



Daily Trading Plan for Aug. 31, 2009

1. ESU9 IN PREVIOUS DAY

Open	High	Low	Closing
1038.00	1038.75	1022.00	1027.50

2. PIVOTS FOR ESU9

	Daily	Weekly	Monthly	Yearly
R3	1053.58	1063.25	1159.33	2082.17
R2	1046.17	1051.00	1076.67	1781.33
R1	1036.83	1039.25	1030.58	1340.67
PPT	1029.42	1027.00	947.92	1039.83
S1	1020.08	1015.25	901.83	599.17
S2	1012.67	1003.00	819.17	448.75
S3	1003.33	991.25	773.08	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1 st Sell Range	1038.75-1041.75	1054.75-1056.75
2 nd Sell Range	1050.75-1053.75	1069.25-1072.75
1 st Buy Range	1022.00-1021.25	1003.75-1000.50
2 nd Buy Range	1008.00-1004.75	990.50-989.50

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 1028.93 on Friday for a net weekly gain of 2.93 points — up about 0.2%. The market was waning last week and trying to hold up for Aug month ending and the beginning of next month. A decision for the next move will be made this week.

Market: Last week, the typical positive action around the end of the month was holding the market up. Also volume was relatively low. The SPX was just a little short of our short-term major resistance level. During last week's trading on each move up the momentum seemed to decrease faster than we expected. The market is waiting.

SPX hasn't made a decent correction since July. In last week's trading plan we mentioned the neckline (resistance) around 1043-41 area of the inverted H&S pattern. Now a new pattern has been formed, an ascending wedge pattern (see chart). Friday a strong up move gave the impression the SPX might break out from that pattern, but at the end it surprised traders by stopping the advance, and instead stalled below the resistance level and closed with a small gain from last week.

This week, big investors and institutional traders get back from their summer vacations; the volume should pick up and market volatility will also increase. As we mentioned in the chat room, Sept 4 could be the Top day. We still expect that early in the week SPX will move between last week's range from 1040-1014 for testing. Later, we have to follow the direction of the weekly range breakout move.

Based on weekly chart, there is another small a-b-c pattern overlap with ascending wedge pattern. The c top was completed last Friday. Plus SPX intends to test the latest breakdown point 1044.31 (made Oct. 13, 2008). All point out that in some way the correction towards 990 is coming soon.

SPX WEEKLY CHART



Major monthly resistance level 1075 and support level is 900
 Weekly resistance level 1062 and support level is 990

5. DAILY OUTLOOK

ES has already had 5 days sideways movement, mainly waiting for our big investors and institutional traders to return from their vacation this week or next. This week, 1016-1014 range will become very important for buyers. A move below this range will indicate the short term rally from Aug. 17 has been posted, and a further down to 1000-990 range should be expected. A break below 975 will be bearish.

Today if we hold above 1014-16, ES could move back up to retest last Friday's high area or make a fake breakout move around 1040 area.

ESU9 DAILY Chart



6. TRADING STRATEGY FOR Aug. 31, 2009

The range from 1040 to 1014 has been setting up. Today if 1022 holds up in overnight trading, we may see ES retesting last Friday's high around 1038-1040 (short entry) or little higher to 1046.50-1045 (2nd short entry). If overnight ES fails to hold up 1022, last week's low 1015-1014 range (scalping long) could be retested again. A breakdown below 1011.75 will be bearish, and the 1004.75 gap could be filled if downside momentum picks up.

ESU9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	1036.50-1037.50	1043.75-1046.50	1054.25-1053.75
Buy level	1015.00-1014.00	1005.75-1004.50	998.50-995.50

Copyright 2009 by Natus.com Ltd. All rights are reserved. Photocopying and further distribution of this newsletter are strictly prohibited. Information, opinion, research, and commentary contained herein is obtained from sources believed to be reliable; their reliability, however, cannot be guaranteed. This newsletter is for educational purposes only. Natus does not provide individual investment advice, or act as an investment advisor, or individually advocate the purchase or sale of any security or investment. In making any investment decision, you will rely solely on your own review and examination of the facts and the records relating to such investments. Past performance is not an indication of future performance. We shall have no liability of whatever nature in respect of any claim, damages, loss or expense arising out of or in connection with the reliance by you on the contents of our newsletter, any promotion, published material, alert or update.

