



Natusus

Daily Trading Plan July 20, 2015

1. PREVIOUS DAY (ESU5)

| Open | High | Low | Closing |
|-------------|---------|---------|---------|
| RTH 2117.75 | 2120.00 | 2112.75 | 2118.75 |
| GBX 2117.00 | 2120.00 | 2112.75 | 2118.75 |

2. PIVOTS

| | Daily RTH and GBX | Weekly | Monthly | Yearly |
|------------|-------------------|----------------|----------------|----------------|
| R3 | 2129.00 | 2210.00 | 2177.50 | 2540.25 |
| R2 | 2124.50 | 2165.00 | 2149.75 | 2314.50 |
| R1 | 2121.75 | 2142.00 | 2102.25 | 2183.50 |
| PPT | 2117.25 | 2096.75 | 2074.25 | 1957.75 |
| S1 | 2114.25 | 2073.75 | 2026.83 | 1826.75 |
| S2 | 2109.75 | 2028.75 | 1999.00 | 1601.00 |
| S3 | 2107.00 | 2005.75 | 1951.50 | 1470.00 |

3. FOCUS NUMBERS

| | Daily | Weekly |
|----------------------------------|------------------------|------------------------|
| 2nd Sell level | 2134.50-2126.00 | 2154.00-2157.75 |
| 1st Sell level | 2128.50-2127.25 | 2134.50-2136.75 |
| Key # | 2110.75-2109.00 | 2105.50-2103.50 |
| 1st Buy level | 2105.50-2103.75 | 2088.75-2086.50 |
| 2nd Buy level | 2092.75-2095.00 | 2078.00-2075.00 |

The key # is a control point for up or down moves. When price moves from one side of that line to the other and stays in the new range it often indicates a change in trend and the beginning of a stop run. Look for the price to move toward new support and resistance levels, often at/near our buy or sell range. For more information visit www.natusus.com

4. WEEKLY OUTLOOK — S&P 500 CASH INDEX

The S&P 500 cash index (\$SPX) closed at 2126.64 last Friday, up 49.92 points for a 2.4% net weekly gain.

Last week the curtain finally fell on the Greek debt drama and the Fed re-asserted its intention to raise rates – maybe, if nothing goes wrong – in September. The Chinese market found short-term support thanks to extensive government support, and managed to stop the bleeding. Everything is wonderful, in its own way, and the US market rallied again.

This week we have a heavy batch of earnings reports, but fewer economic reports. Better earnings from the Blue Chips could push the US market to new highs. This summer rally behavior could continue until Aug. 6.

Technical analysis

S&P500 Weekly Chart

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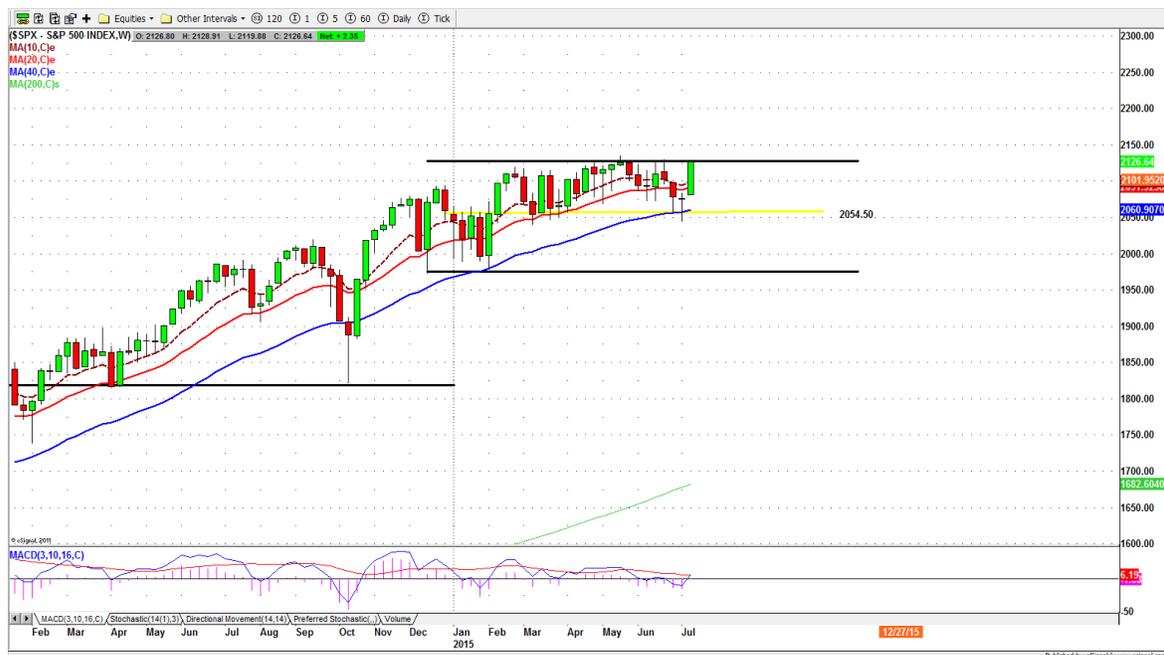
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Technical analysis

