

# The PRECISION REPORT

Precise Market Timing



August 23, 2010

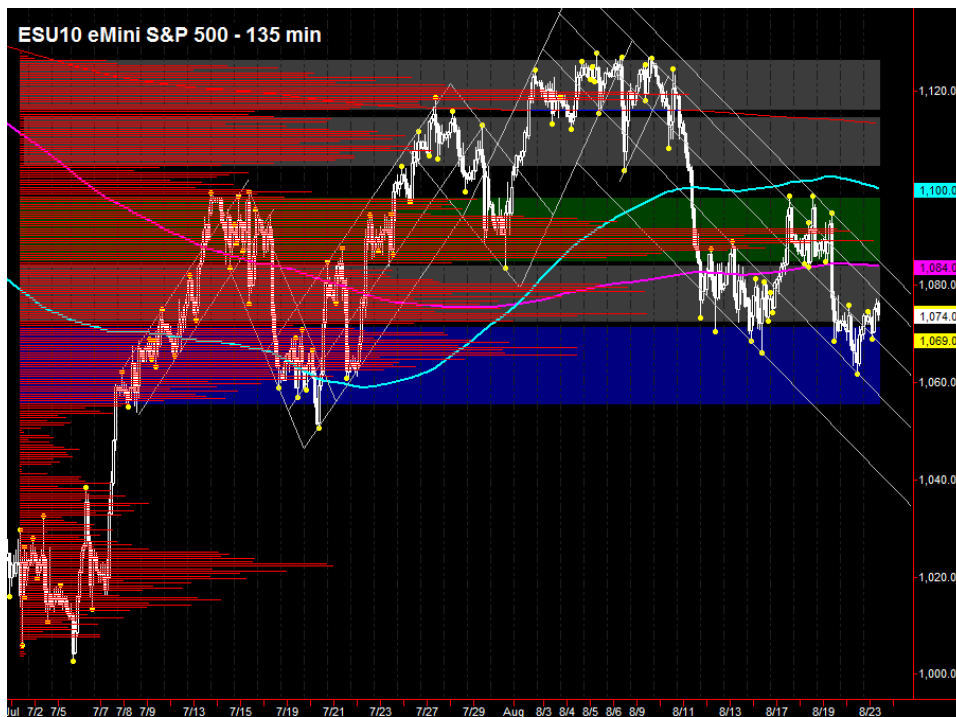
## COMMENTARY FOR THE eMINI S&P 500 MAR 2010 CONTRACT (the "ES")

**The Precise Take** – Equities up marginally ahead of quiet news day

**Big Picture Analysis:** Friday was a quiet options expiration; however, the indexes held what we considered critical support and closed in their upper range, rallying modestly overnight. Though 10 Yr T-Note futures did not close below the 125'15 level, they are trading below that level as we write. Looking to the other leaders, the Euro is weak, though against the Yen it is very close to strong support from 107.9 to 108.0. The Australian Dollar, after gapping down against the US Dollar and Yen, has recovered and is up sharply. Accordingly, the leaders are suggesting some initial equities weakness that could reverse on a EuroYen bounce off support. On the combined session 60 minute chart, the ES has formed an inverted head and shoulders pattern. Acceptance above 1077 neckline suggests a rally to test the 1094.25 50% retracement level, where shorts will have the opportunity to reassert. Acceptance below 1069 suggests a pattern failure and another down leg to at least 1055.50.

**Trading Today:** The upper end of the projected range contains the weekly pivot, combined session R1, day-session-only R2 and the overnight high, from 1076.75 to 1077.50. The lower end contains Friday's settlement and high volume level, the combined session pivot and the overnight low, from 1068.75 to 1070.25.

