



Daily Trading Plan for July 6, 2009

1. ESU9 IN PREVIOUS DAY

Open	High	Low	Closing
907.00	907.00	892.75	893.25

2. PIVOTS FOR ESU9

	Daily	Weekly	Monthly	Yearly
R3	916.83	952.25	1019.25	2082.17
R2	911.92	940.25	986.00	1781.33
R1	902.58	916.75	950.75	1340.67
PPT	897.67	904.75	917.75	1039.83
S1	888.33	881.25	882.25	599.17
S2	883.47	869.25	849.00	448.75
S3	874.08	845.75	813.75	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell level	906.75-907.50	910.50-912.50
2nd Sell level	910.75-912.25	928.25-931.75
1st Buy level	884.25-883.50	873.25-872.00
2nd Buy level	874.25-873.00	856.50

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 896.42 on Friday for a net weekly loss of 22.48 points. Last week was shortened by the holiday. The holiday rally in the first two or three days was swept out by last day's trading. At the end, the market was down about 2% from its previous week.

In June, lots of short term Top signs showed up: a major long term resistance ahead of the price with an overbought condition, VIX hit the bottom support, light volume on every rally, most important the sign was last two weeks, the lack of participation from key sectors. Now June is ended, how about the July? Usually in the first 2 weeks in July the market attempts to bounce, but if we get past mid-July, all bets on the rally will be off, especially if \$SPX breaks down 875 line. In that case 840 or lower to 801 will be next downside target. Therefore a declining month should be expected. Based on the Elliot wave movement, SPX remains in its primary wave 2. Current declining move could be a part of correction wave of primary wave 2. I expect A-B-C pattern to complete that primary wave 2.

This week, we may see that the market try one more time to push price back up to last week's high 931.92 area. As long as price doesn't exceed last week's high, we still think there is a great chance for \$SPX to move down. A break below 888 line will give a first signal the decline is underway.

SPX MONTHLY CHART



Major monthly resistance level 956 and support level is 812

Weekly resistance level 922 and support level is 875

5. DAILY OUTLOOK

ES formed a right shoulder top on Wednesday and sold off the following day. The sell off action will temporarily ruin the confidence of bulls. If 885 line holds up the price today, we may see sideways bounce chewing up the time. Once price breaks down 875 line, the decline will move ahead towards 840 and 814 targets.

ESU9 DAILY Chart



6. TRADING STRATEGY FOR July 6, 2009

Last Thursday ES gaped down strongly at open due to a very bad unemployment report. It made a reversal inland gap on previous day. Now the gap is very important. The 908 and 915.50 lines need to prevent any attempt to move up. If ES goes down first today, we are looking for a bounce from 882-881 range. If ES goes up first, at least one more downside move should follow after the price attempts to retest last Thursday's high. We then should use "SHORT on BOUNCE" strategy for double bottom pattern move.

ESU9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	906.25-907.75	911.75-913.50	921.75
Buy level	879.25-876.25	866.25-863.75	859.25-856.50

7. PREDICTION FOR NEXT DAY'S MOVEMENT

Current (interval=1.95)

910.16	+2/8
908.20	+1/8
906.25	8/8
904.30	7/8
902.34	6/8
900.39	5/8
898.44	4/8
896.48	3/8
894.53	2/8
892.58	1/8
890.63	0/8
888.67	-1/8
886.72	-2/8