S&P500 Weekly Chart



a) Long-term

The SP500 index finally got past the Greek debt crisis and the Chinese market crash. It regained and held its yearly pivot level well, after a short-term correction. Now it

returns to the top level of the range defined in the past several months and gets ready to attempt to make new highs.

Now the index moves into the short-term bullish four-week cycle. It has to make new highs to keep the rally alive before the price drops again. So far the long-term uptrend remains bullish. The intermediate-term indicators are neutral and will continue to support the index. The short-term has an overbought condition, but we expect this overbought condition will solve itself by a brief pullback.

b) Short-term

S&P500 Daily Chart



The index (\$SPX) completed a seven-day rally and closed at last month's high area on Friday. The price action was bullish early in the week, but on Friday it showed a little sign of exhaustion by forming a doji with a relatively narrow range.

This week could have a brief pullback, but this pullback will not last very long. The 2100 level will be a major support. The short-term buying signal will likely bring more buyers into this market even if the index has a short-term pullback. The beginning point of the current rally is about 2080. As long as the price doesn't close below that level the short-term trend is up. Buying the short-term dips will likely continue this week.

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6. DAILY OUTLOOK – S&P 500 MINI FUTURES (ES)

ESU5 Daily chart



ES had a narrow range day (NR7) last Friday. The current rally temperately runs out of energy. Today we could see a range expansion move, perhaps with the price going up to 2127.25 first and then down 2105.50 later if the overnight trading holds above the 2112.75 level. If the overnight trading fails to hold, and drops below 2110.75, we could see the price drop to 2105.50 first and go up later.

2100-2095 is a major support zone for today, and there is a buying signal at 2093.75 on the daily chart. Any dip into the major support or the buying signal level will attract new buyers.

The current short-term indicators have an overbought condition, but the medium term does not. This indicates there is some room for the price to move up after the short-term indicators return to neutral or oversold. In some cases the short-term indicators simply get more overbought, but sometimes the equilibrium can be restored either by the price going sideways or a pullback to the short-term support levels. ES can then resume its rally until the intermediate-term indicators become overbought.

The major support levels: 2100-98.50, 2092-88.75, 2065-68, 2043.50-45.50
 the major resistance levels: 2134-36.50 and none

Short-term ---- Bullish
 Medium term -----Bullish
 Long term ---- Bullish

b) Long-term

The SP500 index finally got past the Greek debt crisis and the Chinese market crash. It regained and held its yearly pivot level well after a short-term correction. Now it returns to the top level the range defined in the past several months gets ready to attempt to make new highs.

