



Natusus

Daily Trading Plan Sept 21, 2015

1. PREVIOUS DAY (ESZ5)

	Open	High	Low	Closing
RTH	1950.50	1967.50	1941.25	1950.25
GBX	1976.50	1983.00	1941.25	1950.25

2. PIVOTS

	Daily RTH and GBX	Weekly	Monthly	Yearly
R3	1991.25	2073.00	2383.25	2540.25
R2	1979.50	2042.50	2245.25	2314.50
R1	1965.00	1996.50	2107.25	2183.50
PPT	1953.25	1966.00	1969.25	1957.75
S1	1938.50	1919.75	1831.00	1826.75
S2	1926.75	1889.25	1693.00	1601.00
S3	1912.25	1843.25	1555.00	1470.00

3. FOCUS NUMBERS

	Daily	Weekly
2 nd Sell level	1983.75-1981.75	2030.25-2031.50
1 st Sell level	1972.00-1973.50	2015.50-2012.00
Key #	1957.50-1956.50	1939.25-1935.25
1 st Buy level	1928.50-1930.50	1892.00-1895.50
2 nd Buy level	1915.75-1916.50	1864.00-1862.50

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

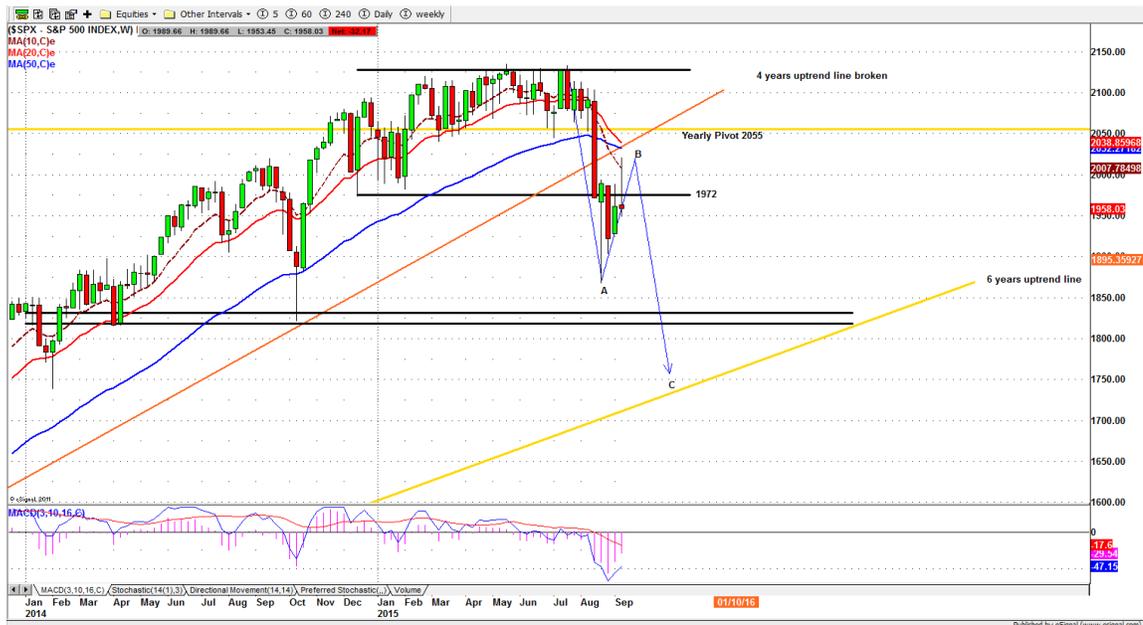
The S&P 500 cash index (\$SPX) closed at 1958.03 last Friday, down 3.02 points for tiny weekly loss, but it lost 1.62% in single day on Friday.

Last week: The Fed left interest rates unchanged at Thursday's FOMC meeting. This “inaction” -- based publicly on concerns about global economic growth and fear of deflationary effects from the strengthening US dollar – appears to have ended the short-term bounce in the US market.

This week: Mrs. Yellen has said that the US economy still looks solid and that a rate hike by year end is still possible. We think that Fed has already missed its chance to raise rates for some time. Consider the headwinds affecting the US economy: war becoming more serious in the Middle East; refugees flooding Europe and a slow-burning war in the Ukraine disrupting European unity; China melting down; the oil economy in depression. US equities are now entering the least favorable season. The Fed is becoming a sideshow, and investors are bailing out. We expect more will leave in the future. This isn't over..

Technical analysis

S&P500 Weekly Chart



a) Long-term

The SP500 has not been able to close above its broken support line at 1972 for the past three weeks. That suggests the long-term uptrend is preparing to change direction. The price not fallen below the long-term major support line either, but the short- and intermediate-term Bulls have not been able to defend the gains they made on the relief rally from the August 24 crash. That is a major concern for buyers at this stage.

