



Natusus

Daily Trading Plan March 28, 2016

1. PREVIOUS DAY (ESM6)

Open	High	Low	Closing
RTH 2014.75	2029.00	2012.25	2028.50
GBX 2028.50	2029.00	2012.25	2028.50

2. PIVOTS

	Daily RTH and GBX	Weekly	Monthly	Yearly
R3	2051.00	2082.00	2164.25	2472.50
R2	2040.00	2064.75	2066.50	2303.25
R1	2034.25	2046.50	1998.00	2169.50
PPT	2023.25	2029.50	1900.25	2000.25
S1	2017.50	2011.25	1831.75	1866.25
S2	2006.50	1994.00	1734.00	1697.00
S3	2000.75	1976.00	1665.50	1563.33

3. FOCUS NUMBERS

	Daily	Weekly
2 nd Sell level	2056.25-2058.00	2082.75-2079.50
1 st Sell level	2045.75-2046.50	2058.00-2062.50
Key #	2033.00-2030.50	2007.50-2005.50
1 st Buy level	2012.50-2013.50	1982.75-1980.00
2 nd Buy level	1995.50-1993.75	1974.75-1972.00

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

4. WEEKLY OUTLOOK — S&P 500 CASH INDEX

The S&P 500 cash index (\$SPX) closed at 2035.94 last Friday, down 13.64 points for a net weekly loss of 1%.

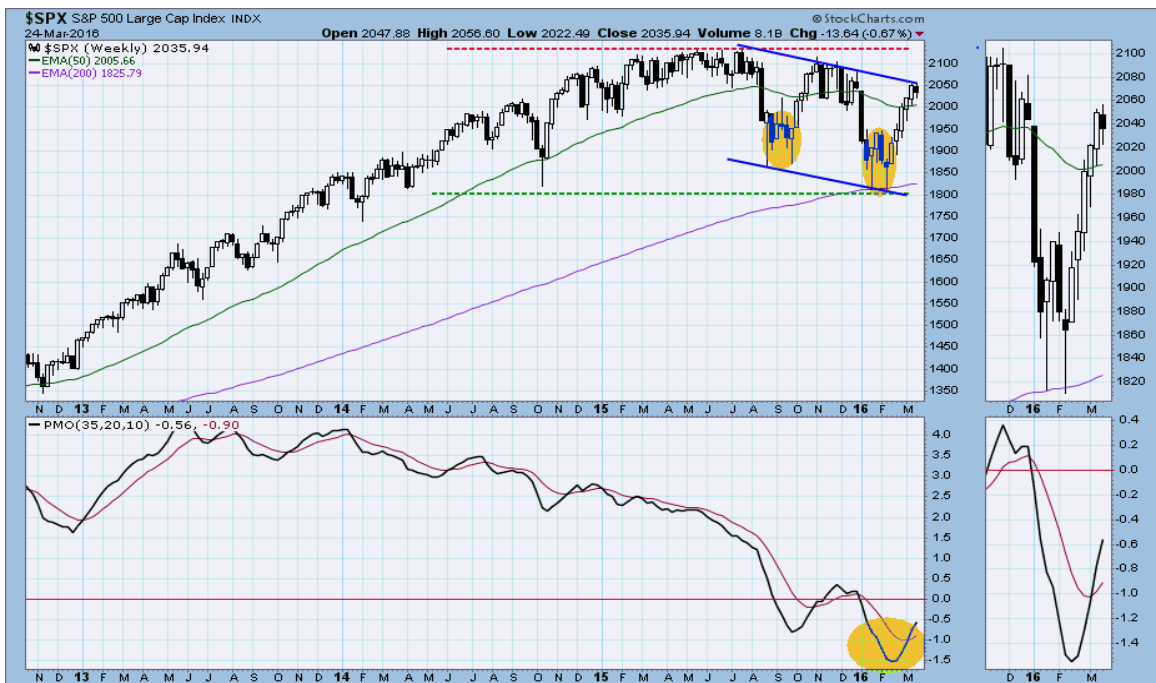
Last week: SP500 index had the first week down after rallying for 5 straight weeks. But thanks to a last-minute recovery it managed to hold above the 200-day moving average line for the close in a holiday-shortened week.

