



Naturus

Daily Trading Plan April 27, 2015

1. PREVIOUS DAY (ESM5)

	Open	High	Low	Closing
RTH	2111.50	2114.75	2106.00	2111.75
GBX	2107.50	2114.75	2103.00	2111.75

2. PIVOTS

	Daily RTH and GBX	Weekly	Monthly	Yearly
R3	2128.50	2161.25	2175.50	2540.25
R2	2121.75	2138.00	2141.25	2314.50
R1	2116.75	2125.00	2101.00	2183.50
PPT	2110.00	2101.75	2066.75	1957.75
S1	2104.75	2088.50	2026.50	1826.75
S2	2098.00	2065.25	1992.25	1601.00
S3	2093.00	2052.25	1852.00	1470.00

3. FOCUS NUMBERS

	Daily	Weekly
2 nd Sell level	2132.25-2135.50	2153.25-2155.50
1 st Sell level	2123.50-2126.50	2132.25-2135.50
Key #	2114.75-2117.50	2096.50-2092.50
1 st Buy level	2098.50-2097.25	2073.50-2072.25
2 nd Buy level	2091.25-2092.50	2062.50-2060.25

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.naturus.com

4. WEEKLY OUTLOOK — S&P 500 CASH INDEX

The S&P 500 cash index (\$SPX) closed at 2117.69 last Friday, up 36.51 points for net weekly gain of 1.75%. It also made a new all-time high – if only by a few pennies – for the close.

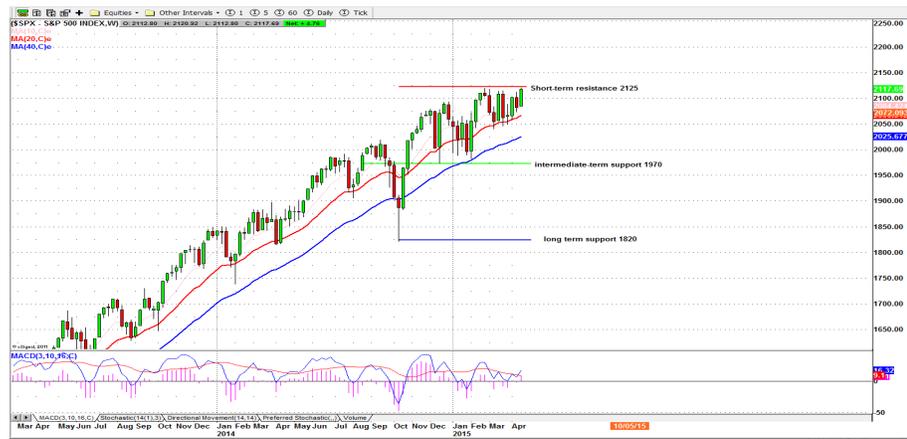
Last week both NASDAQ and SP500 closed Friday at or near the high for the week on the strength of strong earning results from the tech giants: Google, Amazon and Microsoft. The S&P 500 hit an intraday high of 2120.92 and closed above its previous high 2117.39 set on March 2.

This week is the end of April and beginning of May. It is typically a bullish period. But with a GDP report and FOMC rate announcement this week it may not turn out as we expect. Concern about a possible Fed interest rate hike in June will continue to influence the US market.

The Durable Goods report last week hinted that the GDP report this week may be weak. Some traders speculate the Fed could launch a “QE4” to keep the economy going if the GDP report is really bad, or keep the interest rate unchanged for a longer period. The Street is hoping the FOMC statement this week will clarify some of those questions.

Technical analysis

S&P500 Weekly Chart



1. Long-term

The SPX is down one week and up the next, but continues to close below the short-term resistance line, as it did last week.

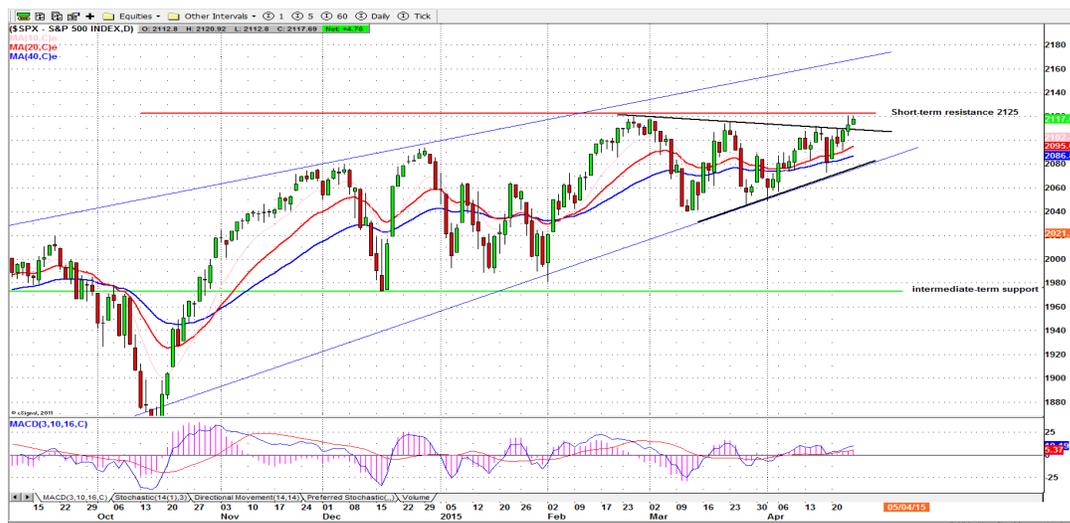
Based on weekly chart, the long-term uptrend remains intact and strong. The price is far above the long-term support line at 1980. A short-term rally out of the current congestion area is possible, but you should not expect too much from it... unless the Fed announces QE4 this week, which is not likely.

