



Natus

Daily Trading Plan Nov. 9, 2015

1. PREVIOUS DAY (ESZ5)

Open	High	Low	Closing
RTH 2094.75	2099.25	2077.50	2093.75
GBX 2094.75	2099.00	2077.50	2093.75

2. PIVOTS

	Daily RTH and GBX	Weekly	Monthly	Yearly
R3	2124.00	2160.50	2363.00	2540.25
R2	2111.50	2135.50	2229.00	2314.50
R1	2102.75	2114.50	2151.50	2183.50
PPT	2090.25	2089.50	2017.25	1957.75
S1	2081.00	2068.50	1939.50	1826.75
S2	2068.50	2043.50	1805.25	1601.00
S3	2059.50	2022.50	1727.75	1470.00

3. FOCUS NUMBERS

	Daily	Weekly
2nd Sell level	2120.50-2123.50	2143.75-2145.50
1st Sell level	2115.50-2113.75	2114.25-2113.75
Key #	2096.25-2094.75	2094.75-2096.25
1st Buy level	2073.50-2075.00	2056.00-2058.50
2nd Buy level	2062.00-2064.00	2043.75-2040.75

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.natus.com

4. WEEKLY OUTLOOK — S&P 500 CASH INDEX (SPX)

The S&P 500 cash index (\$SPX) closed at 2099.20 last Friday, up 19.84 points for 0.95% net weekly gain.

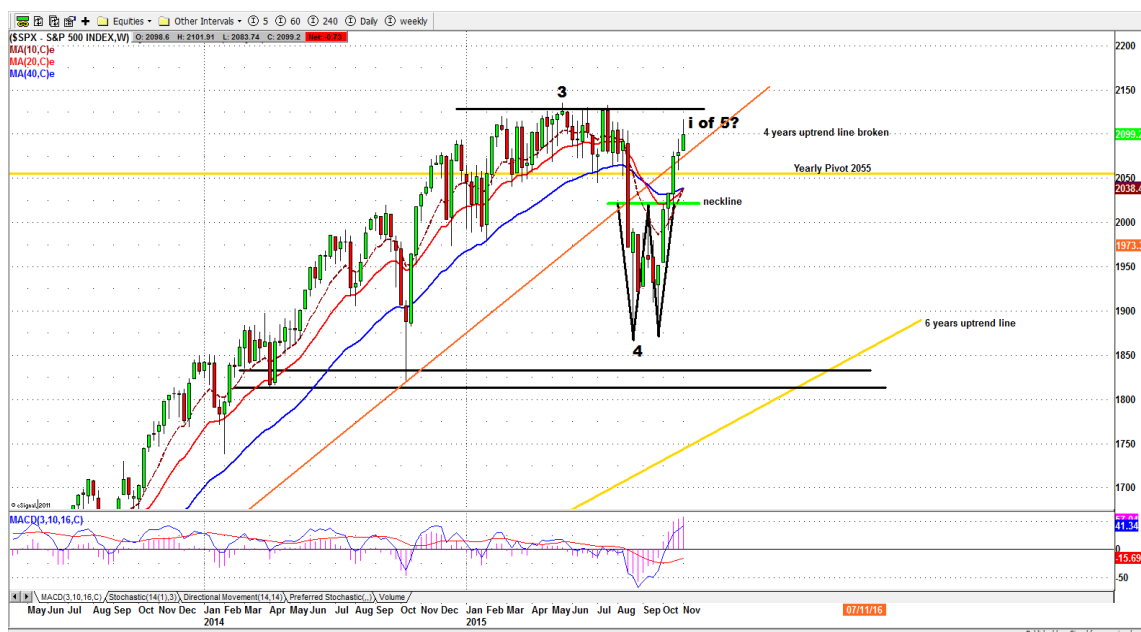
Last week: The SPX has now been rallying for six weeks straight. It closed Friday just below the psychologically important 2100 line. There was some small profit-taking after the Non-Farm Payroll report was released, but overall market sentiment still was bullish and the uptrend is intact.

This week: There could be some continuing consolidation this week. The index may continue to move sideways and repeat last week's range. But external events will influence the short-term price moves and could result in a quick pop or a quick dip. Traders should prepare to react quickly.

Technical analysis

S&P500 Weekly Chart

1. Long-term



The index paused below the May high and closed just below the 2100 level for the first time since the beginning of August. The index has had a strong six-week rally and has

fully recovered this year's loss. Now it is getting close to the 2120 level that was the ceiling for most of the year. So will it move on to new highs, or begin a retracement? The actions of the Federal Reserve in the next few weeks will probably determine the short-term answer.

For the long-term, the uptrend will remain. It should continue going up without doubts. Only the short- and intermediate-term movements will give some trouble, not only in US, but in Asia and Europe also.

Central banks world-wide have embraced easy money policies that massively increased money flows into every sector. In the US, after the financial crisis of 2008, equities were cheap given the relatively low US dollar, and much of the newly-created money found its way into the US stock market.

