



## Daily Trading Plan for Oct. 5, 2009

### 1. ESZ9 IN PREVIOUS DAY

Open	High	Low	Closing
1015.50	1026.25	1015.25	1021.75

### 2. PIVOTS FOR ESZ9

	Daily	Weekly	Monthly	Yearly
R3	1037.92	1103.75	1173.58	2082.17
R2	1032.08	1084.75	1124.67	1781.33
R1	1026.92	1053.25	1088.83	1340.67
<b>PPT</b>	<b>1021.08</b>	<b>1034.25</b>	<b>1039.92</b>	<b>1039.83</b>
S1	1015.92	1002.75	1004.08	599.17
S2	1010.08	983.75	955.17	448.75
S3	1004.92	952.25	919.33	298.33

### 3. FOCUS NUMBERS

	Daily	Weekly
1 <sup>st</sup> Sell Range	1036.25-1039.75	1046.75-1044.25
2 <sup>nd</sup> Sell Range	1044.50-1045.75	1052.25-1056.00
	<b>1027.50-1029.75</b>	
1 <sup>st</sup> Buy Range	1012-1014.00	1004.25-1005.25
2 <sup>nd</sup> Buy Range	1004.25-1000.25	989.00-991.25

#### 4. WEEKLY OUTLOOK

The S&P 500 (\$SPX) closed at 1025.21 on Friday for a net weekly loss of 19.17 points. It wiped out almost 60% of the previous month's gain.

As the stimulation plans run out of steam, the economy started to show signs of weakness again. In the past two weeks the economic reports were not good. Investors suddenly realized that the stock market was overheated, and sold off last week.

In our room, we already mentioned those long-term swing short position starting points two weeks ago; those short positions are going very well. Hope our members enjoy it.

How far will this declining movement go? So far the downside 993.22 area remains our first target. The SPX could move even lower, but we want step by step to follow the stock market move, and not anticipate any move which we can't control.

Last Thursday and Friday the heavy selling not only confirmed Sept 23's high was a short-term top, but also created a short-term oversold condition. In addition the SPX had been closing down for two weeks. This week we may see an oversold bounce if the range around the 1018.67-1016.40 gap holds the SPX up. As soon as this bounce completes, new lows toward the weekly 20/40 moving average lines should be expected in the following days or weeks.

#### SPX WEEKLY CHART



Major monthly resistance level 1065 and support level is 925  
 Weekly resistance level 1046 and support level is 993.00

## 5. DAILY OUTLOOK

ES formed a sub-wave 3 top on Sept 23 in both short term and medium term analysis. Last week, ES broke down 1036.25 line and closed below it to give a confirmation the short-term top had already been seen. The continuation of the decline is likely in the future weeks.

Last Thursday and Friday's declining movement put ES in short-term oversold condition. We may see a very brief small bounce from ES early this week. As soon as this bounce is exhausted, new lows below last Friday's low should be expected. The first major support is around 991-975 range which we expect it could form an A bottom for this correction move.

CIT day is Oct. 7 +/- 2days. Last Friday's low 1012 is very important for us today. If ES can hold that low, a small continuation bounce up to max 1044-47 range should be expected today and tomorrow. If ES fails to hold up 1012 low, then new lows 1004-05 or lower to 991 area should be expected.

ESZ9 DAILY Chart



## 6. TRADING STRATEGY FOR Oct. 6, 2009

ES mainly went sideways for consolidation after the recovery from its pre-market sell off move last Friday. Today it could bounce up to retest weekly breakdown range 1036.25-39.75 (short entry) or little higher to 1044.25-46.75 (short entry) if bounce strength is strong in first hour. But as long as 1047 line holds ES down, the short-term trend will remain downside. Another sell off could resume as soon as the bounce move shows signs of exhaustion. A move below 1012 will be bearish, and down-momentum could send price lower to 1004.50-998 (Long entry) range to search for support

### ESZ9 INTRADAY



### INTRADAY SCALPING NUMBERS

	Very Aggressive	Aggressive	Conservative
<b>Sell level</b>	<b>1029.75-1031.25</b>	<b>1036.25-1039.75</b>	<b>1042.75-1044.25</b>
<b>Buy level</b>	<b>1014.00-1012.75</b>	<b>1004.25-1005.25</b>	<b>994.00-991.75</b>

