



## COMMENTARY FOR THE eMINI S&P 500 SEP 2009 CONTRACT (the "ES")

**The Precise Take** – Asian-lead selloff—can a POMO close save the day?

**Leaders:** Because 30 Year T-bond futures held support last week and advanced as equities held their ground, it is in very good shape to weather next week's (likely) record breaking auctions. We wanted to see a close above 119'08.5 in the 30 Year this week and, after poking above it Friday, we could get it today. The announcement of next week's auction amounts will be this Thursday at 11:00 am. At 9:00 am today, we will get a look at the monthly Treasury Int'l Capital report to gauge continuing foreign interest in the US' long term Treasuries. The data will be six weeks old, but it is important nonetheless. On the overnight weakness, gold has broken last week's lows and the EuroYen forex cross is down sharply as well.

**Time Profile:** Similar to our comments from Friday, today's time profile suggests that we could have another strong close, despite likely being net down for the day. Strong closes on POMO days have historically been reversed the following day. The July rally erased this edge temporarily with several strong follow up days. However, with renewed weakness in equities, it may be time to revisit these plays and short weak issues on a strong POMO close. If the close is weak instead of strong, we would want to see other reasons to short.

**Trading Today—Putting it all together.** We do not get intraday bullish unless and until the ES can climb over the 995.50 market profile point of control from Friday. Below that and we're primarily looking for shorting opportunities, though we would fade long at the next lower long term point of control at 973.25, if we saw buying come in. Overnight, the combined day and night session daily S2 has provided support and shorts will want to break this area early to continue the directional move. Assuming no major disturbances in the 9:00 am TIC report noted above, the key news item for the day will be the Housing Market Index released at 1:00 pm. Even if we get a strong close, we would be surprised to see Friday's settlement of 1005.75 exceeded today.

### Day Trading Guide

#### Daily Gap

1002.75 (4:00 pm close)  
1005.75 (4:15 pm settlement)

#### Daily Pivot

1003.25 (day-session-only)  
1004.50 (day & overnight sessions)

#### Unfilled Gaps

903.50 to 912.50 (price)  
955.00 to 962.50 (volume)  
975.25 to 979.50 (price)

#### Upside Targets

1053.50, 1066.00, 1126.25

#### Downside Targets

973.25, 948.75, 922.25, 913.00,  
854.75, 846.00, 828.00, 811.75,  
777.25

#### Countertrend Longs\*

917.75, 933.25, 940.75, 945.25,  
963.25

#### Countertrend Shorts\*

None

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

### Today's Scheduled News

#### Major Market Movers

Treasury Int'l Capital at 9:00 am  
Housing Market Index at 1:00 pm

#### Minor Market Movers

None.

