



Natusus

Daily Trading Plan Sept 14, 2015

1. PREVIOUS DAY (ESZ5)

Open	High	Low	Close
RTH 1936.25	1951.75	1927.50	1950.25
GBX 1939.50	1951.75	1927.50	1950.25

2. PIVOTS

	Daily RTH and GBX	Weekly	Monthly	Yearly
R3	1983.25	2066.00	2383.25	2540.25
R2	1967.50	2029.00	2245.25	2314.50
R1	1959.00	1989.75	2107.25	2183.50
PPT	1943.25	1952.75	1969.25	1957.75
S1	1934.50	1913.25	1831.00	1826.75
S2	1918.75	1876.25	1693.00	1601.00
S3	1910.25	1837.00	1555.00	1470.00

3. FOCUS NUMBERS

	Daily	Weekly
2nd Sell level	1976.00-1978.50	2030.25-2028.50
1st Sell level	1964.00-1965.50	1992.00-1995.50
Key #	1955.00-1956.50	1965.50-1967.75
1st Buy level	1928.50-1930.50	1885.00-1890.50
2nd Buy level	1915.75-1914.50	1856.00-1860.50

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

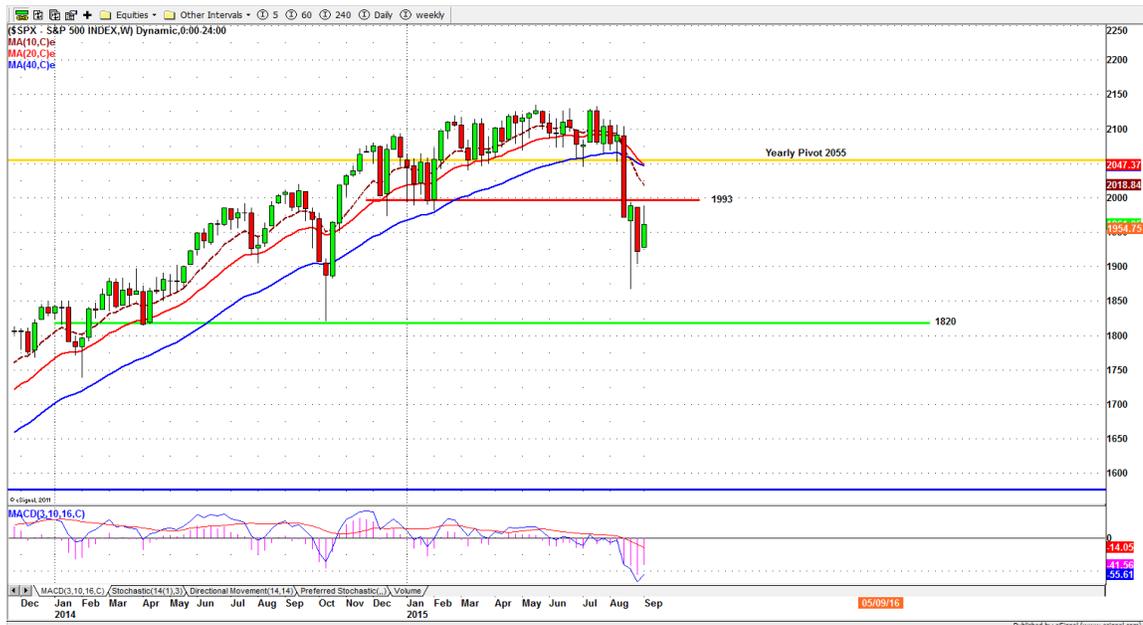
The S&P 500 cash index (\$SPX) closed at 1961.05 last Friday, up 39.83 points for a 2% net weekly gain.

Last week: The index had a range bounce within its previous weekly trading range. The price bounce resulted from short covering ahead of the FOMC meeting this week

This week: There is lots happening this week. The FOMC meeting and policy announcement starting Wednesday, followed by the Fed Chair's press conference Thursday. Speculation about an interest rate hike will dominate. Opinion on the Street is split. It is also quadruple witching week, with options and futures expiring. Expect some wild price swings to run stops in both directions.

Technical analysis

S&P500 Weekly Chart



a) Long-term

The SP500 has stayed under the eight-month broken support line since the big decline on 24 Aug. 2015. In the last two weeks the market has consolidated and tried

to balance out oversupply and reduced demand – too many sellers and not enough buyers – resulting from that decline.