This week: This is the end of the first quarter, and traders will face a re-balancing move, either sideways between the 2065 to 2000 range move or a further pullback down near the 1980-75 zone.

Technical analysis

1. Long-term

S&P500 index Weekly



The S&P500 index holds above the 50-week moving average lines. It is not surprising to see it spend the past week consolidating since it has rallied since mid-February. Very little has changed on the weekly chart, even though the index had its first down week in the past six.

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There is a downtrend channel in the weekly price chart. The index came close to the declining trend resistance line. Since index moved above 50-week moving average line, it has begun to encounter resistance. Now it is a critical time. It has to make a decision if it will rally above resistance line or end this rally in a reversal.

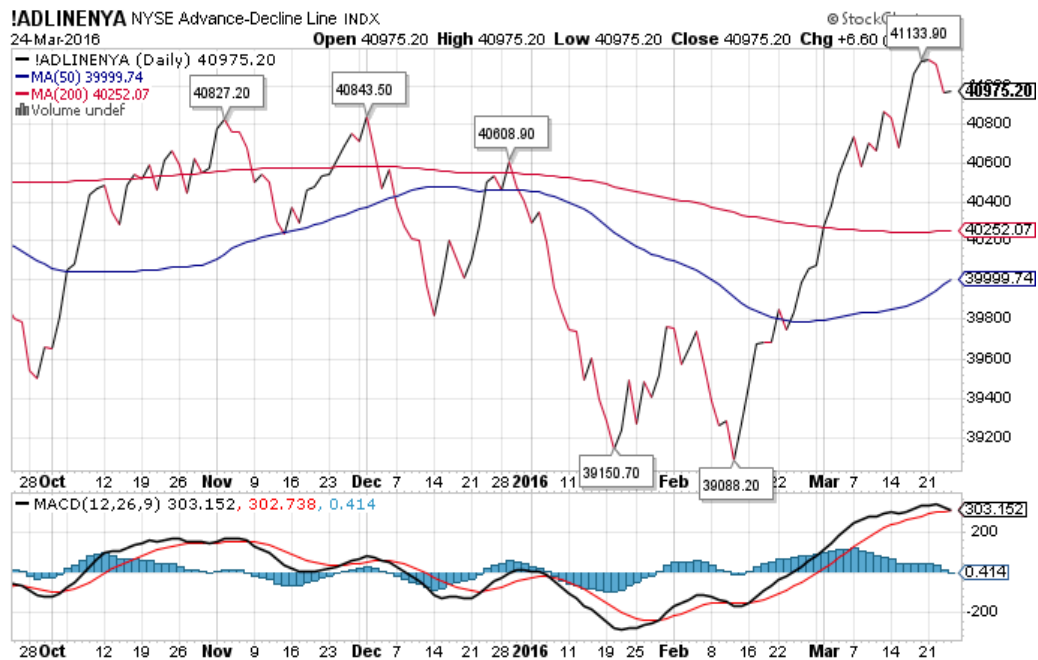
Here are two indicators to watch for an early hint about the outcome.

1. **The market volatility index (VIX)** VIX (sometimes called the “fear” indicator) is viewed as an inverse indicator. The lower it goes the more investors are bullish, and the closer the stock market is to a reversal. When it spiked last September the VIX climbed above 50, and that marked a bottom for the stock market decline.

This year it barely reached 30 when the January declines were at full force, and it has been declining (showing an absence of “fear”) since the middle of February. We have not seen a spike to indicate a bottom is forming. The VIX closed last week at 14.74 and the prior week at 14.02. The VIX says there is no fear... and without fear you are not likely to have a bottom.