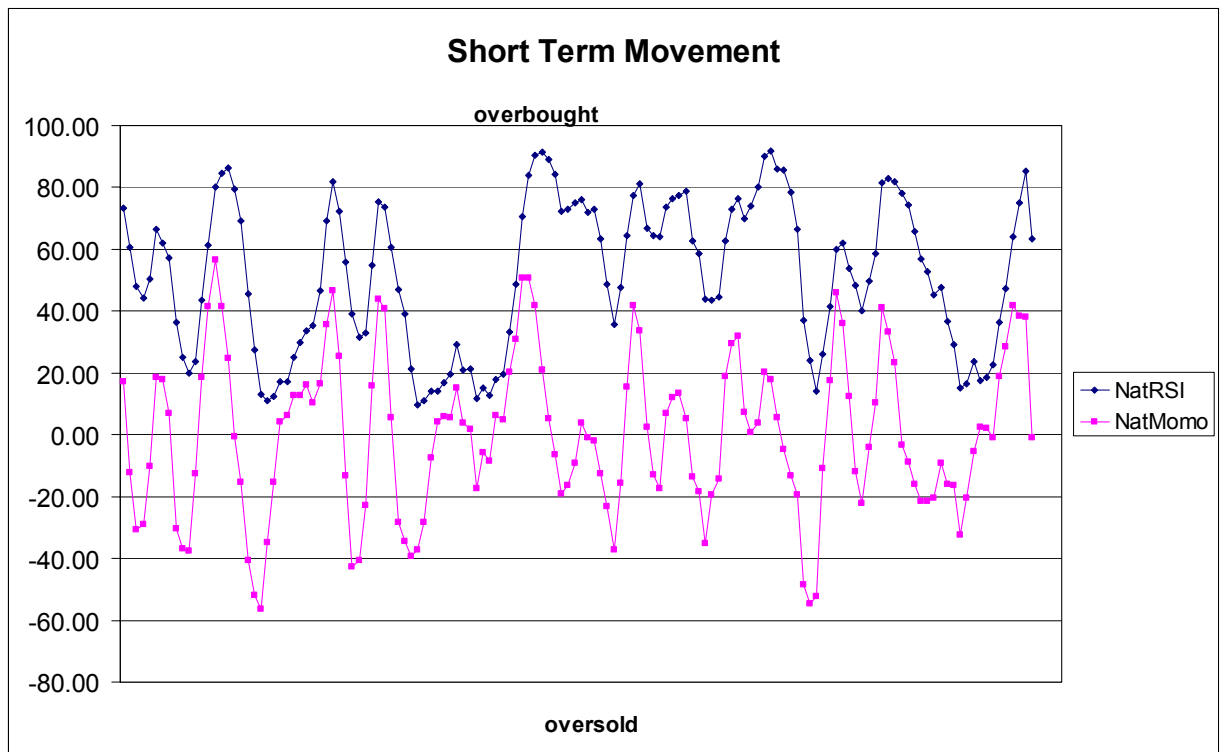
Up (Interval=3.91)

929.69	+2/8
925.78	+1/8
921.88	8/8
917.97	7/8
914.06	6/8
910.16	5/8
906.25	4/8
902.34	3/8
898.44	2/8
894.53	1/8
890.63	0/8
886.72	-1/8
882.81	-2/8

Down (Interval=3.91)

914.06	+2/8
910.16	+1/8
906.25	8/8
902.34	7/8
898.44	6/8
894.53	5/8
890.63	4/8
886.72	3/8
882.81	2/8
878.91	1/8
875.00	0/8
871.09	-1/8
867.19	-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
Jul 06	10:00	ISM Services	Jun	NA	46.0	44.0	
Jul 08	10:30	Crude Inventories	07/03	NA	NA	-3.66M	
Jul 08	15:00	Consumer Credit	May	NA	-\$7.5B	-\$15.7B	
Jul 09	08:30	Initial Claims	07/04	NA	NA	NA	
Jul 09	10:00	Wholesale Inventories	May	NA	-1.0%	-1.4%	
Jul 10	08:30	Export Prices ex-ag.	Jun	NA	NA	0.3%	
Jul 10	08:30	Import Prices ex-oil	Jun	NA	NA	0.2%	
Jul 10	08:30	Trade Balance	May	NA	-\$30.0B	-\$29.2B	
Jul 10	09:55	Mich Sentiment-Prel	Jul	NA	71.0	70.8	