Now investors seek value and safety, and US equities, now relatively expensive, are seen as providing a safe haven, as economic growth slows in Asia and Europe.

We have seen the effect in the current rally, as overseas money flows into the US. Watch the overnight Globex market and you'll see overseas investors hitting every dip since August 24.

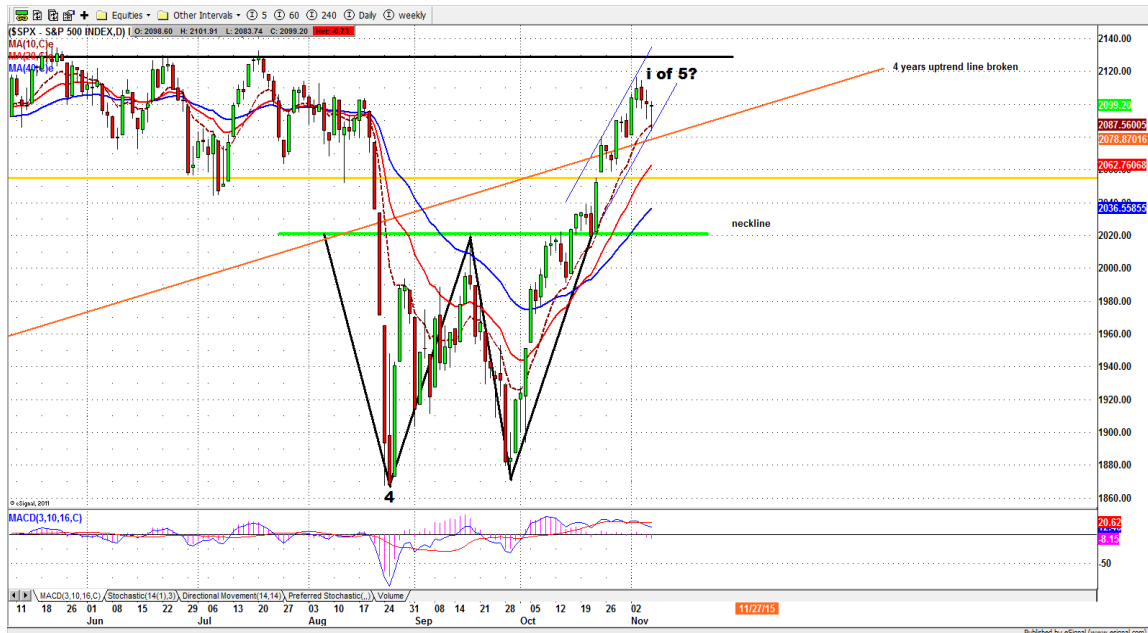
This gives the Fed a little wriggle room on interest rates. If offshore money holds the US equity market up, the Fed doesn't need to.

The US stock market is moving further into the favorable season. Any short-term retracement could give seasonal buyers an opportunity to buy, and we have three weekly momentum lines overlapping at the 2038 area that should prevent any retracement from going too far.

Beyond that, the central banks, the new Masters of the Market, will determine what happens.

2. Short-term

S&P500 Daily Chart



S&P500 index made a doji pattern on Friday, a sign of indecision. But the short-term uptrend from the broken neckline of the bullish double bottom remains intact and strong.

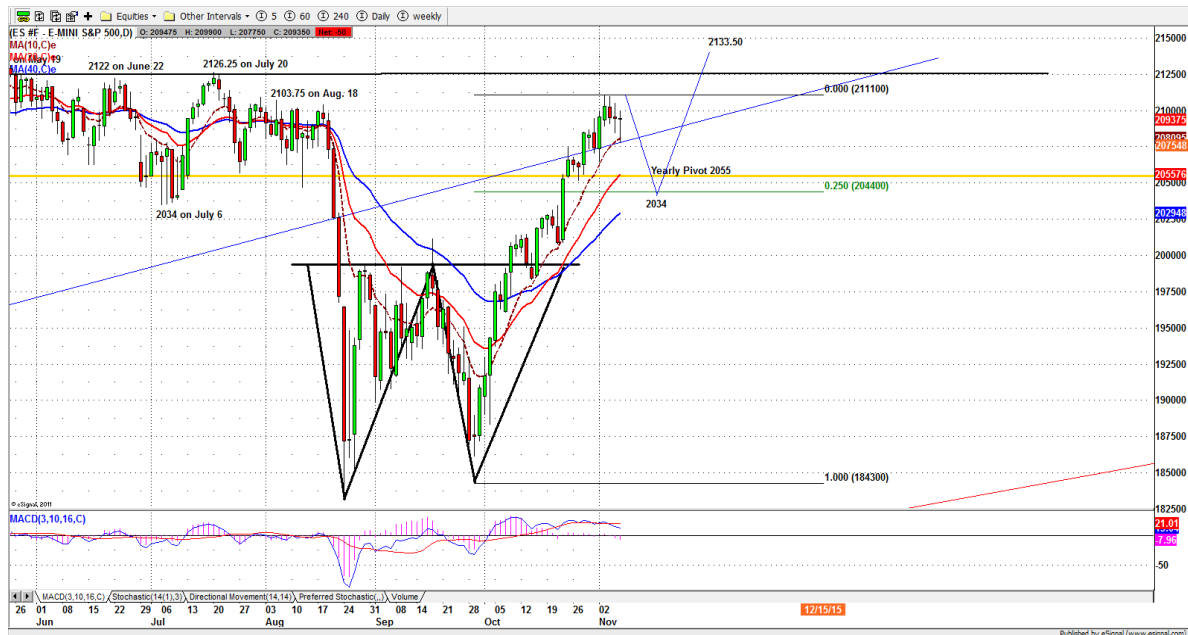
This week the 10-day moving average line at 2080 will be very important line. It overlaps the four-year uptrend line. This long-term uptrend line was broken once in August and generated momentum to the downside. A break below it now could repeat that pattern if the price also breaks down through the 20-day moving average line and the yearly pivot level at the same time.

