



# Natusus

## Daily Trading Plan Aug 29, 2016

### 1. PREVIOUS DAY (ESU6)

Open	High	Low	Closing
RTH 2174.75	2186.75	2157.50	2168.50
GBX 2174.50	2186.75	2157.50	2168.50

### 2. PIVOTS

	Daily RTH and GBX	Weekly	Monthly	Yearly
R3	2213.75	2221.50	2312.00	2472.50
R2	2200.25	2206.50	2242.25	2303.25
R1	2184.50	2187.50	2205.25	2169.50
<b>PPT</b>	<b>2171.00</b>	<b>2172.50</b>	<b>2135.00</b>	<b>2000.25</b>
S1	2155.00	2153.50	2098.50	1866.25
S2	2141.50	2138.50	2028.75	1697.00
S3	2123.75	2119.50	1991.75	1563.33

### 3. FOCUS NUMBERS

	Daily	Weekly
2 <sup>nd</sup> Sell level	2188.50-2190.50	2194.50-2193.00
1 <sup>st</sup> Sell level	2180.50-2181.75	2183.50-2181.75
Key #	<b>2174.00-2173.50</b>	<b>2168.50-2165.75</b>
1 <sup>st</sup> Buy level	2149.50-2152.50	2137.50-2135.50
2 <sup>nd</sup> Buy level	2143.25-2142.50	2121.50-2123.50

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](http://www.natusus.com)

### 3. WEEKLY OUTLOOK — S&P 500 CASH INDEX

The S&P 500 cash index (\$SPX) closed at 2169.04 last Friday, down 14.83 points for a 0.67% net weekly loss.

**Last week:** SP500 index made new highs on Tuesday and slowly dropped after that as we moved closer to Mrs. Yellen's speech at the Fed conference at Jackson Hole on Friday. After Yellen and various other Fed officials signaled a possible interest rate increase sooner rather than later the Index sold off further. However it still managed to bounce a little for the close.

**This week:** A further decline in early days and bounce in later week days should be expected. The high volatility should be expected. But any bounce may be stalled by the short-term sellers.

## Technical analysis

### 1. S&P500 index weekly



The long-term and intermediate-term uptrend hasn't been changed. Last Friday's sell-off was short-term profit taking or a minor correction move. The seasonality is unfavorable and the short-term pullback could last until mid-September. The price

could drop into the 2120-2075 zone to test two weekly momentum support lines (2120 or 2075) depending on time and the speed of price movement.

The PMO indicator has an intermediate-term overbought condition, and the slow STO is overbought and forming a flat line. If both indicators give a selling sign this week, we should then be prepared for an intermediate-term correction to be on the way soon.

A weekly close below 2125 will be the first clue. However if it is not confirmed by a continuing decline in the price, it may be just another short-term oversold pullback that bounces from the 2120 level.

## 2. Short-term S&P500 Daily Chart



SP500 index broke its 14-day sideways range from 2195 to 2170 last Friday. The range breakout triggered a stop run, and first led the price down to 2160.39 level, and then bounced from the daily momentum second support (40ema) area.

This week the 40ema line (2158) will be a key line. A move below it could push the Index to reach its range momentum breakdown target at 2143.19.

The daily PMO indicator continues declining, which indicates there is at least one more push down move before the price can have a decent bounce.

The usual bullishness around the end and beginning of the month could help the Index to hold up the 2140-2120 level this week.

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



#### ESU6 Daily chart

Fed officials at Jackson Hole clearly signaled an interest rate increase in the future and hinted – as they have before – it could happen as soon as the September meeting. That seems politically unlikely.

The ES sold off after European market closed Friday but managed to close above 2165.50.

The price action was strong on the negative side, but the pullback wasn't serious enough to damage the short-term uptrend. The ES remains above the major support zone 2145-35.50.

Today the 2165.50 level is a key line. Staying above it could lead ES to retest 2175 and 2180-85 zone, which would mainly be attempts to repeat last Friday's range move.

