



## Daily Trading Plan for June 1, 2009

### 1. ESM9 IN PREVIOUS DAY

Open	High	Low	Closing
909.75	925.25	902.25	918.00

### 2. PIVOTS FOR ESM9

	Daily	Weekly	Monthly	Yearly
R3	955.25	986.92	1008.25	2082.17
R2	941.50	957.33	968.00	1781.33
R1	929.75	937.67	943.00	1340.67
<b>PPT</b>	<b>916.00</b>	<b>908.08</b>	<b>902.75</b>	<b>1039.83</b>
S1	904.25	888.42	877.75	599.17
S2	890.50	858.83	837.50	448.75
S3	878.75	839.17	812.50	298.33

### 3. FOCUS NUMBERS

	Daily	Weekly
<b>1<sup>st</sup> Sell level</b>	<b>928.75-933.25</b>	<b>938.25-940.25</b>
<b>2<sup>nd</sup> Sell level</b>	<b>937.50-939.75</b>	<b>951.25-854.50</b>
<b>1<sup>st</sup> Buy level</b>	<b>906.25-904.25</b>	<b>875.25-871.50</b>
<b>2<sup>nd</sup> Buy level</b>	<b>896.75-898.25</b>	<b>848.75-850.25</b>

#### 4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 919.14 on Friday for a net weekly gain of 32.14 points. Last Friday the price went sideways for most of the day until last 15 minutes, when the large buy programs came into the market and spiked the price up to improve the close for the month of May.

This week a heavy schedule of economic reports will be out day by day. Those reports could move the market in one direction or the other. In the past three weeks, the market mainly went sideways for contraction move. Now it is at the critical level.

Market sentiment remains bullish, many thanks our media who keep giving hope to the public, using tiny little signs for economy recovery by comparing lowest figures from historically low economic reports. But little signs are not what we hope for. We have to ask many questions: why do housing prices still drop? Why does GM need to declare bankruptcy on Monday? There are very large number of unemployed people; what will they use to pay for food and housing? Are we really seeing the economic bottom? I remain extremely skeptical.

Based on Monthly Chart and Elliottwave structure, the SPX completed its 1<sup>st</sup> primary wave in March, and started the 2<sup>nd</sup> primary wave. The 2<sup>nd</sup> primary wave is not ended yet. It likely makes a continuation high again. This week before Thursday, the market should tell us its decision.

Based on Fibonacci retracement, 1015 area is a likely target for the SPX if it can breakout 958 first resistance line.

#### SPX MONTHLY CHART



Based on the daily chart (below), there is range contraction pattern forming during the past three weeks. On a break above 935 line, it is possible for SPX to move higher to retest key resistance level 943-958 zone. On a failure to breakout the resistance level, but instead a breakdown of the support level 875, then our last prediction low 827-830 could be seen.

### SPX DAILY CHART



Major monthly resistance level 985 and support level is 827  
 Weekly resistance level 958 and support level is 875

## 5. DAILY OUTLOOK

In the past three weeks, ES has broken 10 and 20-day EMA support line two times, and later the price was pushed back up by investors. It formed a short term double bottom pattern and triple tops within a broad trading range. This week, ES needs to make a decision on which way it should go.

On the daily SST indicator, it is more likely for ES to make a breakout to the upside. A move above 931.75 is bullish. The price is likely being pushed up to 943 or higher to 950 area. But due to range pattern, today we may see a fake breakout high around 932.50-933.50 range and a close below 925 to shake out shorts. If this movement occurs, we may see ES move down to re-test last Friday's low area.

ESM9 DAILY Chart



## 6. TRADING STRATEGY FOR June 1, 2009

Because last Friday was the last trading day of May, window dressing in the last hour pushed the price up for closing. Today 912 is key level. If ES fails to hold this level, the price could move back down to 905.75-903.75 range (buy entry). If ES can hold 912 overnight, we may see price being pushed up to 929.50-930 range or little higher to 933-936 (short entry) in the early morning.

### ESM9 INTRADAY



### INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
<b>Sell level</b>	<b>925.75-929.50</b>	<b>938.75-940.25</b>	<b>948.75-951.25</b>
<b>Buy level</b>	<b>907.75-908.00</b>	<b>902.25-903.00</b>	<b>896.75-894.75</b>

