



## Daily Trading Plan for July 20, 2009

### 1. ESU9 IN PREVIOUS DAY

Open	High	Low	Closing
936.00	938.75	931.00	937.00

### 2. PIVOTS FOR ESU9

	Daily	Weekly	Monthly	Yearly
R3	947.92	1030.58	1019.25	2082.17
R2	943.33	985.67	986.00	1781.33
R1	940.17	961.33	950.75	1340.67
<b>PPT</b>	<b>935.58</b>	<b>916.42</b>	<b>917.75</b>	<b>1039.83</b>
S1	932.42	892.08	882.25	599.17
S2	927.83	847.17	849.00	448.75
S3	924.67	822.83	813.75	298.33

### 3. FOCUS NUMBERS

	Daily	Weekly
<b>1<sup>st</sup> Sell level</b>	<b>945.75-948.75</b>	<b>956.25-958.50</b>
<b>2<sup>nd</sup> Sell level</b>	<b>952.00-954.25</b>	<b>976.50-978.25</b>
<b>1<sup>st</sup> Buy level</b>	<b>923.25-921.75</b>	<b>915.25-916.00</b>
<b>2<sup>nd</sup> Buy level</b>	<b>912.50-913.75</b>	<b>903.50-901.50</b>

#### 4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 940.38 on Friday for a net weekly gain of 61.25 points — the largest gain since May 15, 2009.

After \$SPX hit bottom in the 665 area last March, it started a sharp two month rally (the largest rally since the 2007 high) and then went into a sideways consolidation for two months. Last week, \$SPX resumed its rally from lows in July and closed above the intermediate-term resistance line. It indicates the \$SPX may have found the B-wave bottom and is beginning the C-wave rally process.

Last week's low 875 area turns into a major support for \$SPX, and 898-900 was a breakout zone. We may see \$SPX move down to retest a breakout area before it goes up again. There are two reasons for this pullback. First, an overbought condition showed up in last Friday's trading. Second, last Friday's volume showed exhaustion after the breakout move early last week. But this pullback may turn into a hard, slowly, choppy dipping move toward 912-903 range. As long as 875 line holds the price up firmly, the next upside target 1050 remains in our picture — if \$SPX can breakout 958 line. If \$SPX fails to breakout 958 line this week, the price could remain in a broad range (green lines) until the end of July.

#### SPX DAILY CHART



Major monthly resistance level 956 and support level is 812  
 Weekly resistance level 956 and support level is 912.00

## 5. DAILY OUTLOOK

ES has a little different picture from its big brother \$SPX. Last Friday, ES closed under the intermediate-term resistance line. But it clearly broke out from its bull flag pattern. The failure of the bearish H&S pattern ended the downside correction and created a bullish movement. This current rally should continue.

Today ES can go either direction. It could go higher to 956 area for retesting last Month's high if SPX leads up, or it could pull back into 912-913 range for retesting last week's breakout point. The 200-day moving average (952.25) is ahead of the current price. Again, it may not be easy for ES to break it on the first attempt. At least, it needs to pullback a little to form a support base before it tries to break it again.

ESU9 DAILY Chart



## 6. TRADING STRATEGY FOR July 20, 2009

Last Friday ES formed an inside (NR7) day. The price is in extreme contraction mode. We haven't seen this kind of day in about two years. Today we should pay attention on breakout lines. On a move above 940.75, it is likely for price to move up to 946.50 (scalping short) or higher to 954.25 line (short entry). On a break below 931, the price has a chance to dip into 923.25 or lower to 915.50-914 range (scalping long) to test the breakout. ES may also attempt to fill last week's gap 901.50. Because the gap is too important for bulls it will not be so easy to fill it today.