### Tomorrow's Scheduled News

#### Major Market Movers

Housing Starts at 8:30 am  
Producer Price Index at 8:30 am

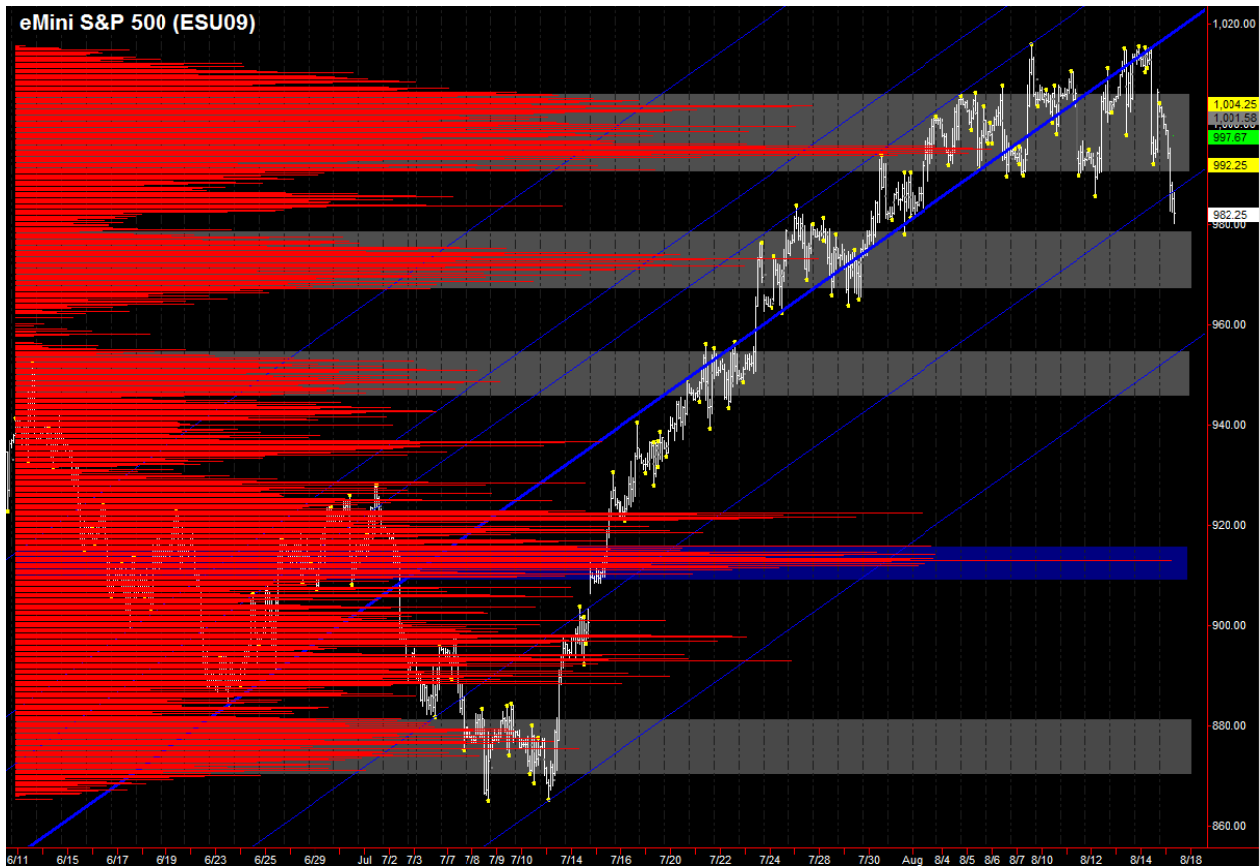
#### Minor Market Movers

ICSC-Goldman Store Sales at 7:45 am  
Redbook at 8:55 am

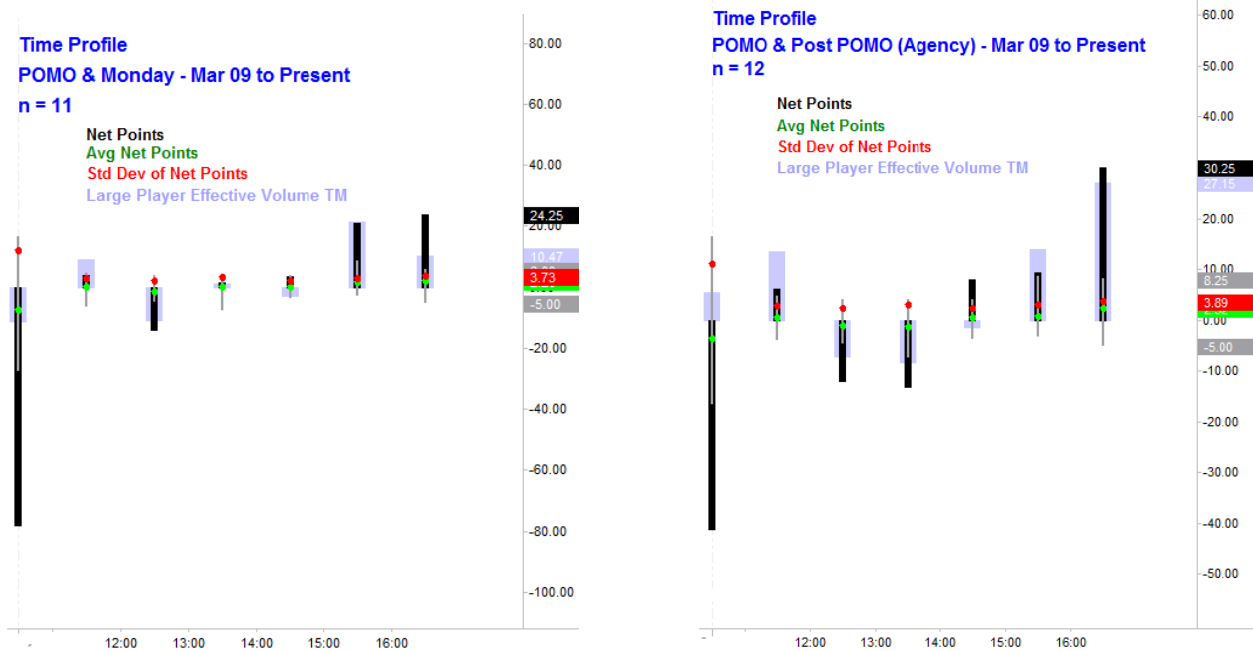
Free intraday updates at <http://www.precisioncapmgt.com>.