**Today's volume profile:**



### Day Trading Guide

**Daily Gaps**  
 1069.75 (4:00 pm close)  
 1070.25 (4:15 pm settlement)

**Daily Pivots**  
 1067.75 (day-session-only)  
 1069.25 (day & overnight sessions)

**Unfilled Gaps**  
 1142.75 to 1150.00 (price)  
 1101.50 to 1108.25 (price)

**Upside Targets**  
 1077.75, 1089.25, 1097.50, 1106.75,  
 1119.25, 1132.00, 1143.75, 1150.75

**Downside Targets**  
 1022.75, 1035.25, 1055.50, 1060.50,  
 1065.25

### Today's Scheduled News

**Major Market Movers**  
 None

**Minor Market Movers**  
 None

### Tomorrow's Scheduled News

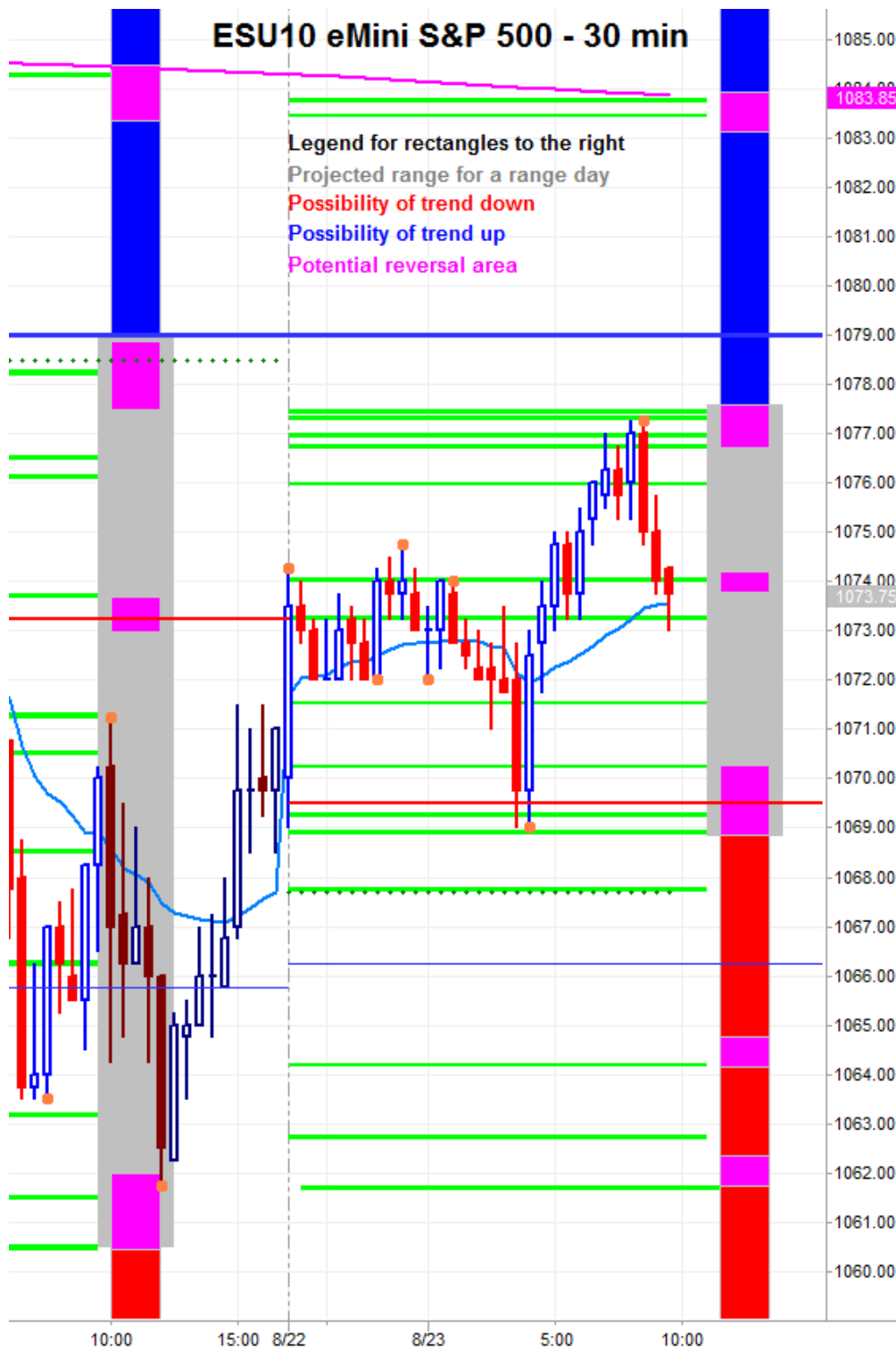
**Major Market Movers**  
 Existing Home Sales at 10:00 am

**Minor Market Movers**  
 2 Yr Note Auction at 1:00 pm

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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