



August 19, 2010

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

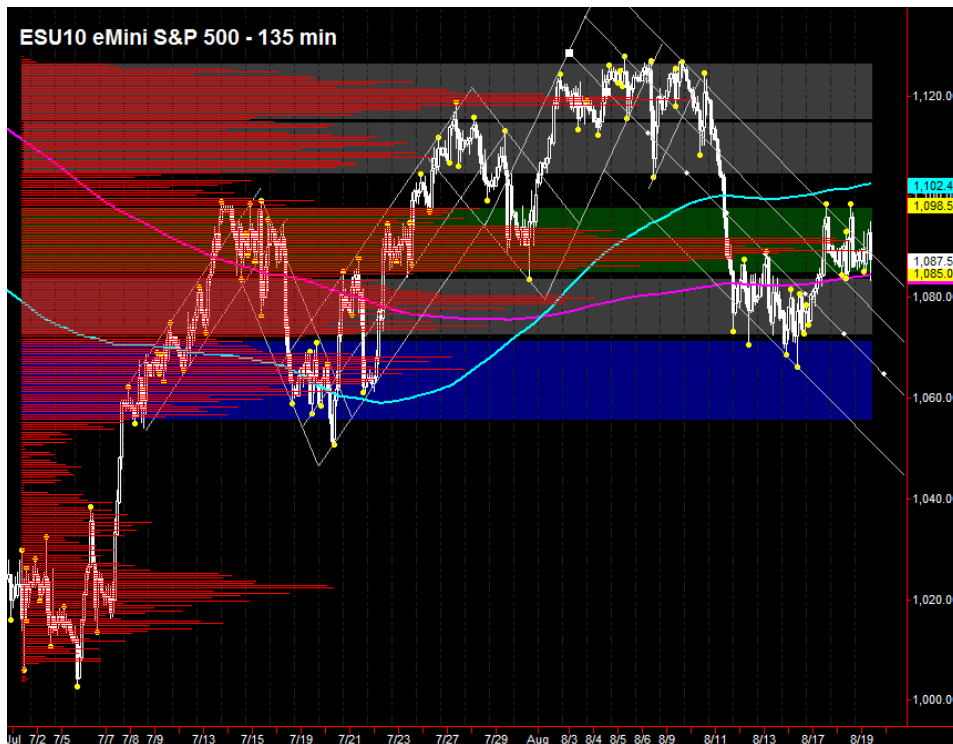
Going forward, the Big Picture Analysis will be combined with the Leaders Analysis

The Precise Take – Equity futures maintaining after disappointing Jobless Claims

Big Picture Analysis: Despite two consecutive selloffs on the close, action on the daily chart for the major indices looks relatively benign. With opex tomorrow, we shouldn't read too much into any extreme intraday moves as long as the 1070 to 1100 range is respected on a closing basis. In fact, a swift down turn to the low 1070's to scare out the weak longs looks increasingly probable. The Fed will also be purchasing another \$2 to 3 billion in Treasuries today. Whether it will be as supportive of equities as it was the first half of Tuesday remains to be seen, but the potential for volatility remains as there will be two economic reports released just prior at 10:00 am. 10 Year T-Note futures appear to have started their decline, though the overnight weakness was reversed sharply on the Jobless report. A close below 125'15 (basis Sep 10) suggests an interim top, which would be supportive of equities on any future sharp down moves--but not necessarily so on a steady decline. The EuroYen and AussieYen are consolidating in a wedge, with the Swiss Franc materially stronger against both the Euro and US Dollar. For this reason, we'll discount T-Note futures weakness and say the leaders are slightly equities bearish as of now.

Trading Today: The upper end of the projected range for a range day contains the overnight high and daily R1's, from 1094.25 to 1095.50. The lower end contains the overnight low and yesterday's low, from 1083.00 to 1084.00.

