



Daily Trading Plan for Sept. 21, 2009

1. ESZ9 IN PREVIOUS DAY

Open	High	Low	Closing
1066.50	1067.00	1029.25	1061.00

2. PIVOTS FOR ESZ9

	Daily	Weekly	Monthly	Yearly
R3	1073.33	1120.17	1110.42	2082.17
R2	1070.17	1095.83	1074.58	1781.33
R1	1065.58	1078.42	1047.17	1340.67
PPT	1062.42	1054.08	1011.33	1039.83
S1	1057.83	1036.67	983.92	599.17
S2	1054.67	1012.33	948.08	448.75
S3	1050.08	994.92	920.67	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell Range	1067.25-1068.50	1074.75-1077.25
2nd Sell Range	1074.75-1075.75	1098.75-1101.50
1st Buy Range	1051.50-1048.75	1037.50-1039.75
2nd Buy Range	1043.75-1040.75	998.50-995.50

4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 1068.30 on Friday for a net weekly gain of 25.57 points. It had a typical high volume on quadruple witching expiration day.

The stock market has been up for 10 weeks since June month's low. The good economic news and good earnings encourage investors to get back into the market in an aggressive way. So far the markets are totally ignoring any bad news and the increasing bank failures announced on Bank Failure Fridays.

We believe the "animal spirits" — greed — of the current market will drive SPX price up to complete the bear market rally. Based on Elliot wave movement, the current rally hasn't completed its sub-wave 3 of primary 2; we still consider that C wave 1158.75 area as our final target.

When the quadruple option expiration week closes up it is usually followed by a declining week. How far should SPX fall? It depends on whether the US dollar holds up last Friday's low or not. But no matter how low SPX falls, it should not go below 970 line. The 970 line needs to hold SPX up for final C target before Oct 16, based on CIT date.

SPX WEEKLY CHART



Major monthly resistance level 1075 and support level is 950
 Weekly resistance level 1075 and support level is 995.00

5. DAILY OUTLOOK

ES broke out of the bullish W pattern 1052-1054.25 on daily chart last week. Last Friday ES closed above its broken resistance level. It indicates ES remains bullish.

Today ES may pullback into 1052-54 range for retesting this broken resistance level, which now turns into support level. If this range can be held up firmly, ES still can move back up to Friday's high or higher to 1071.75 area to attempt making new highs again. Friday was an inside day with NR7 pattern; we should expect today could be a strong trend day.

ESZ9 DAILY Chart



6. TRADING STRATEGY FOR Sept. 21, 2009

ES formed an inside day with narrow trading range last Friday. Today it could be a strong day with moves in both directions. If overnight trading range breaks out 1067 level, upside momentum could push ES up to 1074.75 (short entry). A failure to breakout 1067 level in overnight trading, with a breakdown 1059.25 instead will be bearish. Downside momentum could push price down to 1051-53 area (scalping long) or further lower to 1043.75 area (long entry).

ESZ9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	1067.25-1069.75	1073.25-1074.75	1080.25-1084.00
Buy level	1051.50-1049.75	1043.75-1040.75	1035.25-1036.00

7. PREDICTION FOR NEXT DAY'S MOVEMENT

Current (interval=1.95)

1082.03	+2/8
1080.08	+1/8
1078.13	8/8
1076.17	7/8
1074.22	6/8
1072.27	5/8
1070.31	4/8
1068.36	3/8
1066.41	2/8
1064.45	1/8
1062.50	0/8
1060.55	-1/8
1058.59	-2/8

