



Daily Trading Plan for Sept. 28, 2009

1. ESZ9 IN PREVIOUS DAY

Open	High	Low	Closing
1043.50	1049.50	1036.25	1041.00

2. PIVOTS FOR ESZ9

	Daily	Weekly	Monthly	Yearly
R3	1061.50	1105.25	1110.42	2082.17
R2	1055.50	1090.50	1074.58	1781.33
R1	1048.25	1065.75	1047.17	1340.67
PPT	1042.25	1051.00	1011.33	1039.83
S1	1035.00	1026.25	983.92	599.17
S2	1029.00	1011.50	948.08	448.75
S3	1021.75	986.75	920.67	298.33

3. FOCUS NUMBERS

	Daily	Weekly
1st Sell Range	1053.50-1055.50	1055.50-1058.75
2nd Sell Range	1062.50-1065.75	1075.00-1078.75
1st Buy Range	1029.25-1028.00	1018.75-1014.00
2nd Buy Range	1017.75-1014.00	1003.25-998.75

4. WEEKLY OUTLOOK

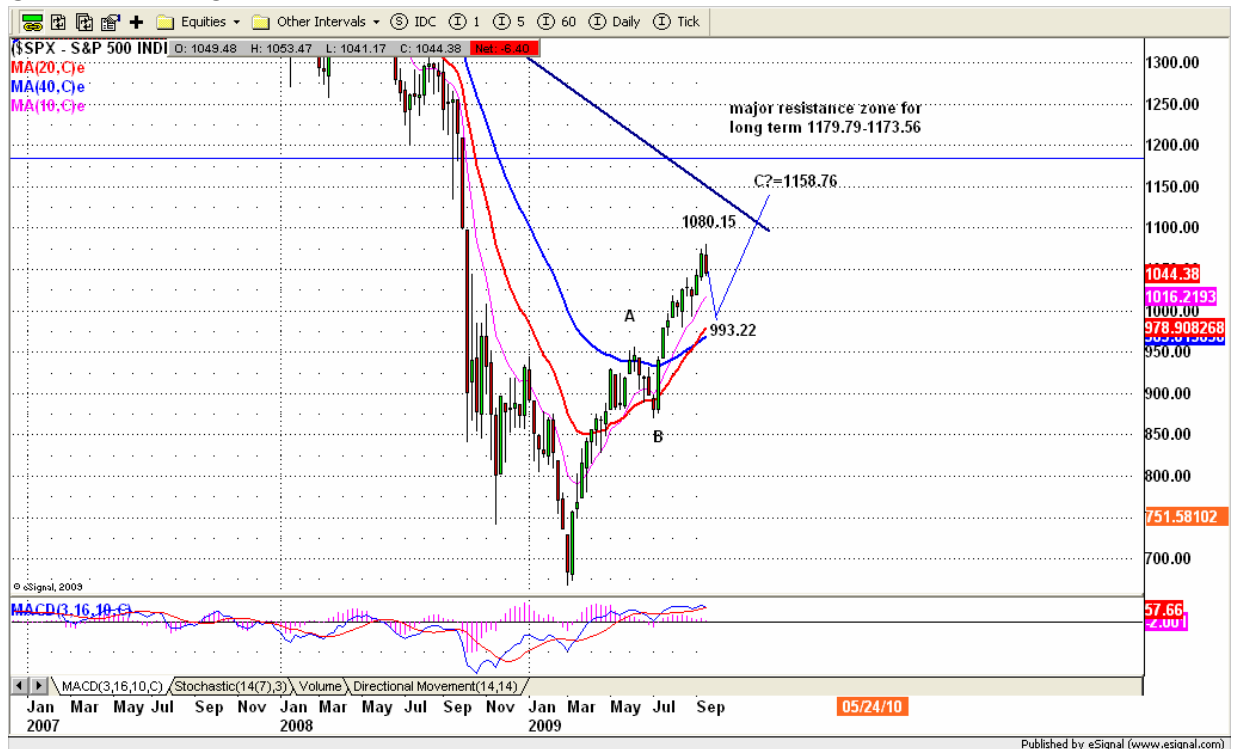
The S&P 500 (\$SPX) closed at 1044.38 on Friday for a net weekly loss of 23.92 points. It wiped out almost all of the previous week's gain.

