

The PRECISION REPORT

Precise Market Timing



August 3, 2010

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

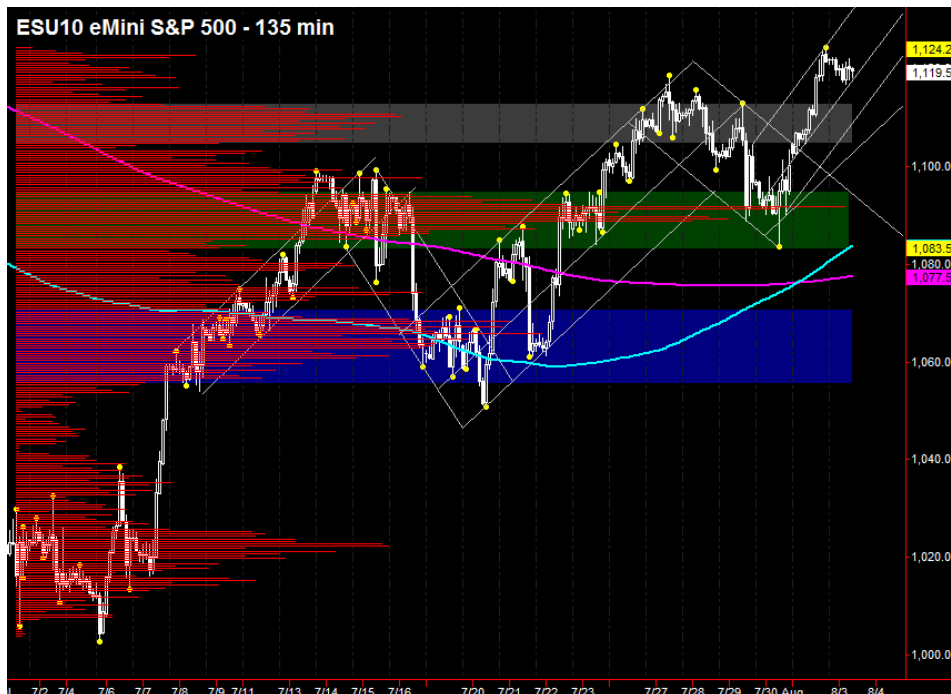
The Precise Take – Equities back to June highs

Big Picture Analysis: The ES has now rallied into the June high area, with another impressive performance yesterday. Signs of institutional support are abundant, which should allow this 1125-30 resistance level to be cleared. On any pullback, the 200 day moving average at 1112 should provide support.

Leaders Analysis: The US Dollar Index broke through another major support level overnight, this time its 200 day moving average, as the Euro continues to perform well against most other currencies. 10 Year Treasury futures shot up to new highs overnight, with the yield (inverse to price) testing the 2.90% support level, though it has now retraced a bit. Equities and Treasuries have rallied in tandem before, but the positive correlation tends to be fleeting. Also, the spread between the 10 and 30 Year yields has now reached 112 bps, a record that now breaks the previous highest spread on October 6, 1992. Any readers with insight into this phenomenon are welcome to post a comment or send us an email. As of now, the leaders are slightly equities bullish; however, we're keeping a sharp eye on the 10 Year.

Trading Today: The lower end of the projected range for a range day contains day-session-only S1 and its 200 day moving average, from 1112.00 to 1113.25. The upper end contains day-session-only R1, from 1126.00 to 1127.25. The overnight low of 1116.75 is weekly R1 which, in confluence with closing VWAP at 1117.50 also provides strong support.

Today's volume profile:



Day Trading Guide

Daily Gaps

1122.25 (4:00 pm close)
1121.75 (4:15 pm settlement)

Daily Pivots

1118.75 (day-session-only)
1116.00 (day & overnight sessions)

Unfilled Gaps

1103.50 to 1110.25 (price)
1142.75 to 1150.00 (price)