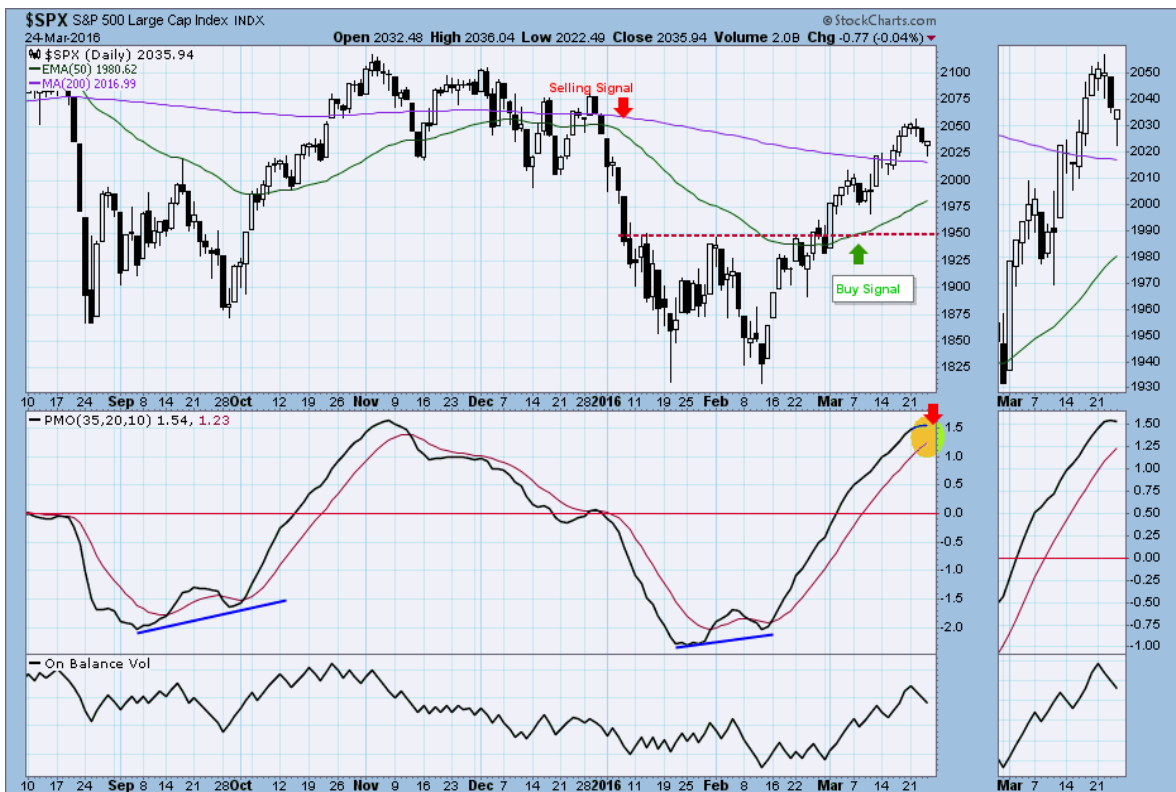


- The NYSE Advance-Decline line.** The AD line tends to drop after it touches new highs, as it has this week. That isn't necessarily a sign of a market reversal, but it is an indication that the struggle between the Bulls and the Bears has not been resolved. Look at the sharp drops after reaching new highs. Even though it didn't tell us "a bearish reversal" in price is imminent, it adds to evidence of the battle between Bulls and Bears that is in progress. Until it is resolved, the direction of the next move is in doubt.