Last week Fed remained unchanged on interest rate, as expected. But Fed statement increased uncertainty about possible future actions. People started getting nervous and the stock market sold off. So far we interpret last week's sell off as a normal correction. This declining correction was a part of C wave processing. SPX would need to fall below the 975 area to change our fundamental view, which is that we are watching an upside rally in a bear market..

Even though the "animal spirits" — greed — drove SPX price 4 points beyond our predicted high last week, the closing level indicates a possibility that SPX has reached its short-term top (1080.15) and now intends to have a declining correction towards 993.22. As long as 1055.38 line holds SPX price down this week, the expectation of a decline to approximately 993.22 should remain intact, and a continuing decline further down on the road should be expected. There is a gap around 1018.67-1016.40. That is our first close downside target.

Another activity should also be watched. Three other markets — Oil, GOLD and Bonds — seem to be rising and falling in concert with the SPX. If all three markets remain under selling pressure this week, SPX will follow sooner or later.

SPX WEEKLY CHART



Major monthly resistance level 1075 and support level is 950
 Weekly resistance level 1055 and support level is 995.00

5. DAILY OUTLOOK

ES made its small double top pattern and broke down this small pattern neckline around 1055-53.50 range. This week, as long as the neckline range resistance holds price down, ES should continue moving down toward 1017-1014 area at least. Also Sept 30 is the last day of September. ES may try to hold up 1018 -1014 range for monthly closing.

The major trend is going to change soon. If ES goes below 975 this week, it indicates that 1075.75 could be sub-wave 3 top. Any bounce will invite many shorts to join the party.

ESZ9 DAILY Chart



6. TRADING STRATEGY FOR Sept. 28, 2009

ES mainly went sideways in a range from 1050-1035 last Friday. It indicates the current downside move hasn't completed yet. As soon as this sideways move is done, the move down should resume again. Today if ES bounces up to 1053.50-1055.50 range (short entry), we are looking for resistance level for short side. We still use "SHORT on bounce" strategy for today. If ES gaps down at open, we may look for 1028-1029 range as first support and do scalping long for target 1039-43 range.

ESZ9 INTRADAY



INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
Sell level	1049.50-1050.50	1053.75-1055.25	1059.25-1061.50
Buy level	1028.25-1029.25	1018.75-1017.00	1010.50-1012.50

7. PREDICTION FOR NEXT DAY'S MOVEMENT

Current (interval=1.95)

1050.78	+2/8
1048.83	+1/8
1046.88	8/8
1044.92	7/8
1042.97	6/8
1041.02	5/8
1039.06	4/8
1037.11	3/8
1035.16	2/8
1033.20	1/8
1031.25	0/8
1029.30	-1/8
1027.34	-2/8

