

# The PRECISION REPORT

Precise Market Timing



August 10, 2010

## COMMENTARY FOR THE eMINI S&P 500 MAR 2010 CONTRACT (the "ES")

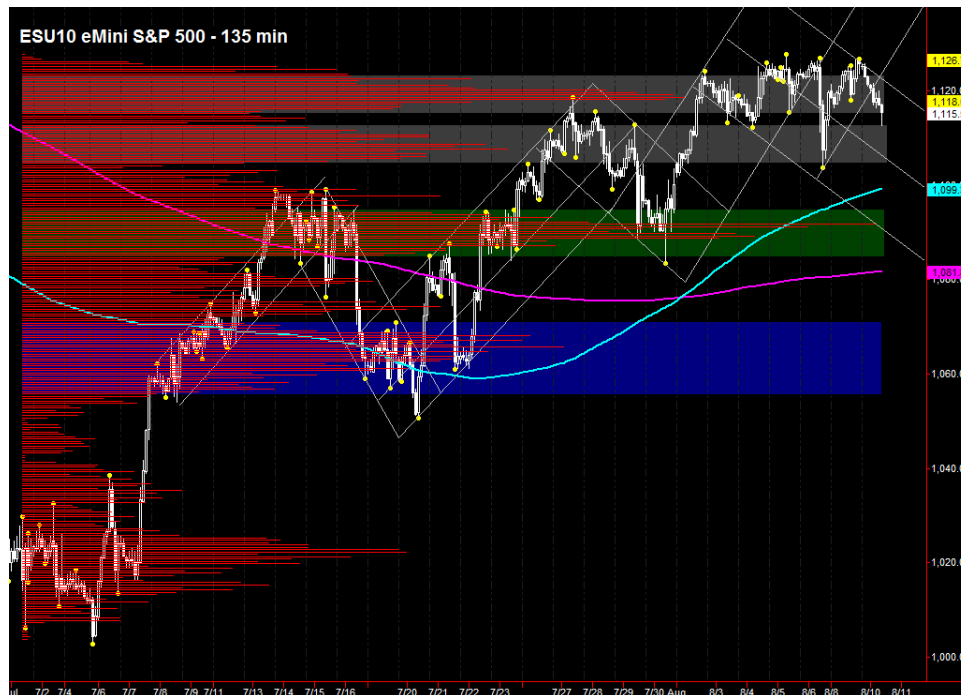
**The Precise Take** – Equity futures down on strong Dollar ahead of FOMC Announcement

**Big Picture Analysis:** August has been in a trading range that should break soon, and by Friday at the latest. There are still strong signs of institutional support, so our bias is bullish, but a close below 1103.50 would probably turn us bearish.

**Leaders Analysis:** The 10 Year Yield is down marginally overnight, but we won't read into it until this afternoon's news is digested. The US Dollar is the big mover overnight, up against all the major crosses, with the Index up to trendline resistance. If it backs off from 81.34 to 81.44 resistance, it should be supportive of equities, and if it powers through, look for more equities weakness.

**Trading Today:** Today should gap down materially, which is rare on FOMC day. In fact, the last such instance was September 18, 2008, and before that, September 24, 2002, then August 13, 2002. The sample size is small, but for what it's worth there was intraday strength on each of these days prior to the announcement that was sometimes reversed by the day's end. In general, the opening hour is the most consistently bullish on FOMC day. The upper end of the projected range includes the daily pivots, closing VWAP and yesterday's high volume level, from 1122.50 to 1123.75. The lower end contains day-session-only S3, from 1111.00 to 1111.75. The later in the day the lower end is tested (if it is tested), the less likely it is to hold.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1124.50 (4:00 pm close)  
1125.50 (4:15 pm settlement)

#### Daily Pivots

1123.50 (day-session-only)  
1123.00 (day & overnight sessions)

#### Unfilled Gaps

1142.75 to 1150.00 (price)