7. PREDICTION FOR NEXT DAY'S MOVEMENT

Current (interval=3.91)

1039.06	+2/8
1035.16	+1/8
1031.25	8/8
1027.34	7/8
1023.44	6/8
1019.53	5/8
1015.63	4/8
1011.72	3/8
1007.81	2/8
1003.91	1/8
1000.00	0/8
996.09	-1/8
992.19	-2/8

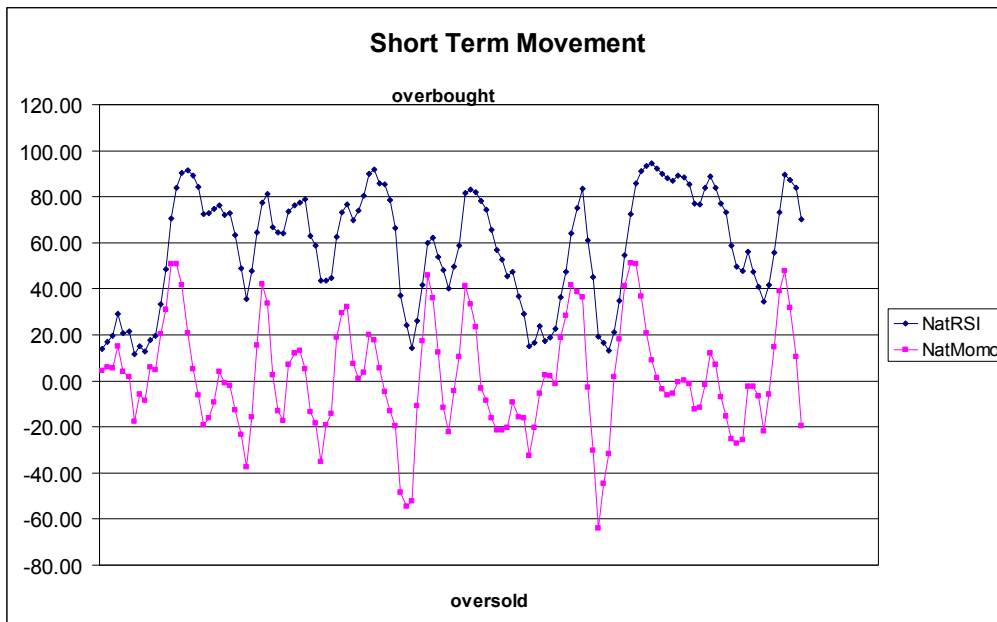
Up (Interval=3.91)

1054.69	+2/8
1050.78	+1/8
1046.88	8/8
1042.97	7/8
1039.06	6/8
1035.16	5/8
1031.25	4/8
1027.34	3/8
1023.44	2/8
1019.53	1/8
1015.63	0/8
1011.72	-1/8
1007.81	-2/8

Down (Interval=3.91)

1039.06	+2/8
1035.16	+1/8
1031.25	8/8
1027.34	7/8
1023.44	6/8
1019.53	5/8
1015.63	4/8
1011.72	3/8
1007.81	2/8
1003.91	1/8
1000.00	0/8
996.09	-1/8
992.19	-2/8

8. SHORT TERM SENTIMENT



Copyright 2009 by Natus.com Ltd. All rights are reserved. Photocopying and further distribution of this newsletter are strictly prohibited. Information, opinion, research, and commentary contained herein is obtained from sources believed to be reliable; their reliability, however, cannot be guaranteed. This newsletter is for educational purposes only. Natus does not provide individual investment advice, or act as an investment advisor, or individually advocate the purchase or sale of any security or investment. In making any investment decision, you will rely solely on your own review and examination of the facts and the records relating to such investments. Past performance is not an indication of future performance. We shall have no liability of whatever nature in respect of any claim, damages, loss or expense arising out of or in connection with the reliance by you on the contents of our newsletter, any promotion, published material, alert or update.

9. WEEKLY ECONOMIC REPORTS

(<http://www.briefing.com/Investor/Public/Calendars/EconomicCalendar.htm>)

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Aug 31	09:45	Chicago PMI	Aug	48.1	47.2	43.4	
Sep 01	10:00	Construction Spending	Jul	-0.3%	-0.2%	0.3%	
Sep 01	10:00	ISM Index	Aug	49.7	50.2	48.9	
Sep 01	14:00	Auto Sales	Aug	NA	NA	4.2M	
Sep 01	14:00	Truck Sales	Aug	NA	NA	4.2M	
Sep 02	08:15	ADP Employment Change		-255K	-246K	-371K	
Sep 02	08:30	Productivity-Rev.	Q2	6.1%	6.1%	6.4%	
Sep 02	10:00	Factory Orders	Jul	1.5%	1.5%	0.4%	
Sep 02	10:30	Crude Inventories	08/28	NA	NA	+128K	
Sep 02	14:00	FOMC Minutes	Aug. 12				
Sep 03	08:30	Initial Claims	08/29	550K	570K	570K	
Sep 03	10:00	ISM Services	Aug	48.7	48.0	46.4	
Sep 04	08:30	Average Workweek	Aug	33.1	33.1	33.1	
Sep 04	08:30	Hourly Earnings	Aug	0.0%	0.1%	0.2%	
Sep 04	08:30	Nonfarm Payrolls	Aug	-265K	-225K	-247K	
Sep 04	08:30	Unemployment Rate	Aug	9.5%	9.5%	9.4%	