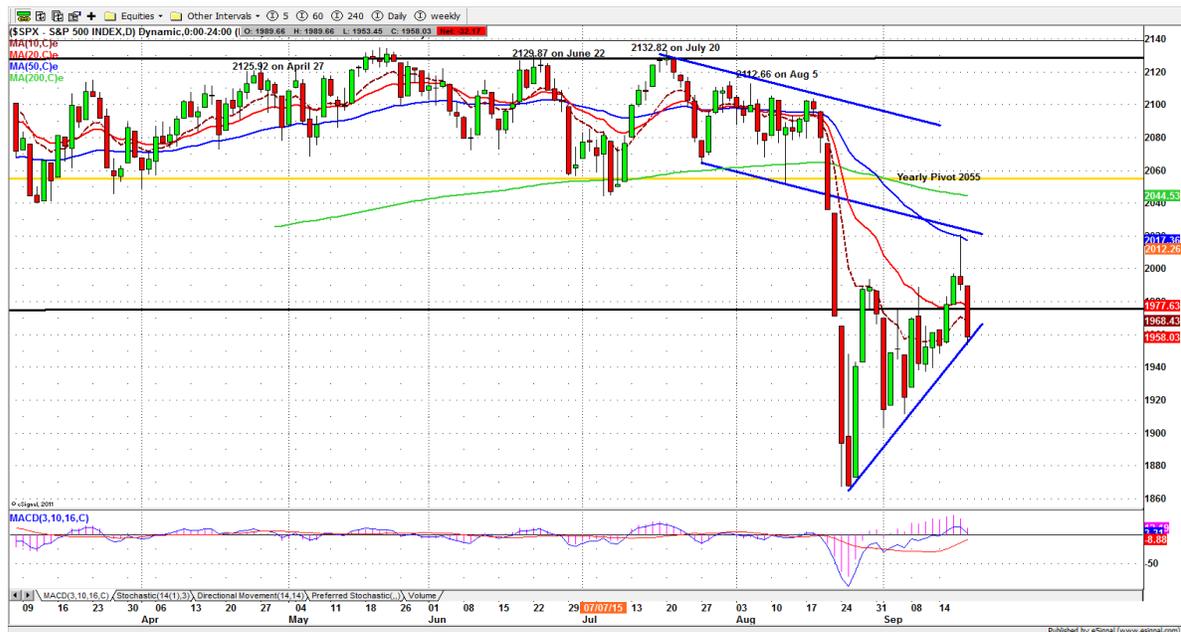
There are two long-term uptrend lines on our weekly chart, one broken, one still intact for the time being. First, the four-year long-term uptrend line (orange) was broken on Aug. 24. Up to now, the index has not been able to move back above it. Second, the six-year long-term uptrend line is below the current price and lying at 1915 this month.

There is also a potential bearish symmetrical pattern developing with a major downside target around 1750 area. The high made this week at 2020.86 is looking like the short-term top of the retracement from the late-August plunge. That would be confirmed if the PX makes a weekly or monthly close below 1920. The SPX is looking like there is more downside risk than upside potential, and investors are losing interest.

The 1972 line will remain the short-term resistance area this week. As long as the index doesn't make a weekly close above it, the short-term and intermediate-term trend should be down. The index will continue to be volatile. History not only tells us that the period from the end of July to the middle of October has seen some big drops, but also tell us that October is known for its crashes. With the markets currently moving down, we should keep this perspective in mind.

b) Short-term

S&P500 Daily Chart



S&P500 index faked a triangle pattern breakout, and ran the buy stops above the resistance area during the Fed rate announcement and press conference time. And then the price turned around and went south after the press conference ended, giving a big reversal signal. Buy the rumor, sell the news: a well-worn pump and dump strategy.

Based on Friday's closing, the bounce should be ended, and a second declining movement should be on the way. A move below 1930 level will confirm that last Thursday's high is the short-term top.

