



The Week Ahead

There are no major market moving events that are scheduled for this week. So the current trend should continue. If you are day trading, then buy side trades will be preferred and if you are swing or position trading, then stay with what you have and look to your sell targets for taking profits.

S&P Futures Support Levels

Intraday Support Levels

The ES futures have significant intraday support levels:

1st Level of Support
4525-4527.50

2nd Level of Support
4335-4337.50

3rd Level of Support
4115-4117.50

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
4528-4530.50

2nd Level of Daily Support
4337-4340.50

Weekly Support Levels:

1st Level of Weekly Support
4335-4340.50

2nd Level of Weekly Support
3985-3987.50



Announcements this week

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| Crude Oil Inventory | Wednesday 9:30 a.m. CST |
| Unemployment Claims | Thursday 7:30 a.m. CST |
| Core Retail Sales | Thursday 7:30 a.m. CST |
| Producer Price Index | 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 moved into the extended range.

The Continued support of the Federal Reserve is helping to extend a rally that may have subsided by now. Be very cautious in taking on any new positions.



Trading Tip of the Week

The trading tip of the week is to prepare your portfolio for potential downside moves. This can best be completed by either selling a portion of high profit positions or buying puts or selling calls against your long positions. In any event, you need to be aware that the market remains some 20% overbought and could correct at anytime without warning. Don't be the person that says I wish I had done that before it went down. Be the person that says I welcome the downside move because I can take advantage of it. The prudent investor is always prepared. Remember the market has no heart. It is a zero sum game and somebody wins and somebody loses.

Items of Interest

Pay attention to crude oil futures as we get this year started. Crude oil has a dramatic effect on consumer spending and overall inflation in the economy.

Crude oil typically falls during the first quarter of every year and we would expect the same this year. However we come into the year with crude oil being very strong. This is somewhat unusual. So keep up with this commodity.

The other item to watch is the US Dollar index. If crude is going to fall, it will do it when the dollar strengthens, so watch the relationship.

