8
914.06	-2/8

Down (Interval=3.91)

945.31	+2/8
941.41	+1/8
937.50	8/8
933.59	7/8
929.69	6/8
925.78	5/8
921.88	4/8
917.97	3/8
914.06	2/8
910.16	1/8
906.25	0/8
902.34	-1/8
898.44	-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
May 12	08:30	Trade Balance	Mar		NA	-\$29.2B	-\$26.0B
May 12	14:00	Treasury Budget	Apr		NA	-\$63.0B	\$159.3B
May 13	08:30	Export Prices ex-ag.	Apr		NA	NA	0.1%
May 13	08:30	Import Prices ex-oil	Apr		NA	NA	-0.6%
May 13	08:30	Retail Sales	Apr		NA	-0.1%	-1.2%
May 13	08:30	Retail Sales ex-auto	Apr		NA	0.0%	-1.0%
May 13	10:00	Business Inventories	Mar		NA	-1.1%	-1.3%
May 13	10:30	Crude Inventories	05/08		NA	NA	+605K
May 14	08:30	Core PPI	Apr		NA	0.1%	0.0%
May 14	08:30	Initial Claims	05/09		NA	NA	601K
May 14	08:30	PPI	Apr		NA	0.1%	-1.2%
May 15	08:30	Core CPI	Apr		NA	0.1%	0.2%
May 15	08:30	CPI	Apr		NA	0.0%	-0.1%
May 15	08:30	Empire Manufacturing	May		NA	-15.00	-14.65
May 15	09:00	Net Long-Term TIC Flows			NA	NA	\$22.0B
May 15	09:15	Capacity Utilization	Apr		NA	68.9%	69.3%
May 15	09:15	Industrial Production	Apr		NA	-0.6%	-1.5%
May 15	09:55	Mich Sentiment-Prel	May		NA	65.0	65.1