#### Upside Targets

1132.00, 1143.75, 1150.75, 1165

#### Downside Targets

1022.75, 1040.75, 1065.75, 1075.75,  
1191.75, 1100.25, 1107.75, 1118.75

### Today's Scheduled News

#### Major Market Movers

FOMC Announcement between  
2:15 pm and 2:18 pm

#### Minor Market Movers

Wholesale Trade at 10:00 am  
3 Yr Note Auction at 1:00 pm

### Tomorrow's Scheduled News

#### Major Market Movers

None

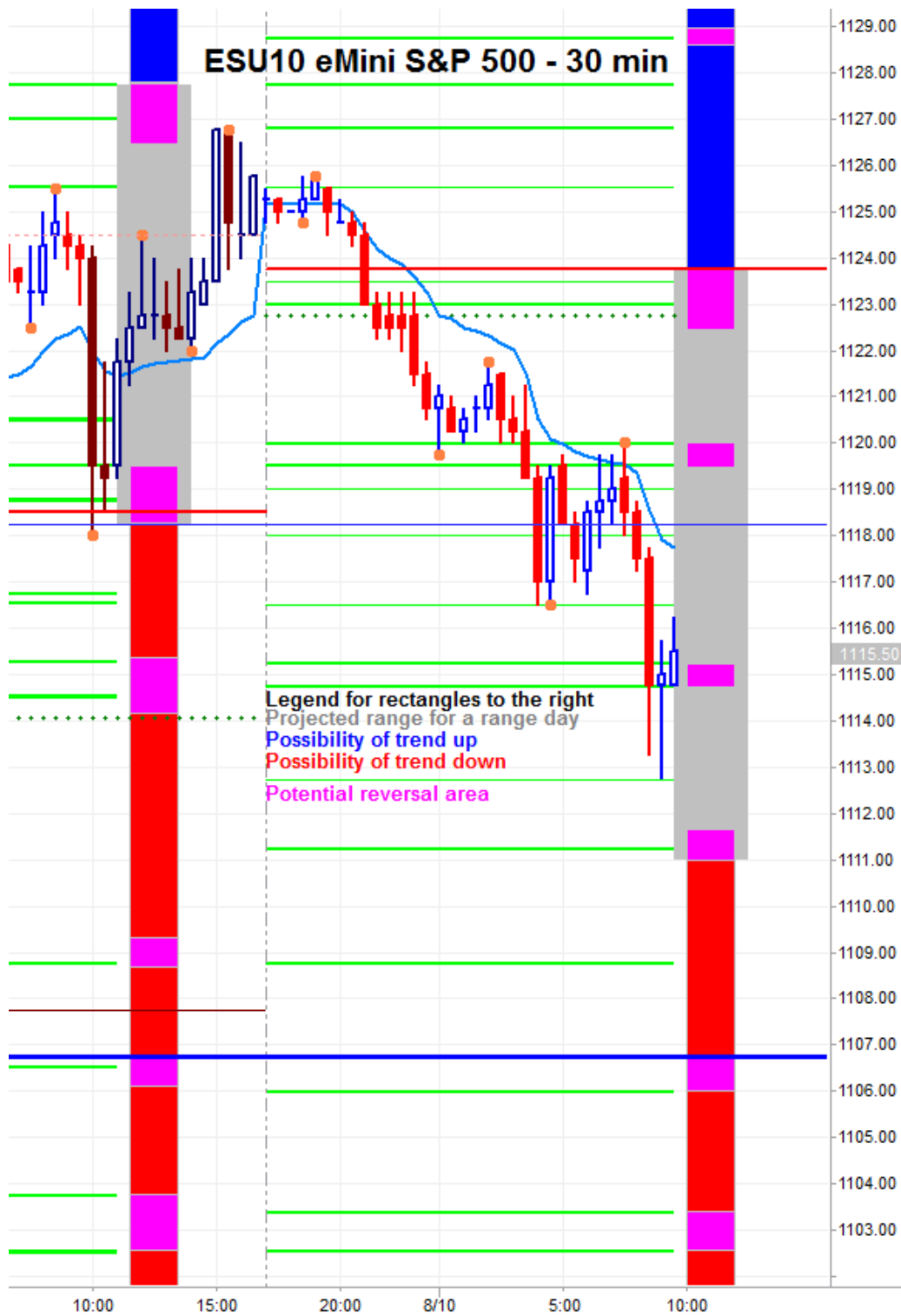
#### Minor Market Movers

Int'l Trade at 8:30 am  
10 Yr Note Auction at 1:00 pm  
Treasury Budget at 2:00 pm

Free intraday updates at <http://www.precisioncapmgt.com>.

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Today's Support and Resistance:



**Legend:** Market Profile points of control (POC's), or high volume levels, are calculated each day and displayed as lines colored shades of blue or red. Shades of blue 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 (day-session-only and day/overnight combined) time frames. These areas are drawn as shaded green boxes. Previously drawn areas have not been adjusted retroactively.

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