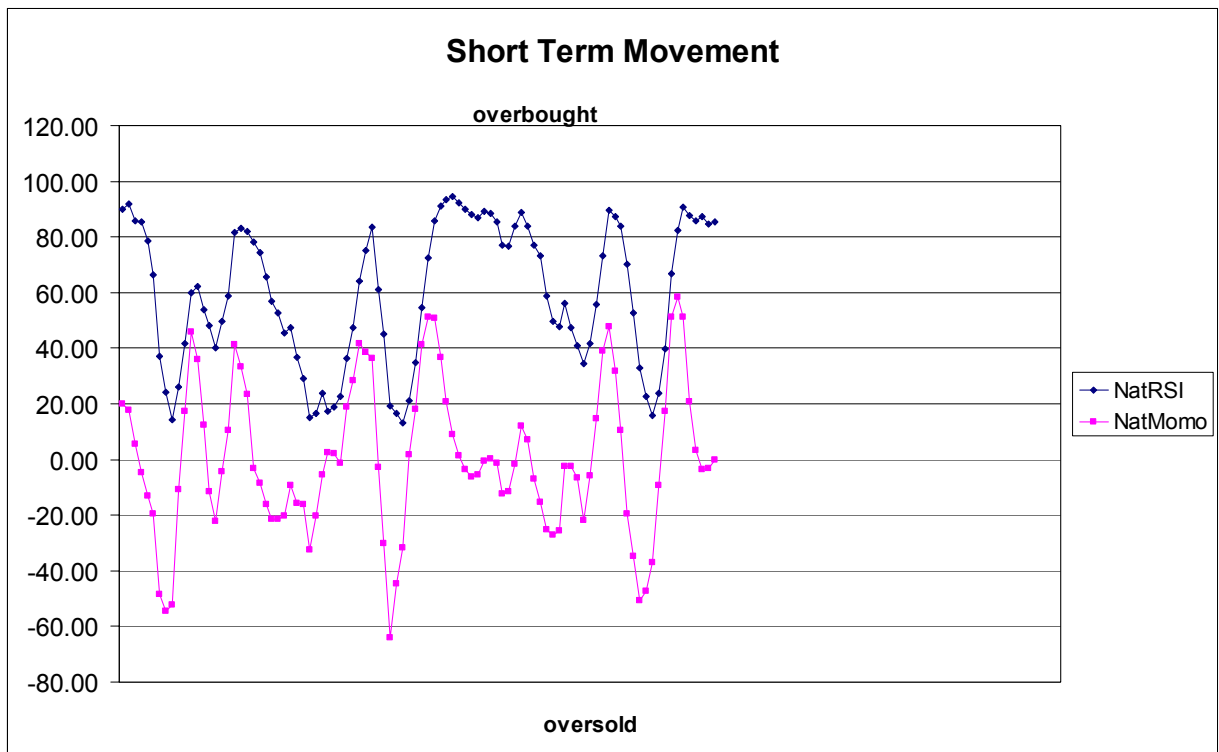
Up (Interval=1.95)

1082.03	+2/8
1080.08	+1/8
1078.13	8/8
1076.17	7/8
1074.22	6/8
1072.27	5/8
1070.31	4/8
1068.36	3/8
1066.41	2/8
1064.45	1/8
1062.50	0/8
1060.55	-1/8
1058.59	-2/8

Down (Interval=3.91)

1070.31	+2/8
1066.41	+1/8
1062.50	8/8
1058.59	7/8
1054.69	6/8
1050.78	5/8
1046.88	4/8
1042.97	3/8
1039.06	2/8
1035.16	1/8
1031.25	0/8
1027.34	-1/8
1023.44	-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
Sep 21	10:00	Leading Indicators	Aug	0.9%	0.7%	0.6%	
Sep 22	10:00	FHFA US Housing Price Index	Jul	0.4%	0.5%	0.5%	
Sep 23	10:30	Crude Inventories	09/18	NA	NA	-4.73M	
Sep 23	14:15	FOMC Rate Decision	Sep	0.25%	0.25%	0.25%	
Sep 24	08:30	Initial Claims	09/19	560K	550K	545K	
Sep 24	08:30	Continuing Claims	09/12	6100K	6195K	6230K	
Sep 24	10:00	Existing Home Sales	Aug	5.20M	5.35M	5.24M	
Sep 25	08:30	Durable Orders	Aug	1.2%	0.3%	5.1%	
Sep 25	08:30	Durables, ex Transportation	Aug	0.7	1.0%	1.1%	
Sep 25	09:55	Mich Sentiment-Rev	Sep	71.2	70.5	70.2	
Sep 25	10:00	New Home Sales	Aug	425K	440K	433K	