### ESU9 INTRADAY



### INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
<b>Sell level</b>	<b>946.50</b>	<b>954.50</b>	<b>964.50</b>
<b>Buy level</b>	<b>923.25-921.75</b>	<b>915.50-913.50</b>	<b>903.50-906.50</b>

## 7. PREDICTION FOR NEXT DAY'S MOVEMENT

### Current (interval=0.98)

939.45	+2/8
938.48	+1/8
937.50	8/8
936.52	7/8
935.55	6/8
934.57	5/8
933.59	4/8
932.62	3/8
931.64	2/8
930.66	1/8
929.69	0/8
928.71	-1/8
927.73	-2/8

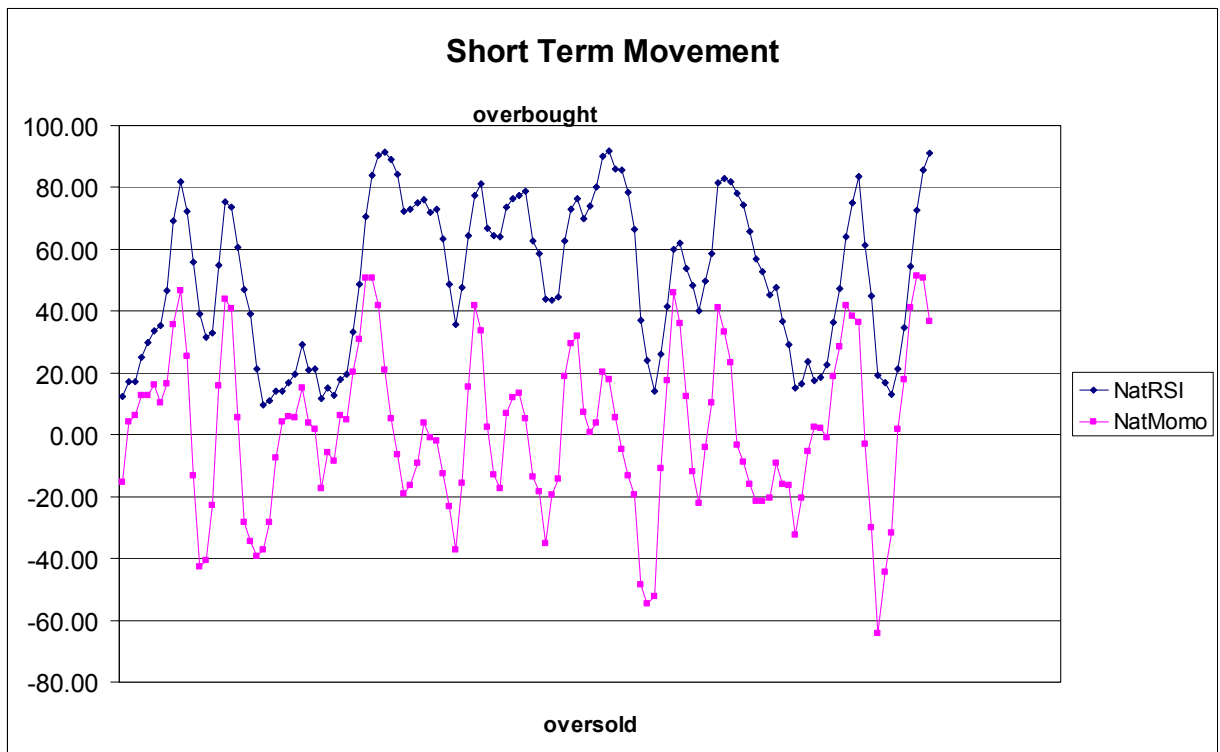
### Up (Interval=3.91)

976.56	+2/8
972.66	+1/8
968.75	8/8
964.84	7/8
960.94	6/8
957.03	5/8
953.13	4/8
949.22	3/8
945.31	2/8
941.41	1/8
937.50	0/8
933.59	-1/8
929.69	-2/8

### Down (Interval=1.95)

941.41	+2/8
939.45	+1/8
937.50	8/8
935.55	7/8
933.59	6/8
931.64	5/8
929.69	4/8
927.73	3/8
925.78	2/8
923.83	1/8
921.88	0/8
919.92	-1/8
917.97	-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 20	10:00	<a href="#">Leading Indicators</a>	Jun	NA		0.5%	1.2%
Jul 22	10:30	Crude Inventories	07/17	NA		NA	-2.81M
Jul 23	08:30	<a href="#">Initial Claims</a>	07/18	NA		NA	522K
Jul 23	10:00	<a href="#">Existing Home Sales</a>	Jun	NA		4.80M	4.77M
Jul 24	09:55	<a href="#">Mich Sentiment-Rev</a>	Jul	NA		64.6	64.6