## 7. PREDICTION FOR NEXT DAY'S MOVEMENT

### Current (interval=1.95)

1035.16	+2/8
1033.20	+1/8
1031.25	8/8
1029.30	7/8
1027.34	6/8
1025.39	5/8
1023.44	4/8
1021.48	3/8
1019.53	2/8
1017.58	1/8
1015.63	0/8
1013.67	-1/8
1011.72	-2/8

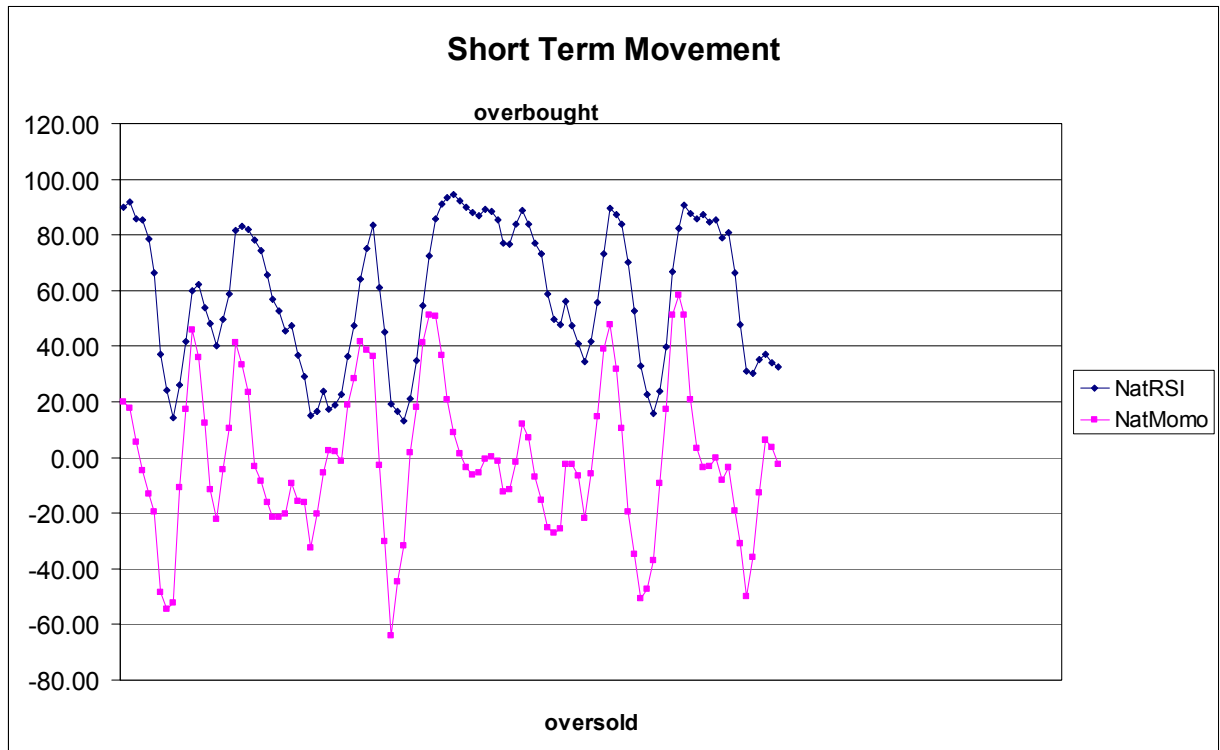
### Up (Interval=3.91)

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



## 9. WEEKLY ECONOMIC REPORTS

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

Date	ET	Release	For	Actual	Briefing.com	Consensus	Prior
Oct 05	10:00	<a href="#">ISM Services</a>	Sep	49.0	50.0	48.4	
Oct 07	10:30	Crude Inventories	10/02	NA	NA	2.80M	
Oct 07	14:00	<a href="#">Consumer Credit</a>	Aug	-15.0B	-9.5B	-21.6B	
Oct 07	14:00	<a href="#">Treasury Budget</a>	Sep	NA	NA	NA	
Oct 08	08:30	<a href="#">Initial Claims</a>	10/03	550K	NA	551K	
Oct 08	08:30	Continuing Claims	09/26	6050K	NA	6090K	
Oct 08	10:00	<a href="#">Wholesale Inventories</a>	Aug	-1.2%	-1.0%	-1.4%	
Oct 09	08:30	<a href="#">Trade Balance</a>	Aug	-31.0B	-32.9B	-32.0B	