

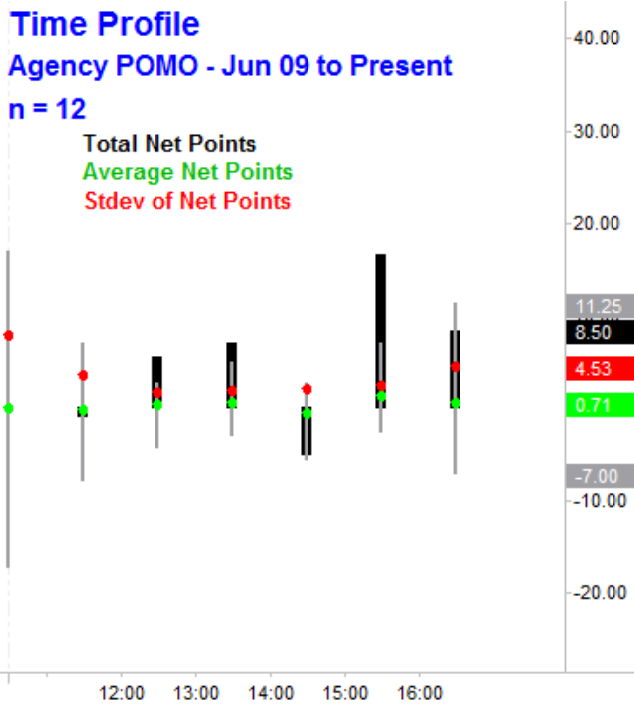


## COMMENTARY FOR THE eMINI S&P 500 SEP 2009 CONTRACT (the "ES")

**The Precise Take** – Stocks able to bounce despite strong demand at 7 Year auction

**Treasury Analysis:** We wrote yesterday that the inability of equities to make gains off bullish to neutral news this week was bearish. However, their ability to rally in the face of the above average 7 Year auction yesterday is bullish. It looks like the strong resistance area we noted yesterday in the 30 Year T-Bond futures is proving too difficult to traverse, and without money flowing into Treasuries for the time being, equities are able to gain.

**Time Profile:** Today is a day on which the Federal Reserve Bank of NY will be conducting Agency permanent open market operations (POMO). The ES has been deviating more and more recently from the POMO Time Profiles, however, we believe it is prudent to be always at least be aware of the statistical tendencies. For Agency POMO days (nearly all of which have been conducted on a Friday since June 09), there is a slight bullish bias for the day, especially from the 2:30 pm to 3:30 pm hour, with the final 45 minutes having a slight bullish bias, but tending to be more of a mixed bag as indicated by the range of Net Points (thin grey line). The bullish bias for the day was much more pronounced from Mar 09 to May 09, but still exists and should be considered.



**Trading Today:** As we write, Personal Income & Outlays at 8:30 am has not moved the markets materially. Accordingly, we have a bullish bias into Consumer Sentiment at 9:55 am, upon which any significant deviation from expectations will likely lead the direction of the markets for the day. If it's within expectations, we'll likely have a quiet range bound day. Overnight, the ES has reached daily R1. We would be buyers in the 1029 to 1031 area on an early gap fill, and would also consider buying the daily pivot at 1025.50, however, being a bit more careful as it would break the overnight low of 1027.00 at that level. Below 1025.50, we become intraday bearish, but would consider fading long the 1014.75 to 1018.50 area if Consumer Sentiment is not a disaster. Above, and we become intraday bullish beyond contract highs at 1038.00, watching 1043.50 and 1053.25 as potential reversal areas.

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

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### Day Trading Guide

- Daily Gap
  - 1029.75 (4:00 pm close)
  - 1029.00 (4:15 pm settlement)
- Daily Pivot
  - 1025.50 (day-session-only)
  - 1025.50 (day & overnight sessions)
- Unfilled Gaps
  - 903.50 to 912.50 (price)
  - 955.00 to 962.50 (volume)
  - 1007.75 to 1011.75 (price)
  - 1010.50 to 1021.25 (volume)
- Upside Targets
  - 1053.50, 1066.00, 1126.25
- Downside Targets
  - 995.25, 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.