A break below 2155 level will be slightly bearish. A further down toward 2145-35.50 should then be expected.

The short-term indicators still point down, so any bounce may not last very long today. Focus on the short side if there is a bounce.

Major support levels: 2155-56.50, 2146-43.50, 2133-28.50, 2103.50-00.75

Major resistance levels: 2188-89, 2196-93, 2103.50-06.50, 2214.50-12

Short-term ---- Neutral

Medium term -----Bullish

Long term ---- Bullish

## 5. TRADING STRATEGY: Aug. 29, 2016

### a. Intraday Scalping numbers

<b>Sell level</b>	<b>2175.50-2176.50</b>	<b>2184.50-2185.75</b>	<b>2190.50-2189.25</b>
<b>Buy level</b>	<b>2162.25-2061.50</b>	<b>2152.50-2149.25</b>	<b>2142.50-2140.50</b>

### b. Option trades (short calls or puts trades)

	Strike price	Expiration Date	Entry price
	2220 calls	Sept 2, 2016	
<b>Meanline</b>	<b>2155</b>		
	2095 puts	Sept 2, 2016	

## Murrey Math Line Movement \*

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

Prior Move	3.91	Up Move	3.91	Down Move	3.91
2195.31	+2/8	2195.31	+2/8	2179.69	+2/8
2191.41	+1/8	2191.41	+1/8	2175.78	+1/8
<b>2187.50</b>	<b>8/8</b>	<b>2187.50</b>	<b>8/8</b>	<b>2171.88</b>	<b>8/8</b>
2183.59	7/8	2183.59	7/8	2167.97	7/8
2179.69	6/8	2179.69	6/8	2164.06	6/8
2175.78	5/8	2175.78	5/8	2160.16	5/8
2171.88	4/8	2171.88	4/8	2156.25	4/8
2167.97	3/8	2167.97	3/8	2152.34	3/8
2164.06	2/8	2164.06	2/8	2148.44	2/8
2160.16	1/8	2160.16	1/8	2144.53	1/8
2156.25	0/8	2156.25	0/8	2140.63	0/8
2152.34	-1/8	2152.34	-1/8	2136.72	-1/8
2148.44	-0.25	2148.44	-0.25	2132.81	-0.25

### 7. OVERNIGHT CALL (6:00pm to 8:00 am)

	1 <sup>st</sup> Sell level	2 <sup>nd</sup> Sell level
	2176.50-2177.50 (sl 79.50)	2183.50-2181.50 (sl 86.75)
Central line	2170.50	
	2162.00-2161.50 (sl 60.50)	2149.50-2152.25 (sl 48.00)
	1 <sup>st</sup> Buy level	2 <sup>nd</sup> Buy level

## 9. WEEKLY ECONOMIC REPORTS

MONDAY, AUG. 29					
8:30 am	Personal income	July		0.4%	0.2%
8:30 am	Consumer spending	July		0.3%	0.4%
8:30 am	Core inflation	July		0.1%	0.1%
TUESDAY, AUG. 30					
10 am	Consumer confidence	Aug.		96.9	97.3
WEDNESDAY, AUG. 31					
10 am	Pending home sales	July		0.7%	0.2%
THURSDAY, SEPT. 1					
8:30 am	Weekly jobless claims	8/27		265,000	261,000
8:30 am	Productivity	Q2		-0.6%	-0.5%
8:30 am	Unit labor costs	Q2		2.1%	2.0%
10 am	ISM manufacturing	Aug.		52.3%	52.6%
10 am	Construction spending	July		0.6%	-0.6%
10 am	Motor vehicle sales	Aug.		17.1 mln	17.8 mln
FRIDAY, SEPT. 2					
8:30 am	Nonfarm payrolls	Aug.		189,000	255,000
8:30 am	Unemployment rate	Aug.		4.8%	4.9%
8:30 am	Average hourly earnings	Aug.		0.2%	0.3%
8:30 am	Trade balance	July		-\$40.5bln	-\$44.5 bln
10 am	Factory orders	July		2.0%	-1.5%