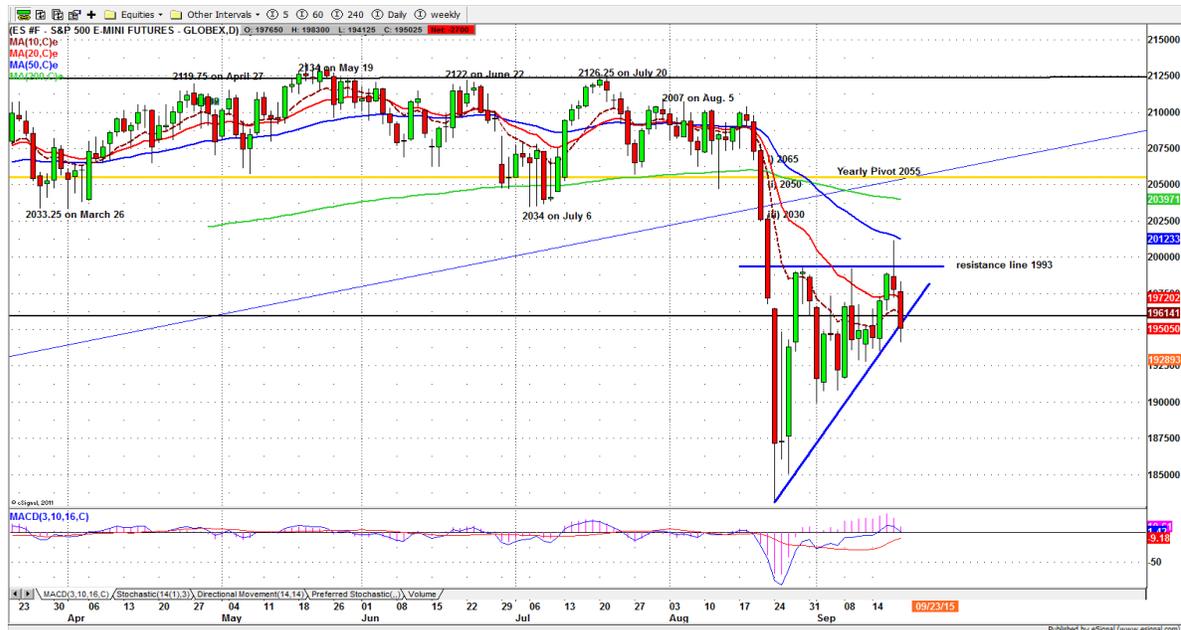
This week 1978-1968 zone will act as the first major resistance zone. As long as the index stays below it, the Bears will keep fighting for the lower support zone at 1935-40. A break below 1930 line could directly open a door toward 1900, the first psychological support line. The short-term indicators are bearish and still have an overbought condition.

This week the short-term trend should be down. Any bounce could be countered by the sellers. But the high volatility will continue for some time. There is a very active economic calendar for the eight trading day left in September, and Janet Yellen and

four other Fed members will speak this week. That, and other external events, could disrupt the progress of the market for the rest of the month.

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

ESZ5 Daily chart



ES sold off right after Fed rate announcement. It gave up a total 37.5 points gain made in the previous three days in the last day and a half of the week. It closed below all daily momentum support lines again on Friday and gave a selling signal again.

Today monthly pivot level (1965.50) will be first resistance line. As long as ES stays under it, the price should continue to decline and head toward the 1900 level area to search for very short-term support again, especially if ES can break through 1927.25 and run the stops below that level. Last Friday's unfilled gap at 1977.25 is very important for the short-term decline. It needs to remain unfilled in coming weeks in order to encourage the sellers to push ES down to complete retesting the August low. Traders should focus on the short side on any bounce under the 1972 -65.50 zone.

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

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

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6. TRADING STRATEGY: Sept 21, 2015

a. Intraday Scalping numbers

Sell level	1964.75-1962.50	1971.75-1973.00	1985.75-1984.75
Buy level	1934.00-1935.50	1923.50-1921.75	1909.75-1911.25

b. Gap Method Trading

	Gap	target
Sell level	1965.50-1964.00	1950.50
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
1976.56	+2/8	2015.63	+2/8	1984.38	+2/8
1972.66	+1/8	2007.81	+1/8	1976.56	+1/8
1968.75	8/8	2000.00	8/8	1968.75	8/8
1964.84	7/8	1992.19	7/8	1960.94	7/8
1960.94	6/8	1984.38	6/8	1953.13	6/8
1957.03	5/8	1976.56	5/8	1945.31	5/8
1953.13	4/8	1968.75	4/8	1937.50	4/8
1949.22	3/8	1960.94	3/8	1929.69	3/8
1945.31	2/8	1953.13	2/8	1921.88	2/8
1941.41	1/8	1945.31	1/8	1914.06	1/8
1937.50	0/8	1937.50	0/8	1906.25	0/8
1933.59	-1/8	1929.69	-1/8	1898.44	-1/8
1929.69	-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
	1963.25-1965.50 (sl66.50)	1975.25-1976.25 (sl79.75)
Central line	1956.50	
	1938.00-1936.25 (sl34.50)	1929.50-1927.50 (s26.50)
	1 st Buy level	2 nd Buy level

Overnight Call:

Central line = 1956.50

Above it, ES could pop up to 1963.25-1965.50 or higher to 1975.25-1976.25 (short entry).

Below it, ES could dip into 1938.00-1936.25 or lower to 1929.50-1927.50 (long entry).

9. WEEKLY ECONOMIC REPORTS

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

Monday

- Existing Home Sales

Tuesday

- FHDA House Price Index and Richmond Fed Mfg index

Wednesday

- PMI Manufacturing Index Flash and EIA Petroleum Status

Thursday

- Durable Goods Orders, Jobless Claims, Chicago Fed National Activity Index and New Home Sales

Friday

- GDP, PMI Services Flash and Consumer Sentiment