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 is highly risky and you can lose a substantial amount of money. Past performance is not necessarily indicative of future results.

**Volume Profile:**



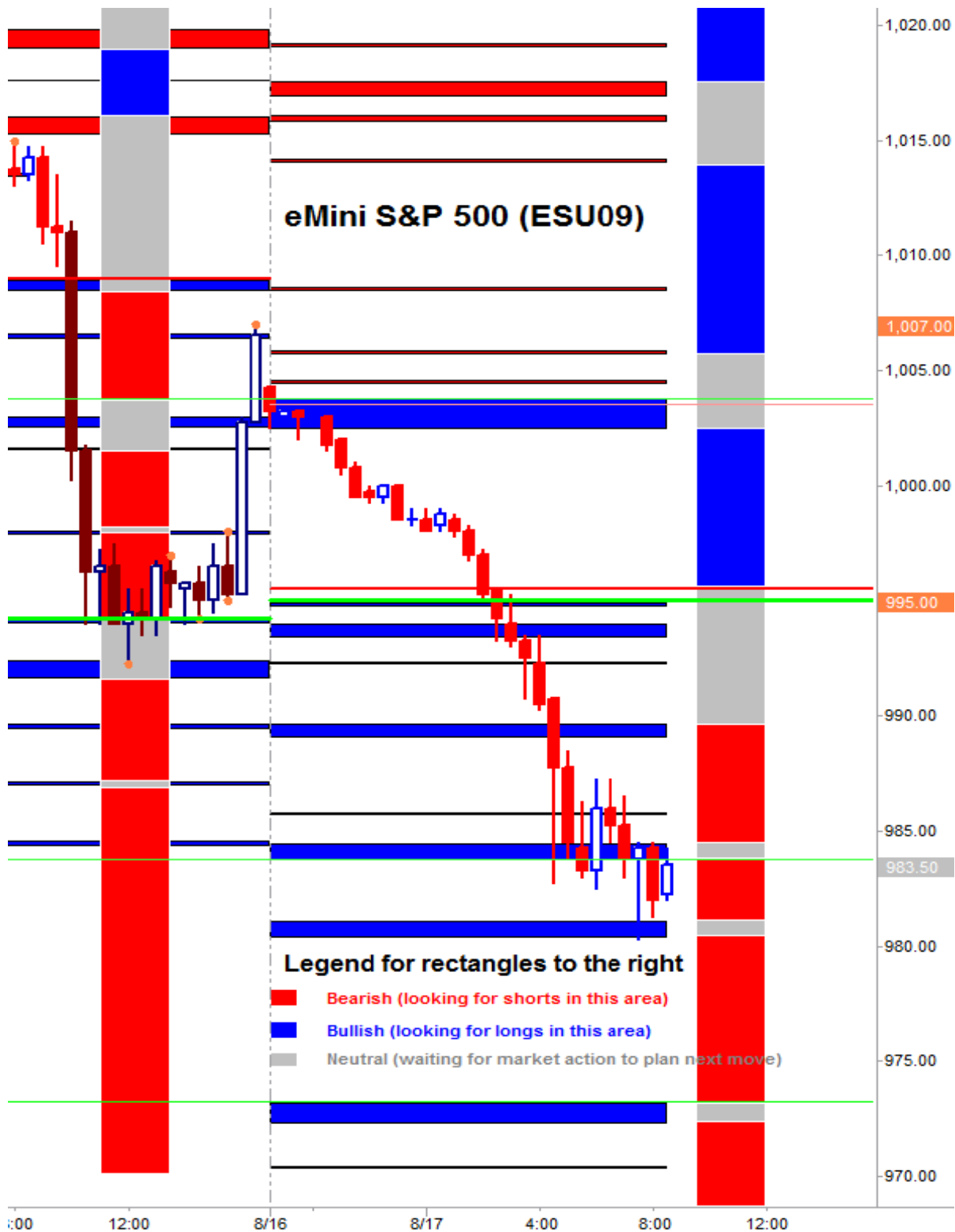
**Time Profiles for Today:**



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Support and resistance is as follows:



**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 (day-session-only and day/overnight combined) 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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