## 7. PREDICTION FOR NEXT DAY'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

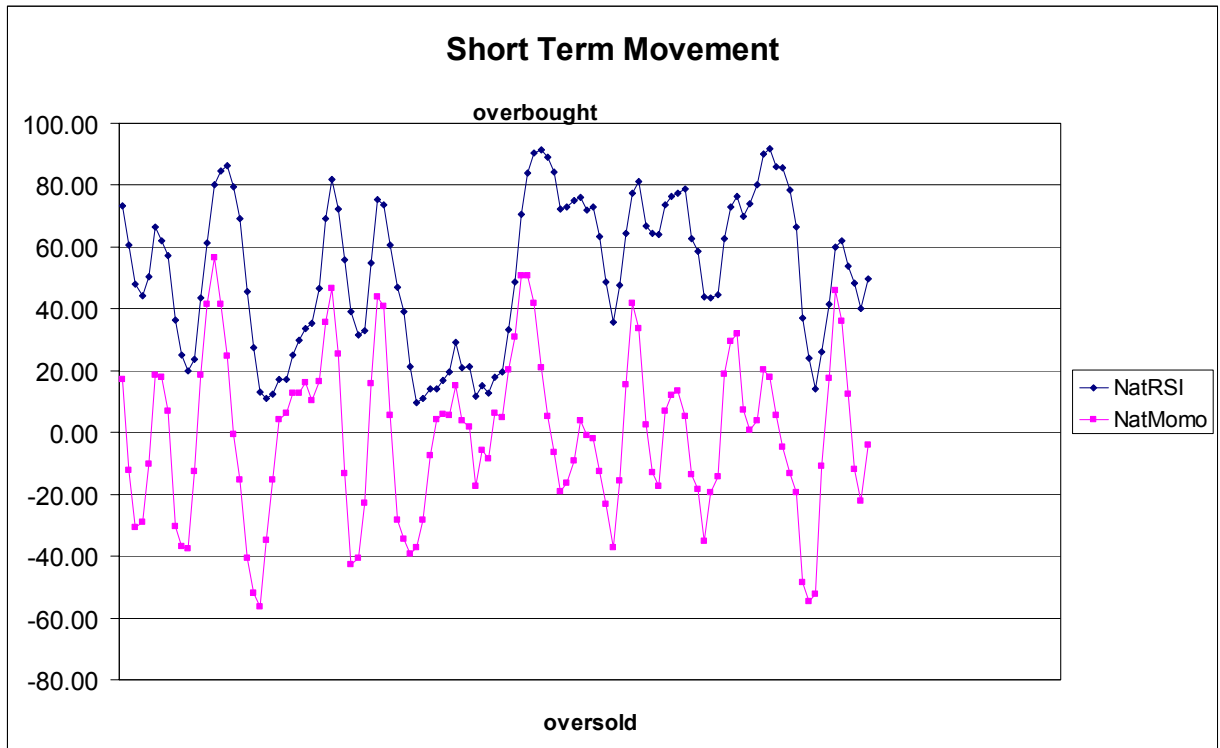
### Up (Interval=7.81)

953.13	+2/8
945.31	+1/8
937.50	8/8
929.69	7/8
921.88	6/8
914.06	5/8
906.25	4/8
898.44	3/8
890.63	2/8
882.81	1/8
875.00	0/8
867.19	-1/8
859.38	-2/8

### Down (Interval=7.81)

953.13	+2/8
945.31	+1/8
937.50	8/8
929.69	7/8
921.88	6/8
914.06	5/8
906.25	4/8
898.44	3/8
890.63	2/8
882.81	1/8
875.00	0/8
867.19	-1/8
859.38	-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
Jun 01	08:30	Personal Income	Apr	NA	NA	-0.2%	NA
Jun 01	08:30	Personal Spending	Apr	NA	NA	-0.2%	NA
Jun 01	10:00	Construction Spending	Apr	NA	NA	-1.8%	NA
Jun 01	10:00	ISM Index	May	NA	NA	42.0	NA
Jun 02	10:00	Pending Home Sales	Apr	NA	NA	NA	3.2%
Jun 02	14:00	Auto Sales	May	NA	NA	NA	3.2M
Jun 02	14:00	Truck Sales	May	NA	NA	NA	3.8M
Jun 03	08:15	ADP Employment Change	May	NA	NA	-543K	-491K
Jun 03	10:00	Factory Orders	Apr	NA	NA	0.3%	-0.9%
Jun 03	10:00	ISM Services	May	NA	NA	45.0	43.7
Jun 03	10:30	Crude Inventories	05/29	NA	NA	NA	-5.41M
Jun 04	08:30	Initial Claims	05/30	NA	NA	NA	623K
Jun 04	08:30	Productivity-Rev.	Q1	NA	NA	1.2%	0.8%
Jun 04	08:30	Unit Labor Costs	Q1	NA	NA	2.9%	3.3%
Jun 05	08:30	Average Workweek	May	NA	NA	33.2	33.2
Jun 05	08:30	Hourly Earnings	May	NA	NA	0.2%	0.1%
Jun 05	08:30	Nonfarm Payrolls	May	NA	NA	-550K	-539K
Jun 05	08:30	Unemployment Rate	May	NA	NA	9.2%	8.9%
Jun 05	14:00	Consumer Credit	Apr	NA	NA	-\$6.0B	-\$11.1B