

# The PRECISION REPORT

Precise Market Timing



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

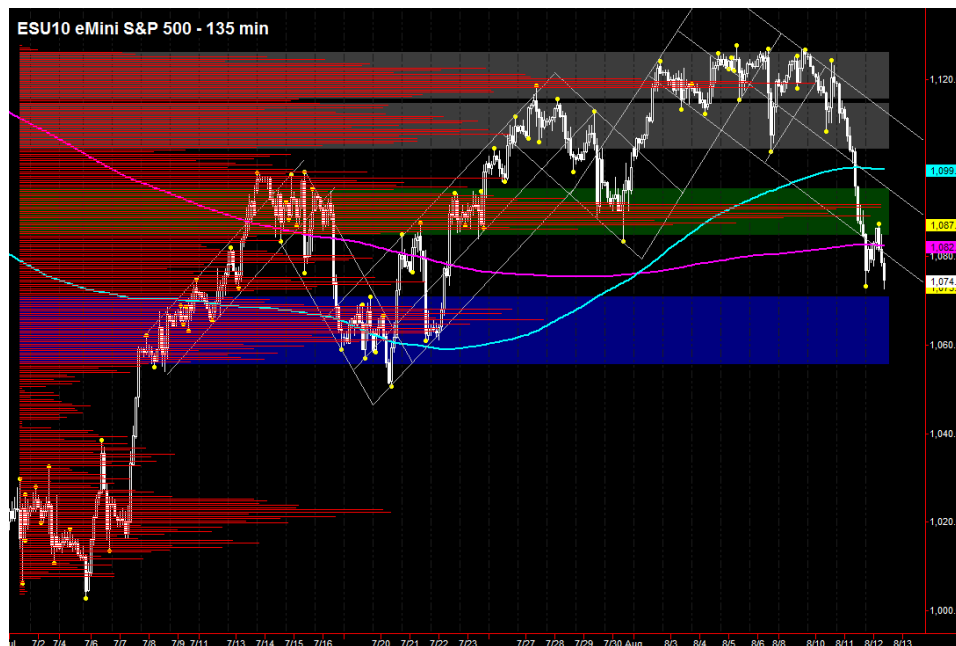
**The Precise Take** – Equity futures down again, as rally hopes rapidly vanish

**Big Picture Analysis:** The equities indexes plowed through many support levels yesterday and overnight, which is probably the death knell for the rally. In retrospect, the signs of institutional participation and high breadth were probably a result of [record high correlation](#) in the stock universe. Going forward, we will tend to discount such information until the correlation lowers to normal levels. Tomorrow, CPI and Retail Sales will be released before the open, with Consumer Sentiment 25 minutes after, which could make for a volatile end of week. The 1018-25 support area sits far below and is the next major target for the strong shorts. It will probably take a close above 1105.00 to get them to cover.

**Leaders Analysis:** Just as the EuroYen plummeted yesterday, the US Dollar Index rallied, and is up again overnight, with the 84.00 level a likely target into next week. After more downside yesterday in the 10 Year Yield, it is nearly to strong support. The rally in the 10 Year Note futures (inverse to yield) is likely overdone, and now that the QE Lite rumor is a reality, with the first permanent open market operation next Tuesday, the news should soon get sold. As of now, however, the leaders are equities bearish.

**Trading Today:** The upper end of the projected range for a range day contains the overnight high and yesterday's 4:00 pm close, from 1086.75 to 1088.00. Just above is another strong confluence area, from 1090.00 to 1091.25. A close over this level temporarily eases the strength of the down turn. The lower end of the projected range contains price action from mid-July and is the top of the next lower value area, from 1069.00 to 1069.75. An early push down and rejection of this level warns of a possible intraday bear trap.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1087.75 (4:00 pm close)  
1085.00 (4:15 pm settlement)

#### Daily Pivots

1090.25 (day-session-only)  
1096.50 (day & overnight sessions)

#### Unfilled Gaps

1142.75 to 1150.00 (price)

#### Upside Targets

1191.25, 1106.75, 1119.25, 1132.00,  
1143.75, 1150.75, 1165.00

#### Downside Targets

1022.75, 1035.25, 1053.50, 1060.50,  
~~1065.75, 1075.75, 1191.75, 1100.25,~~

### Today's Scheduled News

#### Major Market Movers

None

#### Minor Market Movers

30 Yr Bond Auction at 1:00 pm

### Tomorrow's Scheduled News

#### Major Market Movers

CPI at 8:30 am  
Retail Sales at 8:30 am  
Minor Market Movers  
Consumer Sentiment at 9:55 am  
Business Inventories at 10:00 am

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

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 and securities is highly risky and you can lose a substantial amount of money. Past performance is not necessarily indicative of future results. All charts herein created with TradeStation.

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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