2. Short-term

S&P500 Daily Chart



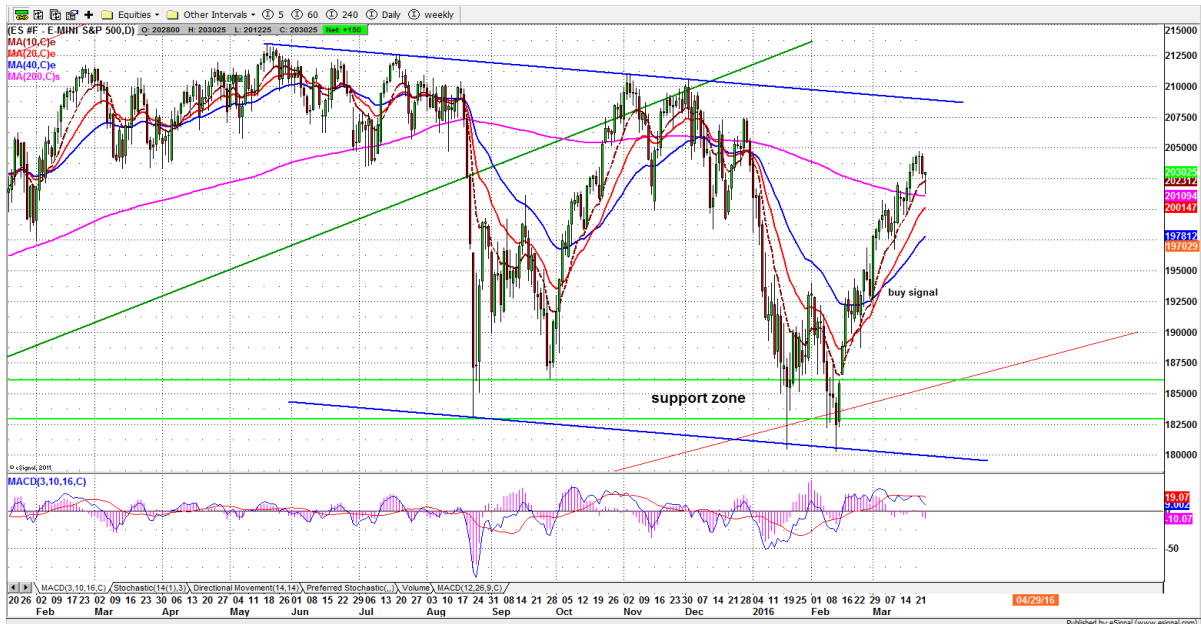
After the SP500 index moved above the 200-day moving average line, it started to show difficulties in carrying to new highs. By the end of holiday-shortened week, it returned to the area of the 200-day moving average, but managed to close above that line.

It is a consolidating behavior and it is the PMO indicator that stops its advance. More consolidation or a pullback should be expected.

This is the final week of March, and the end of the first quarter of 2016. It is a re-balance week for the first quarter. If the index moves below 2020, we should expect to see a re-test of the 2000 area, or perhaps a bit lower near the 1980 area. Conversely, if the index holds above 2020, we may see a move back up to last week's high.

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

ESM6 Daily chart



ES had a pullback to test its 200-day moving average line in the last two trading days of the week. But before Thursday's close, it managed to push the price back above the 10-day moving average line for the close. It avoided giving a bearish reversal signal.

2037.50 is this year's open, and remains a key line for this week. Because the market was closed Friday ES could attempt to complete the previous movement by repeating Thursday's range or -- if it manages to hold above 2010 -- moving higher to retest 2045.

But ES also could move down to 2000 to retest the 20-day moving average line if 2010 fails to hold. A move below 2000 will be bearish. It could trigger selling and push the price down toward 1978 in quick move.

Major support levels: 2005.50-07, 1980-75, 1968-1972

Major resistance levels: 2047-45.50, 2058.50-62.75, 2068.50-72.75, 2084-85.50

Short-term ---- Bullish

Medium term -----Bullish

Long term ---- Neutral

6. TRADING STRATEGY: March 28, 2016

a. Intraday Scalping numbers

Sell level	2035.75-2037.50	2045.50-2046.75	2054.50-2056.00
Buy level	2013.50-2012.75	2003.25-2005.75	1995.50-1993.00

b. Gap Method Trading

Sell level	2044.00-2045.75	2029.50
Buy level	2012.75-2013.50	2028.50

c. Option trades (short calls or puts trades)

	Strike price	Expiration Date	Entry price
	2085 calls	April 1, 2016	
Meanline	2025		
	1925 puts	April 1, 2016	

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
2035.16	+2/8	2054.69	+2/8	2039.06	+2/8
2033.20	+1/8	2050.78	+1/8	2035.16	+1/8
2031.25	8/8	2046.88	8/8	2031.25	8/8
2029.30	7/8	2042.97	7/8	2027.34	7/8
2027.34	6/8	2039.06	6/8	2023.44	6/8
2025.39	5/8	2035.16	5/8	2019.53	5/8
2023.44	4/8	2031.25	4/8	2015.63	4/8
2021.48	3/8	2027.34	3/8	2011.72	3/8
2019.53	2/8	2023.44	2/8	2007.81	2/8
2017.58	1/8	2019.53	1/8	2003.91	1/8
2015.63	0/8	2015.63	0/8	2000.00	0/8
2013.67	-1/8	2011.72	-1/8	1996.09	-1/8
2011.72	-2/8	2007.81	-2/8	1992.19	-2/8

