

## Trading – June 10, 2009 Day Session – eMini S&P 500 June 2009 (the “ES”)

**The Precise Take** – Range holds yesterday and is broken to the upside overnight

The upper end of the range identified yesterday of 947.00 held to the tick in day session trading. Once it broke overnight on strong Asian and European trading, there was not much resistance and the ES traded to within a tick of a very minor point of control (high 955.00 as we write) established after last Friday’s payroll report.

Assuming the ES is able to maintain above 947.00 into the open, we should see a day-session gap up that forces short covering and allows the markets to reach new highs. Overhead minor **resistance** will be the overnight high of 955.00 and last Friday’s 957.50 high, with major resistance at weekly R1 in confluence with two Fibonacci profit targets at 959.25 50 to 960.00, followed by confluence of Fib profit target and day-session-only R3 at 962.00 to 963.75, then Globex R3 at 965.75, then major resistance again from monthly R2 and Fib profit target at 970.25 to 970.50. Support is at the confluence of both daily R1’s, 50% retracement support and yesterday’s high at 945.75 to 947.00, then major confluence with long term point of control and the daily pivot/gap area at 939.50 to 941.75.

Day trader daily gap: 941.75 (4:00 pm close); 939.50 (official 4:15 pm settlement)

Day trader daily pivot: 940.50 (day-session-only); 940.25 (day and overnight sessions)

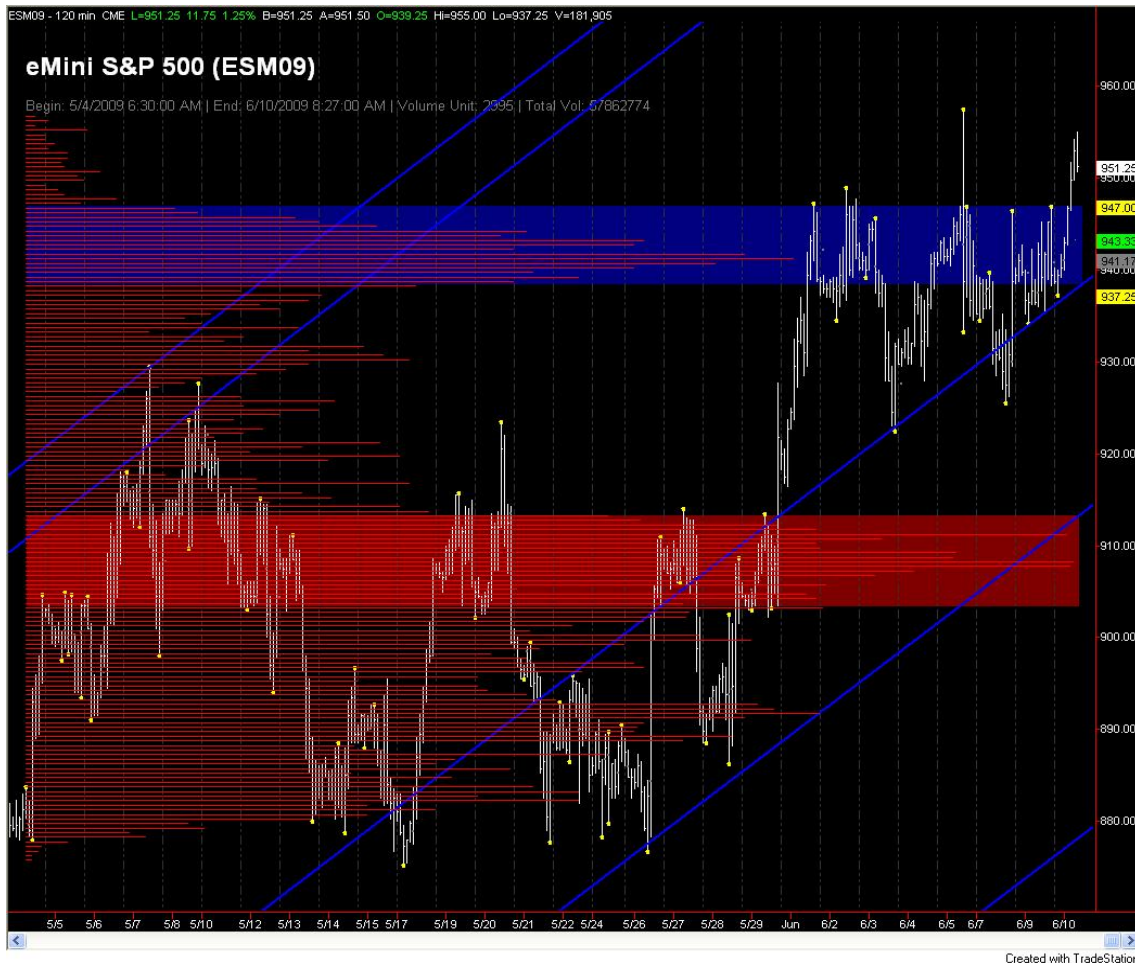
Major upside targets: 970.50; 1008.50; 1066.00

Major downside targets: 921.75; 908.25; 904.00; 875.25; 867.25; 852.50; 841.25; 828.75; 804.00

Countertrend shorts\*: None

Countertrend longs\*: 936.50; 926.25; 923.75; 904.00; 887.50; 877.75; 867.75; 863.50; 857.75

\* Countertrend trades have a 2 point target and 2 point stop, and are **not** recommended on high volume moves or around major news releases.



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**Scheduled News** (all times EDT) – **Major Reports:** Treasury Budget at 2:00 pm; **Minor Reports:** Quarterly Services Survey at 10:00 am; EIA Petroleum Stats at 10:30 am; 10 Yr Note Auction at 1:00 pm; Beige Book at 2:00 pm

**Tomorrow’s Major News** – Retail Sales at 8:30 am; Jobless Claims at 8:30 am; 30 Yr bond auction at 1:00 pm

Disclaimer: The information in this report is general market commentary and for educational purposes only. No personal trade recommendations are being made hereby. Trading futures is highly risky and you can lose a substantial amount of money. Past performance is not necessarily indicative of future results.

**General Commentary** – Yesterday's US 3 Yr Note auction saw strong demand yesterday and we have a 10 Yr auction today at 1:00 pm. The US Dollar is weaker overnight, especially against the Australian Dollar, not surprising with commodity prices surging again. Below the fold, today's Financial Times reports that commodity trading heavyweights, "Glencore and Credit Suisse have created an index that allows investors to tap for the first time the views of the world's largest commodities trading house on raw materials prices." Further, "The launch of the Glencore Active Index Strategy and several other Credit Suisse commodities funds comes as bankers report that big institutional investors such as pension funds are considering fresh investments in commodities after a hiatus of about a year." We take this as a sign that the major investment houses are serious about reigniting the commodities boom as a safe haven from inflation. This will ultimately create across the board inflation in consumer and capital goods, despite the current debt deflation and rising unemployment.



**Legend:**

Market Profile points of control (POC's) are calculated each day and displayed as lines colored shades of green or red. Shades of green measure POC's over the life of the contract. Shades of red measure POC's for the previous day only. Confluence areas of support and resistance are calculated using Fibonacci retracement and extensions, market profile POC, and pivot formulas calculated on monthly, weekly and daily (Globex and day session only) time frames. They areas are drawn as shaded blue (support) and red (resistance) boxes. Previously drawn areas have not been adjusted retroactively.

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