The neckline of the double bottom is in the 2030-2020 zone. That will be short-term major support. The index may drop to test the neckline zone if 2080 fails to hold up.

Traders are hoping that happens, so they have a better opportunity to go long. But the market typically inflicts maximum disappointment, so what everyone expects is less likely to occur. We may instead have a series of teases – small retracements that quickly reverse.

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

ESZ5 Daily chart



Last Friday ES had a small reversal sign that was not confirmed by the losing price. It looks like just a testing move by pulling into the 10-day moving average line. So far the Bulls are still in control.

Today the 10-day moving average line will be a very important line to watch. In order to confirm Friday's abortive trend reversal signal, ES needs to go under 2073 line and hold below it for closing today. Without this, it is likely for ES to repeat last Friday's range or go higher up to 2110-14.50 to test recent highs, if last Friday's low is held up through overnight trading.

Short-term still has an extremely overbought condition. The intermediate-term starts to move into overbought area, but still has some room to reach extremely overbought levels. Overall the US market is bullish and strong. A small pullback or retracement shouldn't change the uptrend direction. More likely it will be bought by new buyers and help to hold up ES above the 2035 key support level.

Major support levels: 2039-35.50, 2027-25.50, 2016-14, 1995.50-96.25, 1940-33.25

Major resistance levels: 2103.75-02.50, 2114.50-16.50, 2134-35.50

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

6. TRADING STRATEGY: Nov. 9, 2015

a. Intraday Scalping numbers

Sell level	2103.25-2102.50	2110.75-2112.50	2121.50-2123.50
Buy level	2077.25-2078.50	2064.00-2066.50	2058.75-2056.50

b. Gap Method Trading

	Gap	Target
Sell level	2103.25-2102.50	2093.75
Buy level	2078.25-2081.00	2093.75

c. Option trades (short calls or puts trades)

	Strike price	Expiration Date	Entry price
	2125 calls	2015-11-13	ES above 2100
Meanline	2065		
	2025 puts	2015-11-13	ES below 2085

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
2101.56	+2/8	2117.19	+2/8	2101.56	+2/8
2097.66	+1/8	2113.28	+1/8	2097.66	+1/8
2093.75	8/8	2109.38	8/8	2093.75	8/8
2089.84	7/8	2105.47	7/8	2089.84	7/8
2085.94	6/8	2101.56	6/8	2085.94	6/8
2082.03	5/8	2097.66	5/8	2082.03	5/8
2078.13	4/8	2093.75	4/8	2078.13	4/8
2074.22	3/8	2089.84	3/8	2074.22	3/8
2070.31	2/8	2085.94	2/8	2070.31	2/8
2066.41	1/8	2082.03	1/8	2066.41	1/8
2062.50	0/8	2078.13	0/8	2062.50	0/8
2058.59	-1/8	2074.22	-1/8	2058.59	-1/8
2054.69	-2/8	2070.31	-2/8	2054.69	-2/8

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

	1 st Sell level	2 nd Sell level
	2103.50-2101.75 (sl05.25)	2111.75-2114.25 (sl16.75)
Central line	2096.50	
	2082.75-2080.50 (sl79.25)	2073.75-2072.75 (s70.25)
	1 st Buy level	2 nd Buy level

Overnight Call:

Central line = 2096.50

Above it, ES could pop up to 2103.50-2101.75 or higher to 2111.75-2114.25 (short entry).

Below it, ES could dip into 2082.75-2080.50 or lower to 2073.75-2072.75 (long entry).

9. WEEKLY ECONOMIC REPORTS

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

Monday

- No major economic report

Tuesday

- Import and Export Price and Wholesale Trade

Wednesday

- Remembrance Day, Banks Closed

Thursday

- Jobless Claims, EIA Petroleum Status report

Friday

- PPI-FD, Retail Sales, Business inventories and Consumer Sentiment