



# Natusus

## Daily Trading Plan Oct. 31, 2016

### 1. PREVIOUS DAY (ESU6)

Open	High	Low	Closing
RTH 2127.00	2135.25	2112.50	2123.75
GBX 2127.25	2135.25	2112.50	2123.75

### 2. PIVOTS

	Daily RTH and GBX	Weekly	Monthly	Yearly
R3	2157.00	2182.25	2288.75	2472.50
R2	2146.75	2166.00	2239.00	2303.25
R1	2135.25	2145.00	2199.75	2169.50
<b>PPT</b>	<b>2124.00</b>	<b>2128.75</b>	<b>2150.00</b>	<b>2000.25</b>
S1	2112.25	2107.50	2110.75	1866.25
S2	2101.00	2091.25	2061.00	1697.00
S3	2089.50	2070.25	2021.75	1563.33

### 3. FOCUS NUMBERS

	Daily	Weekly
2 <sup>nd</sup> Sell level	2152.50-2150.50	2165.50-2163.50
1 <sup>st</sup> Sell level	2142.50-2145.50	2152.75-2155.00
Key #	<b>2129.50-2131.75</b>	<b>2141.50-2139.50</b>
1 <sup>st</sup> Buy level	2103.50-2101.50	2093.50-2092.50
2 <sup>nd</sup> Buy level	2093.25-2091.75	2078.50-2075.25

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 2126.41 last Friday, down 14.75 points for a 0.68% net weekly loss.

**Last week:** The SP500 index reversed from the prior week's rally. It remained in a short-term downtrend and retested its September lows.

**This week:** This will be a busy news week. The presidential election will be on the front pages every day. The market will react to any news that may effect the election outcome.

## Technical analysis

### 1. S&P500 index weekly



The long term outlook hasn't changed very much. The buy signal given on April 1, 2016 remains intact. The intermediate-term trend has given a neutral signal.

The short-term is not too good for Bulls. It is more affected by external news, and it could put more pressure on the intermediate outlook and prompt an intermediate-term correction.

There is a rising wedge pattern on the weekly chart. The weekly PMO indicator has an intermediate-term selling signal. It is bearish and declining. There is plenty of room for it to decline lower if there is an intermediate-term corrective move.

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



Until last Friday, the S&P500 index was basically producing another sideways week. But more emails news from the FBI about the Hillary Clinton e-mail investigation weakened the US stock market, and brought in lots of uncertainty just before the election. The stock market doesn't like uncertainty.

In the short term, the outlook is bearish. Even though the index holds the price above the June breakout zone, the 20EMA line crossing below the 50EMA line still gives a short-term selling signal.

2117.50 will be a key line for this week. Closing under could result in a selloff. This week will be a big news week and some of that news will frighten investors. When investors get scared, they trend to sell.

In the event the 2100 level fails to hold up, the next major support is lying around 2060-2050 . The index could pause at the 200-day moving average line, but eventually 2060-2050 should be expected as the final shakeout move target.

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



#### ESU6 Daily chart

The bombshell news that the FBI was examining more emails tied to Hillary Clinton hit the market, and killed the earlier rally after a stronger-than-expected GDP report. Later selling came on rising volume, but the price managed to hold above September's low.

Today ES is likely to retest last Friday's range first. It could go up to 2129.50-33.50 if overnight trading holds above 2119.50-20.50 zone.

A move below 2117.50 line could move ES below last Friday's low and lead price towards 2106-2100 zone to test June's spiking low area.

Daily PMO indicator went further down last Friday, and STO indicator also points out internal weakness. Both hint at short-term bearishness.

Major support levels: 2106.50-07.50, 2100.50-2098.50, 2089-88, 2075-73  
 Major resistance levels: 2152-55, 2162-64, 2171-72.50, 2181.50-78.50

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

**5. TRADING STRATEGY: Oct. 31, 2016**

**a. Intraday Scalping numbers**

Intraday Scalping numbers			
<b>Sell level</b>	<b>2132.50-2134.50</b>	<b>2139.50-2140.50</b>	<b>2146.50-2147.50</b>
<b>Buy level</b>	<b>2112.00-2110.00</b>	<b>2102.50-2101.50</b>	<b>2093.50-2092.50</b>

	Strike price	Expiration Date	Entry price
	<b>2195 calls</b>	<b>16-11-04</b>	
<b>Meanline</b>	<b>2135</b>		
	<b>2075 puts</b>	<b>16-11-04</b>	

## 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
2148.44	+2/8	2148.44	+2/8	2132.81	+2/8
2144.53	+1/8	2144.53	+1/8	2128.91	+1/8
<b>2140.63</b>	<b>8/8</b>	<b>2140.63</b>	<b>8/8</b>	<b>2125.00</b>	<b>8/8</b>
2136.72	7/8	2136.72	7/8	2121.09	7/8
2132.81	6/8	2132.81	6/8	2117.19	6/8
2128.91	5/8	2128.91	5/8	2113.28	5/8
2125.00	4/8	2125.00	4/8	2109.38	4/8
2121.09	3/8	2121.09	3/8	2105.47	3/8
2117.19	2/8	2117.19	2/8	2101.56	2/8
2113.28	1/8	2113.28	1/8	2097.66	1/8
2109.38	0/8	2109.38	0/8	2093.75	0/8
2105.47	-1/8	2105.47	-1/8	2089.84	-1/8
2101.56	-2/8	2101.56	-2/8	2085.94	-2/8

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

	1 <sup>st</sup> Sell level	2 <sup>nd</sup> Sell level
	2135.50-2133.75 (sl36.50 )	2145.75-2143.00 (sl 46.50)
<b>Central line</b>	<b>2128</b>	
	2110.75-2108.50 (sl07.50)	2101.25-2100.25 (sl 2098.50)
	1 <sup>st</sup> Buy level	2 <sup>nd</sup> Buy level

## 9. WEEKLY ECONOMIC REPORTS

MONDAY, OCT. 31					
8:30 am	Personal income	Sept.		0.4%	0.2%
8:30 am	Consumer spending	Sept.		0.4%	0.0%
8:30 am	Core inflation	Sept.		0.1%	0.2%
9:45 am	Chicago PMI	Oct.		--	54.2
TUESDAY, NOV. 1					
9:45 am	Markit PMI	Oct.		--	
10 am	ISM	Oct.		51.2%	51.5%
10 am	Construction spending	Sept.		0.4%	-0.7%
Varies	Motor vehicle sales	Oct.		17.8mln	17.7mln
WEDNESDAY, NOV. 2					
8:15 am	ADP employment	Oct.		--	154,000
2 pm	Federal Reserve announcement			0.25-0.50%	0.25-0.50%
THURSDAY, NOV. 3					
8:30 am	Weekly jobless claims	10/29		260,000	258,000
8:30 am	Productivity	Q3		2.3%	-0.6%
8:30 am	Unit labor costs	Q3		1.1%	4.3%
9:45 am	Markit services PMI	Oct.		--	52.3
10 am	ISM nonmanufacturing	Oct.		55.7%	57.1%
10 am	Factory orders	Sept.		0.1%	0.2%
FRIDAY, NOV. 4					
8:30 am	Nonfarm payrolls	Oct.		195,000	156,000
8:30 am	Unemployment rate	Oct.		4.9%	5.0%
8:30 am	Average hourly earnings	Oct.		0.3%	0.2%
8:30 am	Foreign trade deficit	Sept.		-\$37.0bln	-\$40.7bln