Today's volume profile:



Day Trading Guide

Daily Gaps

1092.50 (4:00 pm close)
1086.75 (4:15 pm settlement)

Daily Pivots

1089.75 (day-session-only)
1089.75 (day & overnight sessions)

Unfilled Gaps

1142.75 to 1150.00 (price)
1101.50 to 1108.25 (price)

Upside Targets

1106.75, 1119.25, 1132.00, 1143.75,
1150.75, 1165.00

Downside Targets

1022.75, 1035.25, 1053.50, 1060.50,
1065.75, 1073.25, 1079.75

Today's Scheduled News

Major Market Movers

None

Minor Market Movers

Leading Indicators at 10:00 am
Phili Fed Survey at 10:00 am

Tomorrow's Scheduled News

Major Market Movers

None

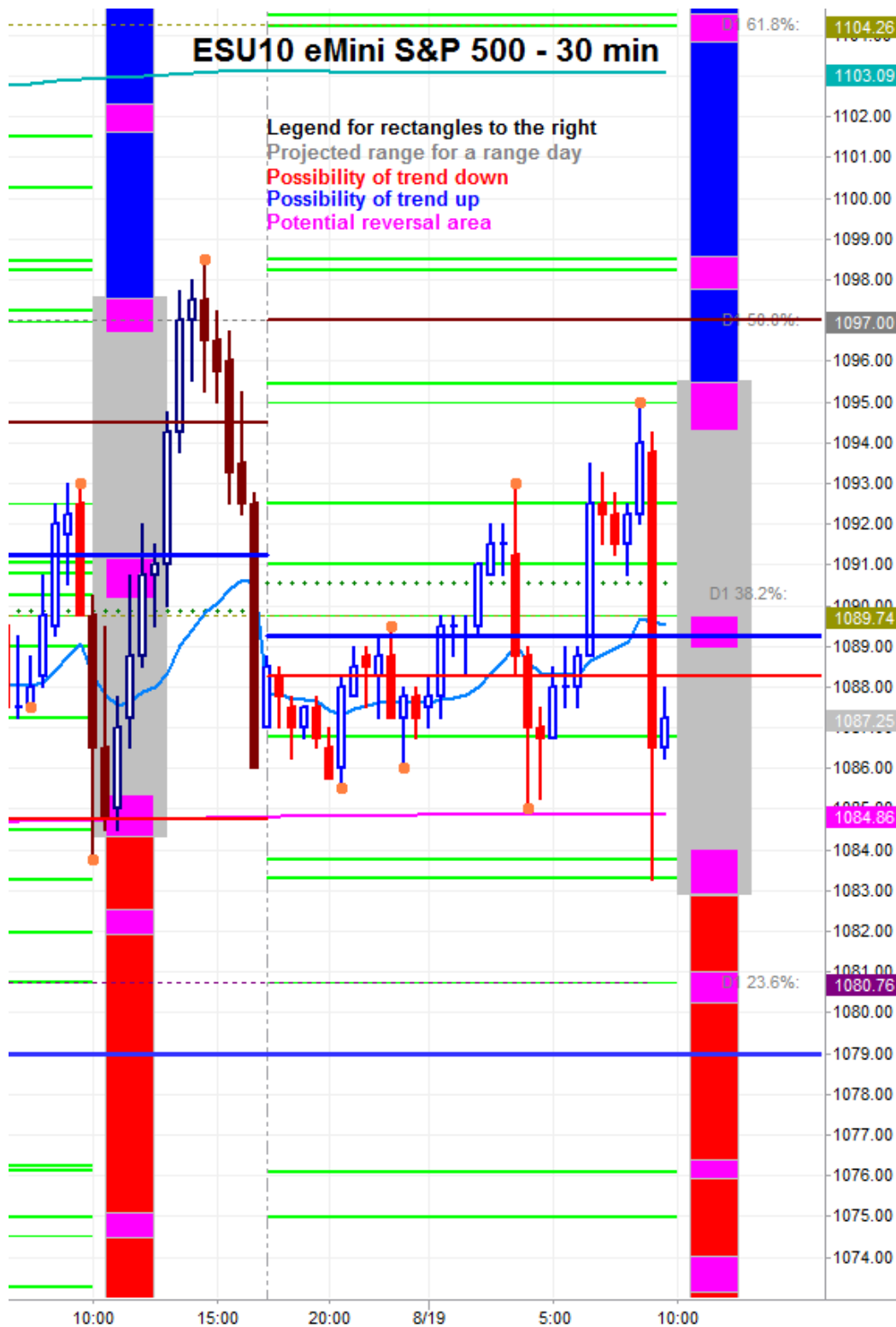
Minor Market Movers

None

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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