Upside Targets

1140.25, 1117.75, 1126.75, 1135.25,
1150.75, 1165

Downside Targets

941.25, 962.50, 996.00, 1022.75,
1040.75, 1065.75, 1075.75 1191.75

Today's Scheduled News

Major Market Movers

Pending Home Sales at 10:00 am

Minor Market Movers

Factory Orders at 10:00 am

Tomorrow's Scheduled News

Major Market Movers

ADP Employment Report at 8:30 am

Minor Market Movers

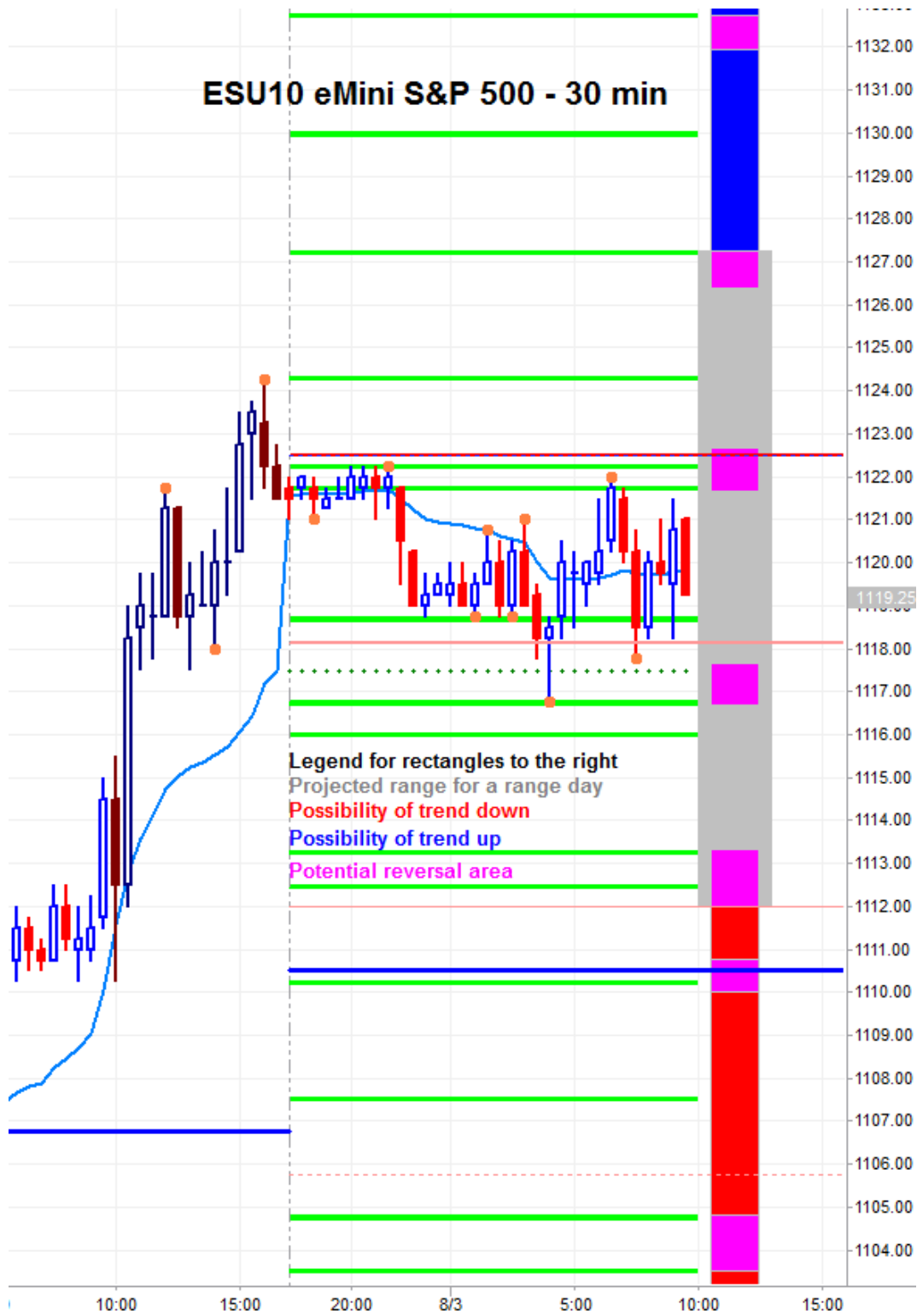
Treasury Refunding Announcement
at 9:00 am

ISM Non-Mfg Idx 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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