This time the index moves into the short-term bullish four-week cycle. It has to make new highs to keep the rally alive before the price drops again. So far the long-term uptrend remains bullish. The intermediate-term indicators are neutral and will continue to support the index. The short-term has an overbought condition, but we expect this overbought condition will solve itself by a brief pullback.

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8. TRADING STRATEGY: July 20, 2015

a. Intraday Scalping numbers

| | 2127.25-2128.50 | 2134.25-2136.50 | 2145.50-2147.50 |
|-------------------|-----------------|-----------------|-----------------|
| Sell level | | | |
| Buy level | 2105.50-2103.50 | 2098.50-2096.50 | 2088.50-2085.75 |

b. Gap Method Trading

| | Gap | target |
|-------------------|-----------------|---------|
| Sell level | 2127.25-2128.50 | 2120.25 |
| Buy level | 2113.25-2112.50 | 2118.75 |

c. Option trades (short calls or puts trades)

| | Strike price | Expiration Date | Entry price |
|-----------------|--------------|-----------------|--------------|
| | 2165 calls | 2015-07-24 | ES near 2135 |
| Meanline | 2095 | | |
| | 2055 puts | 2015-07-24 | ES near 2100 |

Murrey Math Line Movement *

(Caution. Know MMLine rule before you trade these numbers.)

| | Prior Move | 0.98 | Up Move | 3.91 | Down Move | 3.91 |
|---------------|------------|------|---------------------------|----------------------------|---------------------------|----------------------------|
| 7. Over to | 2123.05 | +2/8 | 2148.44 | +2/8 | 2132.81 | +2/8 |
| | 2122.07 | +1/8 | 2144.53 | +1/8 | 2128.91 | +1/8 |
| | 2121.09 | 8/8 | 2140.63 | 8/8 | 2125.00 | 8/8 |
| | 2120.12 | 7/8 | 2136.72 | 7/8 | 2121.09 | 7/8 |
| | 2119.14 | 6/8 | 2132.81 | 6/8 | 2117.19 | 6/8 |
| | 2118.16 | 5/8 | 2128.91 | 5/8 | 2113.28 | 5/8 |
| | 2117.19 | 4/8 | 2125.00 | 4/8 | 2109.38 | 4/8 |
| | 2116.21 | 3/8 | 2121.09 | 3/8 | 2105.47 | 3/8 |
| | 2115.23 | 2/8 | 2117.19 | 2/8 | 2101.56 | 2/8 |
| | 2114.26 | 1/8 | 2113.28 | 1/8 | 2097.66 | 1/8 |
| | 2113.28 | 0/8 | 2109.38 | 0/8 | 2093.75 | 0/8 |
| | 2112.30 | -1/8 | 2105.47 | -1/8 | 2089.84 | -1/8 |
| | 2111.33 | -2/8 | 2101.56 | -2/8 | 2085.94 | -2/8 |
| | | | | 1 st Sell level | | 2 nd Sell level |
| | | | 2123.50-2122.75 (s44.75) | | 2127.25-2128.75 (sl30.75) | |
| Central line | | | 2119.00 | | | |
| | | | 2112.75-2110.75 (sl08.50) | | 2101.00-2103.50 (s00.50) | |
| | | | 1 st Buy level | | 2 nd Buy level | |

Overnight Call:

Central line = 2119.00

Above it, ES could pop up to 2123.50-2122.75 or higher to 2127.25-2128.75 (short entry).

Below it, ES could dip into 2112.75-2110.75 or lower to 2101.00-2103.50 (long entry).

9 WEEKLY ECONOMIC REPORTS

<http://www.briefing.com/investor/calendars/economic/>

Monday

- no economic report

Tuesday

- No economic report

Wednesday

- FHFA House price index, Existing Home Sales and EIA Petroleum Status Report

Thursday

- Jobless Claims, Chicago Fed National Activity Index, Leading indicators

Friday

- PMI Manufacturing Index Flash and New Home Sales