SPX has traveled inside the range from 2125 to 2040 for about two and half months. If the market is going to move outside that range it needs to get something started soon, before the seasonal upside bias ends and traders “go away in May,” and the summer doldrums take hold.

Our next CIT day is May 11 and May 25, not too far away. If the SPX is going to extend this rally to reach the short-term target at 2168-78 it needs to make some sort of move this week. The alternative is to stall in the current congestion area in a sideways move to kill time.

For the intermediate-term, as long as SPX doesn't go under its yearly pivot zone 2055-45, any short-term pullback shouldn't change the intermediate-term uptrend direction.

2. Short-term S&P500 Daily Chart



Last week SPX recovered all the previous week's loss and managed to close Friday above the previous week's high.. It not only broke through the resistance of the “wedge” pattern that had been holding it down, it also held above that pattern for two days. The price action was bullish.

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Now the SPX will encounter the next short-term resistance area this week. If it can manage to break above 2125 the outlook will be bullish, with a good possibility of a further rally to the next high in the 2180-65 zone, just below the intermediate-term resistance line (the blue line on the chart).

Based on the daily chart, a potential “W” pattern is developing. The neckline overlaps the short-term resistances zone. The key support area for the SPX is 2090-85. A failure to hold above that support zone could lead the price to drop back near the short-term support at 2075-70 for testing.

The Q1 GDP report and the FOMC report with a possible decision on interest rates will be released on Wednesday. The Street will focus on the GDP numbers first as an indicator of the Fed rate decision, if any. There may be some wide swings and extended range moves in the SPX as a result.

We also have Apple's Q1 earnings reported after the market close on Monday. The whisper is that APPL will be well above expectations – of course – and that may give the market a bump.

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

ESM5 Daily chart



Friday the ES made an inside day with a relatively small range. This is contraction mode behavior and it could lead to a range expansion today. The ES could take out the 2115.50-2117.75 resistance zone first and reverse later; alternatively there could

be a minor pullback first before the price resumes the rally. If the ES fails to break above the 2115-2117 area it could repeat Friday's Globex range, 2114.75 – 2103.

2100 is a psychological support area. A move below it could push the ES back into the 2095-94 zone to test the 10-day moving average line. After five days of rally, a little profit taking would be no surprise today. But it shouldn't change the short-term uptrend direction.

Last week's Globex low at 2078.50 should be major support. As long as ES holds above that support the short-term uptrend remains intact. Only if the ES closes below 2070 level would we expect to see a change in direction, with the “bullish W pattern” turning into a “bearish M pattern”.

The major support levels: 2078.50-75.50, 2062.50-64.50, 2045-50;
the major resistance levels: 2115.50-18.00 and none

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

6. TRADING STRATEGY: April 27, 2015

a. Intraday Scalping numbers

Sell level	2123.50-2121.50	2126.50-2128.50	2132.25-2135.50
Buy level	2101.00-2098.50	2091.50-2092.50	2087.50-2085.50

b. Gap Method Trading

	Gap	target
Sell level	2121.25-2123.50	2118.00-2115.50
Buy level	2103.00-2101.00	2111.75

c. Option trades (short calls or puts trades)

	Strike price	Expiration Date	Entry price
	2150 calls	2015-04-30, 5-01	ES > = 2125
Meanline	2075		
	2045 puts	2015-04-30, 5-1	ES < = 2090

Murrey Math Line Movement *

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

Prior Move	1.95	Up Move	3.91	Down Move	3.91
2128.91	+2/8	2148.44	+2/8	2132.81	+2/8
2126.95	+1/8	2144.53	+1/8	2128.91	+1/8
2125.00	8/8	2140.63	8/8	2125.00	8/8
2123.05	7/8	2136.72	7/8	2121.09	7/8
2121.09	6/8	2132.81	6/8	2117.19	6/8
2119.14	5/8	2128.91	5/8	2113.28	5/8
2117.19	4/8	2125.00	4/8	2109.38	4/8
2115.23	3/8	2121.09	3/8	2105.47	3/8
2113.28	2/8	2117.19	2/8	2101.56	2/8
2111.33	1/8	2113.28	1/8	2097.66	1/8
2109.38	0/8	2109.38	0/8	2093.75	0/8
2107.42	-1/8	2105.47	-1/8	2089.84	-1/8
2105.47	-2/8	2101.56	-2/8	2085.94	-2/8

7. OVERNIGHT CALL (3:30am to 8am)

	1 st Sell level	2 nd Sell level
	2117.00- 2119.50 (sl)	2123.50-2121.75 (sl26.75)
Central line	2111	
	2103.50-2101.00 (sl)	2098.50-2096.50 (sl94.25)
	1 st Buy level	2 nd Buy level

Overnight Call:

Central line = 2111

Above it, ES could pop up to 2117.00 or higher to 2123.50-2121.75 (short entry).

Below it, ES could dip into 2103.50-2101.00 or lower to 2098.50-2096.50 (long entry).

9 WEEKLY ECONOMIC REPORTS

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

Monday

- PMI Services Flash, Dallas Fed Mfg Survey

Tuesday

- S&P Case-Shiller House Price Index, Consumer Confidence, Richmond Fed Mfg Index, State Street Investor Confidence Index

Wednesday

- GDP, Pending House Sale index, EIA Petroleum Status Report and FOMC meeting Announcement

Thursday

- Jobless Claims, Personal Income and Outlays, Employment Cost Index and Chicago PMI

Friday

- PMI Manufacturing Index, ISM Mfg Index, Consumer Sentiment and Construction Spending.