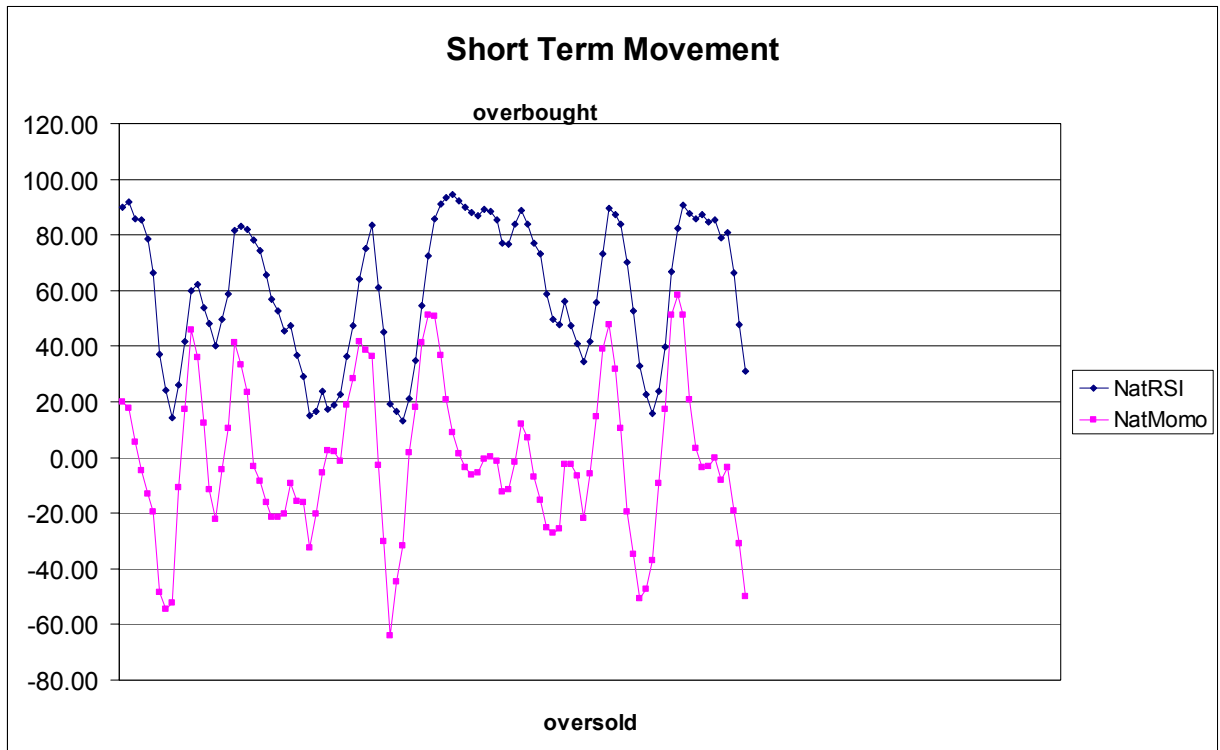
Up (Interval=3.91)

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

Down (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

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 29	09:00	Case-Shiller Housing Price Index	Jul		-14.50%	-14.20%	-15.44%
Sep 29	09:00	Consumer Confidence	Sep		59.5	57.0	54.1
Sep 30	08:15	ADP Employment	Sep		-250K	-200K	-298K
Sep 30	08:30	GDP - Final	Q2		-1.2%	-1.2%	-1.0%
Sep 30	09:45	Chicago PMI	Sep		53.5	52.0	50.0
Sep 30	10:30	Crude Inventories	09/25		NA	NA	2.85M
Oct 01	08:30	Personal Income	Aug		0.0%	0.1%	0.0%
Oct 01	08:30	Personal Spending	Aug		1.2%	1.1%	0.2%
Oct 01	08:30	Initial Claims	09/26		540K	535K	530K
Oct 01	08:30	Continuing Claims	09/19		6100K	6178K	6138K
Oct 01	10:00	Construction Spending	Aug		-0.4%	-0.2%	-0.2%
Oct 01	10:00	ISM Index	Sep		55.7	54.0	52.9
Oct 01	10:00	Pending Home Sales	Aug		1.0%	1.0%	3.2%
Oct 01	14:00	Auto Sales	Sep		NA	NA	NA
Oct 01	14:00	Truck Sales	Sep		NA	NA	NA
Oct 02	08:30	Average Workweek	Sep		33.1	33.1	33.1
Oct 02	08:30	Hourly Earnings	Sep		0.1%	0.2%	0.3%
Oct 02	08:30	Nonfarm Payrolls	Sep		-225K	-180K	-216K
Oct 02	08:30	Unemployment Rate	Sep		9.9%	9.8%	9.7%
Oct 02	10:00	Factory Orders	Aug		-1.7%	0.5%	1.3%