7. OVERNIGHT CALL (3:30am to 8:00 am)

	1 st Sell level	2 nd Sell level
	2044.00-2045.75 (sl 47.50)	2051.75-2052.50 (sl 54.50)
Central line	2021.50	
	2013.50-2012.75 (sl11.75)	2005.50-2003.50 (sl 00.50)
	1 st Buy level	2 nd Buy level

Overnight Call:

Central line =2021.50

Above it, ES could pop up to 2044.00-2045.75 or higher to 2051.75-2052.50 (short entry).

Below it, ES could dip into 2013.50-2012.75 or lower to 2005.50-2003.50 (long entry).

9. WEEKLY ECONOMIC REPORTS

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec																			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Monday Mar 28			Tuesday Mar 29			Wednesday Mar 30			Thursday Mar 31			Friday Apr 1																		
Market Focus » International Trade in Goods (consensus) ★8:30 AM ET Personal Income and Outlays (consensus) ★8:30 AM ET Pending Home Sales Index (consensus) ★10:00 AM ET Dallas Fed Mfg Survey ★10:30 AM ET 4-Week Bill Announcement 11:00 AM ET 3-Month Bill Auction 11:30 AM ET 6-Month Bill Auction 11:30 AM ET 2-Yr Note Auction 1:00 PM ET			John Williams Speaks 5:15 AM ET Redbook • 8:55 AM ET S&P Case-Shiller HPI (consensus) ★9:00 AM ET Consumer Confidence (consensus) ★10:00 AM ET State Street Investor Confidence Index • 10:00 AM ET Janet Yellen Speaks 11:30 AM ET 4-Week Bill Auction 11:30 AM ET 52-Week Bill Auction 11:30 AM ET Rob Kaplan Speaks 1:00 PM ET 5-Yr Note Auction 1:00 PM ET Rob Kaplan Speaks 4:00 PM ET			Bank Reserve Settlement* MBA Mortgage Applications • 7:00 AM ET ADP Employment Report (consensus) ★8:15 AM ET EIA Petroleum Status Report ★10:30 AM ET Charles Evans Speaks 1:00 PM ET 7-Yr Note Auction 1:00 PM ET Farm Prices • 3:00 PM ET			Weekly Bill Settlement 52-Week Bill Settlement 2-Yr Note Settlement 5-Yr Note Settlement 7-Yr Note Settlement 10-Yr TIPS Settlement Challenger Job-Cut Report • 7:30 AM ET Jobless Claims (consensus) ★8:30 AM ET Gallup Good Jobs Rate • 8:30 AM ET Charles Evans Speaks 9:30 AM ET Chicago PMI (consensus) ★9:45 AM ET Bloomberg Consumer Comfort Index • 9:45 AM ET EIA Natural Gas Report • 10:30 AM ET 3-Month Bill Announcement 11:00 AM ET 6-Month Bill Announcement 11:00 AM ET Fed Balance Sheet • 4:30 PM ET Money Supply • 4:30 PM ET William Dudley Speaks 5:00 PM ET			Motor Vehicle Sales (consensus) ★ Employment Situation (consensus) ★8:30 AM ET PMI Manufacturing Index (consensus) ★9:45 AM ET ISM Mfg Index (consensus) ★10:00 AM ET Consumer Sentiment (consensus) ★10:00 AM ET Construction Spending (consensus) ★10:00 AM ET Baker-Hughes Rig Count • 1:00 PM ET Loretta Mester Speaks 1:00 PM ET																		
U.S. Equity Settlement 3-31-16			U.S. Equity Settlement 4-1-16			U.S. Equity Settlement 4-4-16			U.S. Equity Settlement 4-5-16			U.S. Equity Settlement 4-6-16																		

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