



The Week Ahead

As we start the new year, we are going to be looking for hints from the Federal Reserve about their plans for interest rate increases going into the year. The markets remain in an extended range and are ripe for a pullback. However no pull-back can be anticipated until the Fed takes away the punch bowl from the market participants. This may happen soon and it may not. Be aware and watch all of your positions and hedge where needed.

Markets can turn fast. So stay abreast of market conditions.

S&P Futures Support Levels

Intraday Support Levels

The ES futures have significant intraday support levels:

1st Level of Support
4655-4657.50

2nd Level of Support
4631-4633.50

3rd Level of Support
4589-4591.50

As with any level of support, these levels may or may not hold depending on the conditions of the day. Trading futures contains extreme levels of risk. Only individuals with proper training should attempt.

Index Daily/Weekly Support Levels

The S&P Daily Index has the following support levels:

1st Level of Daily Support
4552-4557.50

2nd Level of Daily Support
4304-4309.50

Weekly Support Levels:

1st Level of Weekly Support
4594-4600.50

2nd Level of Weekly Support
4302-4307.50

Disclaimer: These levels are for information only. This is not a recommendation to buy or sell in either the ES futures or the S&P Index.



Announcements this week

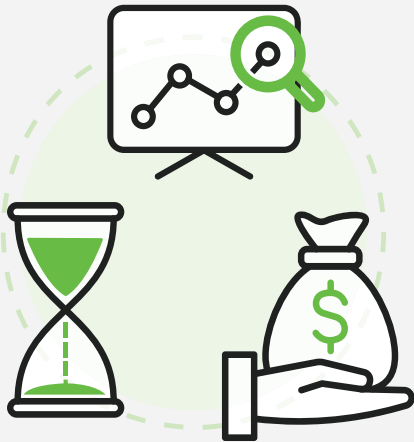
ADP Employment Report	Wednesday 7:15 a.m. CST
Crude Oil Report	Thursday 7:30 a.m. CST
Existing Home Sales	Friday 7:30 a.m. CST
New Home Sales	Friday 7:30 a.m. CST
University of Michigan Consumer Sentim	Friday 7:30 a.m. CST



Internal Indicator Status

The current indicator has now moderated and is now neutral.

The post holiday rally appears to have slowed. Momentum to the upside is reduced so larger moves to the downside can be anticipated.



Trading Tip of the Week

The single most important aspect to successful trading is PATIENCE. Ask any professional trader and they will tell you that the difference between being successful and failure is almost entirely tied to your ability to control your emotions and wait for whatever setup is yours. There are as many methods and theories about the best way to control your emotions as there are political opinions. My view is simply this: Have a setup that defines your method of trading and wait for it no matter how long it takes. You may miss a trade or two, but this will take all the guesswork out and will ultimately make your trading less stressful. Try it.

Items of Interest

A few things that are on the radar this week is the start of earnings season and the VIX.

Earnings season starts this week with many of the large banks getting everything kicked off on Friday. This should give the market a boost to significant new highs or begin the pullback many are calling for.

Secondly, the VIX is working its way back down to historic lows. Being somewhat of a contrarian and knowing the Inauguration is next week, the VIX is offering a potential upside option trade. Remember, the market is historic for buying the rumor and selling the news.