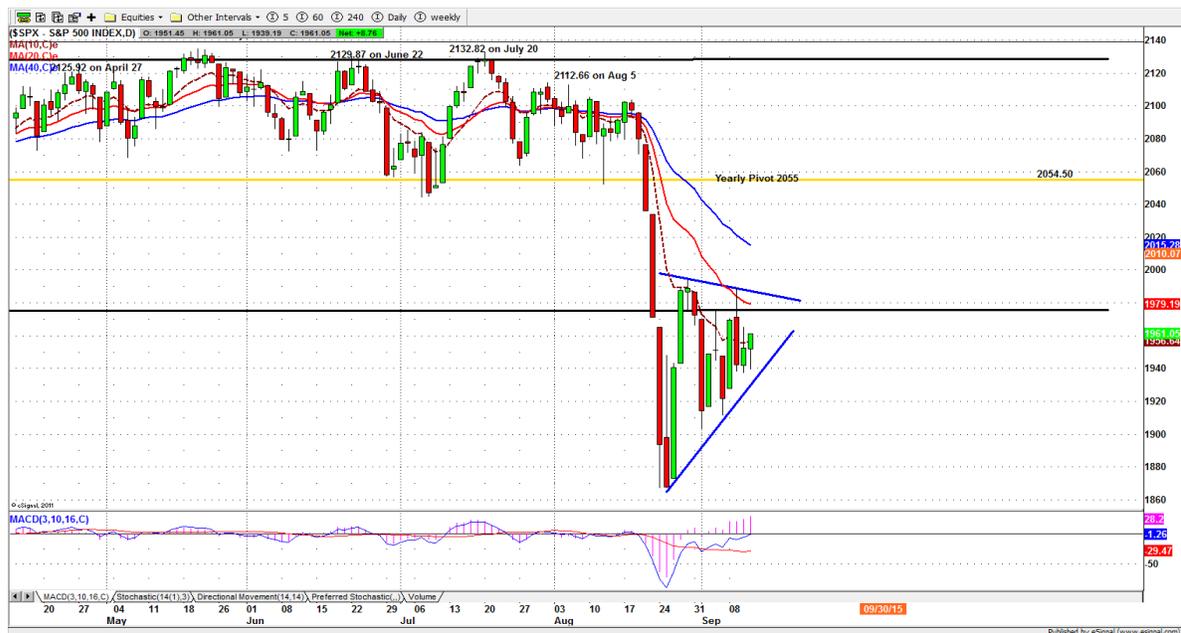
Up to now, the index has only given a short-term sell signal i.e. by the 50-day moving average crossing below the 200-day moving average. For the longer term, the 20-week moving average still hasn't crossed below the 40-week m.a. line on the weekly chart. They are close to each other and flat, but haven't given a long-term sell signal yet. This indicates there is still some hope that the index has a chance to move back up to the momentum indicators (20/40ema weekly lines) it penetrated on the way down.

1972 line is a decision line. The index needs to close above 1972 on a weekly basis in order to push the price up to re-test the 2023-50 zone. If the index closes below 1972 this week, it will increase the risk that the price will resume its downward trajectory soon.

1832-1820 is long-term support. This support zone should be tested one more time to prove the strength of the buyers. As long as this support remains intact as we move through October and mid-November, the return of favorable seasonality could encourage the buyers to come back to the market. The index could hit the 2100 level again at the end of the year if the 1820-30 zone holds up firmly.

2. Short-term

S&P500 Daily Chart



On Friday the S&P500 index closed above the 10-day moving average line for the third time since the big decline of Aug. 24. It is a sign that the cash index is less bearish; the Bulls were fighting back and trying to regain control for an upside move.

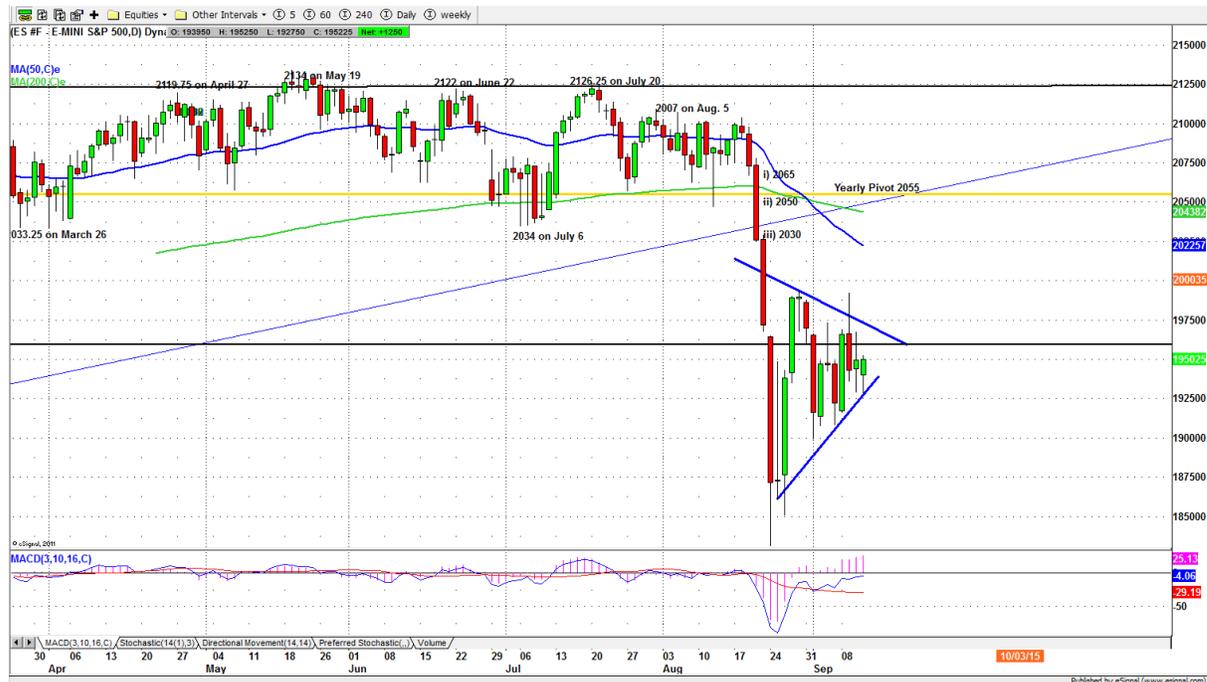
The triangle formation is the key pattern for the current phase of the market. The downtrend line of should be the first resistance at the 1985-75 zone. The uptrend line should be the first support at the 1935-40 zone.