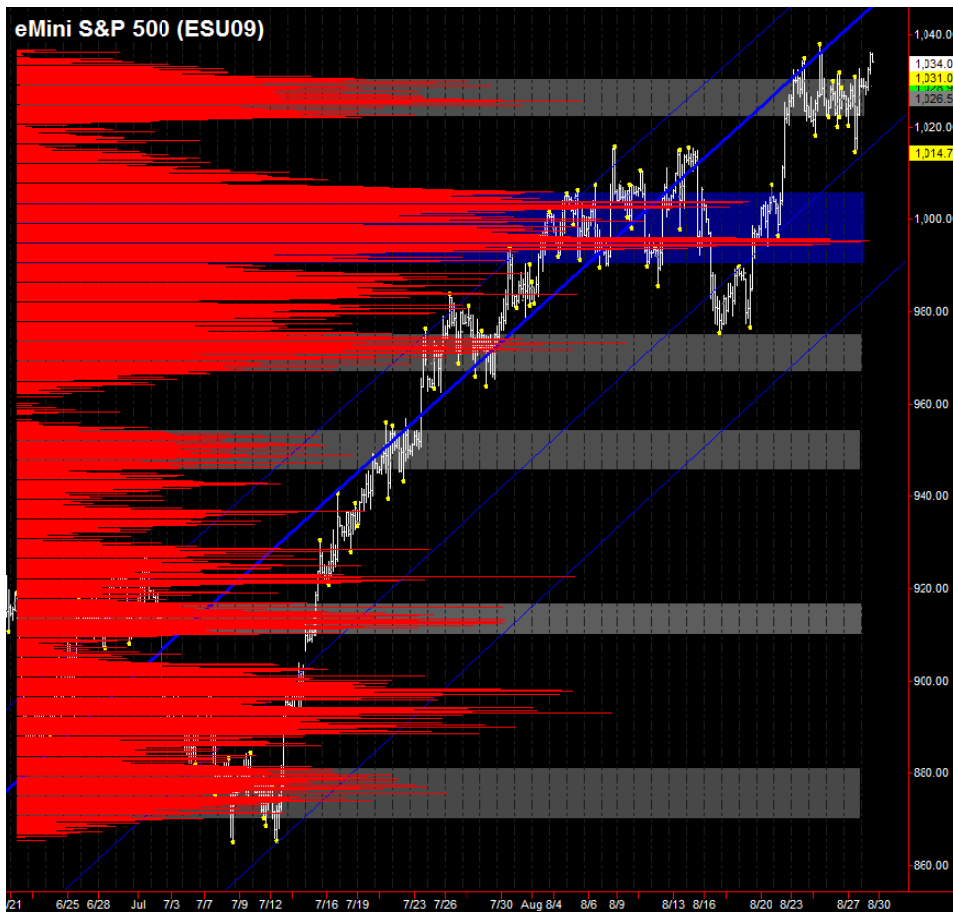
### Today's Scheduled News

- Major Market Movers
  - Consumer Sentiment at 9:55 am
- Minor Market Movers
  - None

### Tomorrow's Scheduled News

- Major Market Movers
  - None
- Minor Market Movers
  - Chicago PMI at 9:45 am
  - 3 & 6 Mos. Auctions at 1:00 pm

**Volume Profile:**

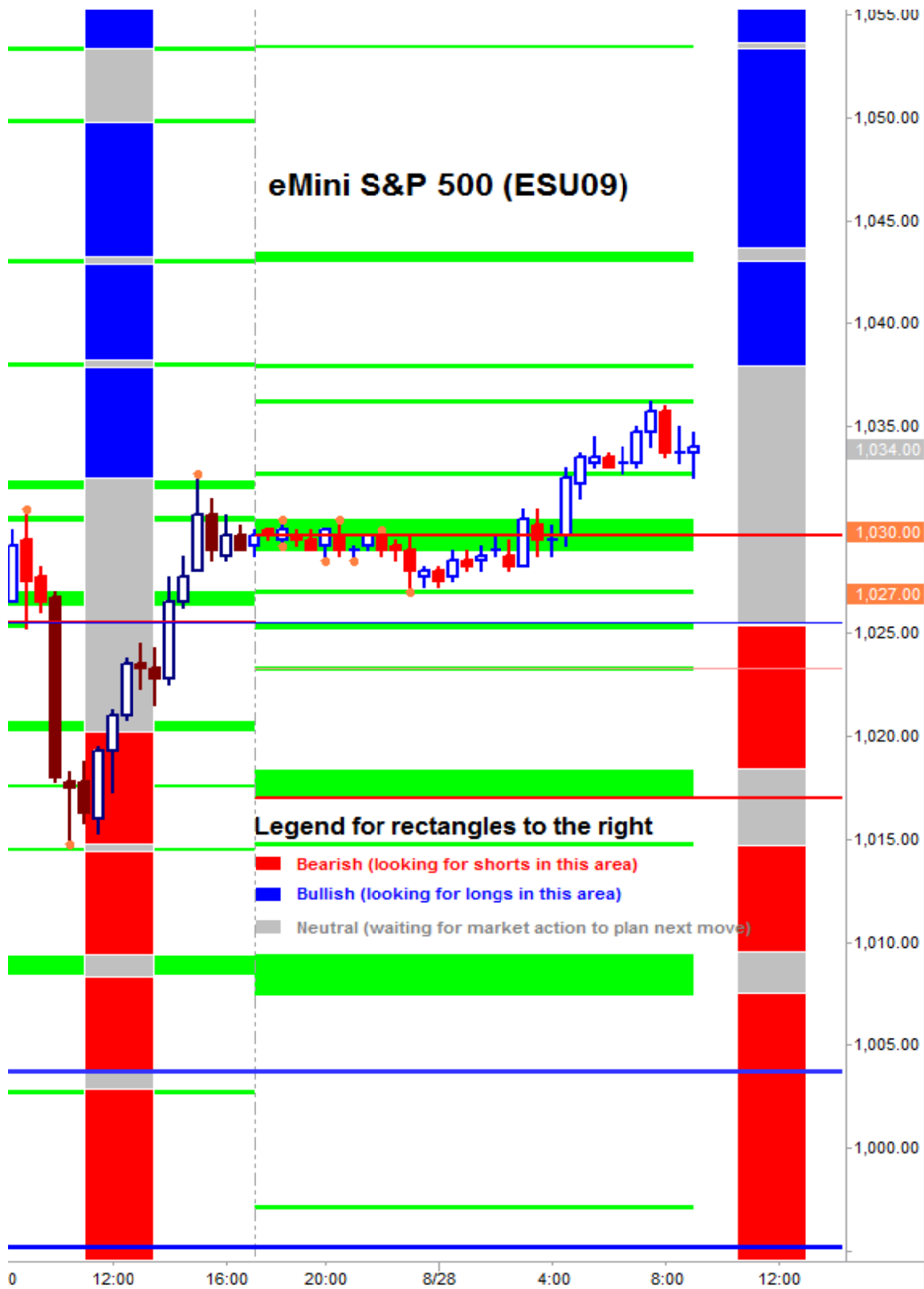


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Support and resistance is as follows:



**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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