As long as SPX stays inside that triangle early in the week, the price will continue to chop around the 1965 line and try to shake out weak hands – that's retail traders like us – on both sides. Later we should see a breakout from that triangle pattern after the FOMC rate announcement.

The short-term indicators haven't reached overbought territory yet. There is still some room for those indicators to move up, which could help the index complete one more push up. Once those short-term indicators reach an overbought condition, we can re-assess next possible downside target.

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

ESZ5 Daily chart



In the last two days trading, the ES managed to hold the price above the short-term uptrend line of a triangle pattern. ES has made lower highs and higher lows for 13 trading days since the low at 1831 made on Aug. 24. ES could remain inside this triangle today.

We expect ES to stay inside the triangle pattern. But there is another possibility, shown on the 15-minute chart below. If the ES fails to move above the 1965.50 line this week, there is a potential butterfly pattern developing, which often precedes a decline. Even the ES goes up to touch 1965, but doesn't close above 1965.50, there is still a chance it will move back down again. Both the 1955 and 1965 lines can control potential downside moves.

ESZ5 15-minute chart



The ultra-short-term indicators have a little overbought condition. But market sentiment still has some residual bullish bias, prompted by hopes the Fed may delay an interest rate increase. However the majority are waiting for confirmation of the breakout direction. A break out in either direction is likely to carry the price along in that direction, at least for a short time.

The major support levels: 1932-35, 1922-18.50, 1907-03, 1875-50.50
 the major resistance levels: 2015-18.50, 2029-28.50, 2035-38 and none

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

6. TRADING STRATEGY: Sept 14, 2015

a. Intraday Scalping numbers

Sell level	1960.75-1962.50	1971.75-1973.00	1985.75-1984.75
Buy level	1934.00-1932.50	1919.50-1918.75	1907.00-1903.25

b. Gap Method Trading

	Gap	target
Sell level	1962.50-1964.00	1952.00
Buy level	1942.00-1939.75	1950.50

c. Option trades (short calls or puts trades)

	Strike price	Expiration Date	Entry price
	2025 calls	2015-09-18	ES above 1970
Meanline	1965		
	1850 puts	2015-09-18	ES below 1930

Murrey Math Line Movement *

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

Prior Move	3.91	Up Move	7.81	Down Move	7.81
1960.94	+2/8	2015.63	+2/8	1984.38	+2/8
1957.03	+1/8	2007.81	+1/8	1976.56	+1/8
1953.13	8/8	2000.00	8/8	1968.75	8/8
1949.22	7/8	1992.19	7/8	1960.94	7/8
1945.31	6/8	1984.38	6/8	1953.13	6/8
1941.41	5/8	1976.56	5/8	1945.31	5/8
1937.50	4/8	1968.75	4/8	1937.50	4/8
1933.59	3/8	1960.94	3/8	1929.69	3/8
1929.69	2/8	1953.13	2/8	1921.88	2/8
1925.78	1/8	1945.31	1/8	1914.06	1/8
1921.88	0/8	1937.50	0/8	1906.25	0/8
1917.97	-1/8	1929.69	-1/8	1898.44	-1/8
1914.06	-2/8	1921.88	-2/8	1890.63	-2/8

7. OVERNIGHT CALL (3:30am to 8am)

	1 st Sell level	2 nd Sell level
	1960.25-1962.50 (sl65.50)	1973.00-1975.25 (sl78.75)
Central line	1950.50	
	1942.00-1940.50 (sl38.50)	1932.50-1934.50 (s31.50)
	1 st Buy level	2 nd Buy level

Overnight Call:

Central line = 1950.50

Above it, ES could pop up to 1960.25-1962.50 or higher to 1973.00-1975.25 (short entry).

Below it, ES could dip into 1942.00-1940.50 or lower to 1932.50-1934.50 (long entry).

9. WEEKLY ECONOMIC REPORTS

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

Monday

- No economic reports

Tuesday

- Retail Sales, Empire State Mfg Survey, Industrial Production and Business Inventories

Wednesday

- FOMC meeting begins. Consumer Price Index, Housing Market Index and EIA Petroleum Status

Thursday

- Housing Starts, Jobless Claims, Philadelphia Fed Business Outlook Survey FOMC meeting announcement, Forecasts and Fed Chair Press Conference

Friday

- Leading Indicators