



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

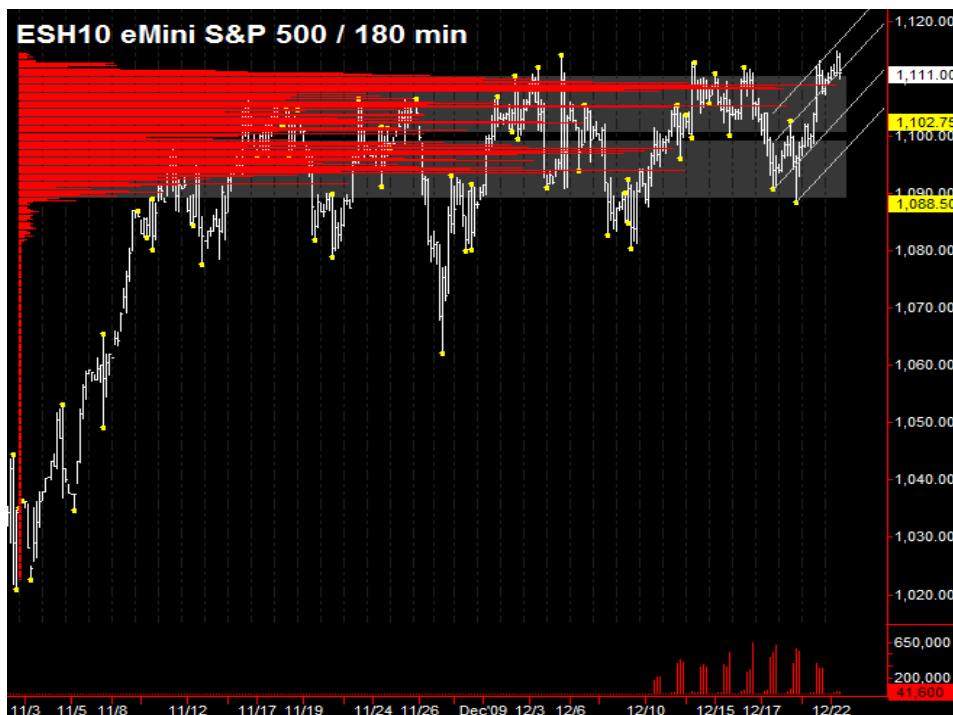
**The Precise Take** – Can ES shrug off a GDP disappointment?

**Leaders Analysis:** The EuroYen finally broke above its 20 day moving average overnight, with no major resistance now until the confluence of its 50 and 200 day moving averages, 2 big points higher. T-Bond and T-Note futures broke support yesterday and sold off further overnight. The US Dollar Index remains strong, however, that does not seem to be an impediment to equities as of late. We have not mentioned gold recently because of its inverse correlation with the US Dollar, which seems stronger than the positive correlation gold has had with equities this year. Accordingly, the setup remains strong for further gains in equities this week.

**Medium Term Analysis:** Yesterday's low volatility melt up continued overnight, as the ES drifted higher overnight with no correction beyond VWAP until GDP at 8:30 am this morning. GDP was revised materially to the downside, but we expect traders to buy dips given the highly bullish seasonality this week. NYSE \$Tick has quieted down, so day trading opportunities are fewer. The Nasdaq 100 made a new high for 2009 yesterday, and the S&P 500 and Russell 2000 (both cash) are at highs.

**Trading Today.** The 81 min chart we [posted yesterday](#) demonstrates the consistent channel trading of the ES this month. If the pattern were to hold perfectly, the ES would post a high in the 1115 to 1116 area today and would sell off to the 1104 to 1106 area by tomorrow. However, given the disappointing GDP, the upper end of the projected range of 1115.50 (combined session R1) may not be reached. The early preferred trade is to be short into today's value area, with a target of the day-session-only pivot in confluence with closing VWAP from 1108.00 to 1108.25. The ES may encounter support just above, though, in a high volume area from 1109.00 to 1109.25. We have marked the lower end of the projected range with the combined session pivot of 1106.00, but with the low volatility, it may not be reached either.

**Today's volume profile:**



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

### Day Trading Guide

#### Daily Gaps

1109.25 (4:00 pm close)  
1108.25 (4:15 pm settlement)

#### Daily Pivots

1108.25 (day-session-only)  
1106.00 (day & overnight sessions)

#### Unfilled Gaps

1063.00 to 1069.25 (price)  
1099.00 to 1103.00 (price)

#### Upside Targets

1126.25, 1144.75, 1160.75

#### Downside Targets

1063.00, 1022.75, 1004.75, 975.50,  
961.00, 937.25, 899.00, 882.25,  
831.25

#### Countertrend Longs\*

None

#### 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

Existing Home Sales at 10:00 am

#### Minor Market Movers

Redbook at 8:55 am  
Corporate Profits at 8:30 am  
FHFA House Price Idx at 10:00 am

### Tomorrow's Scheduled News

#### Major Market Movers

Personal Income & Outlays at  
8:30 am

Consumer Sentiment at 9:55 am

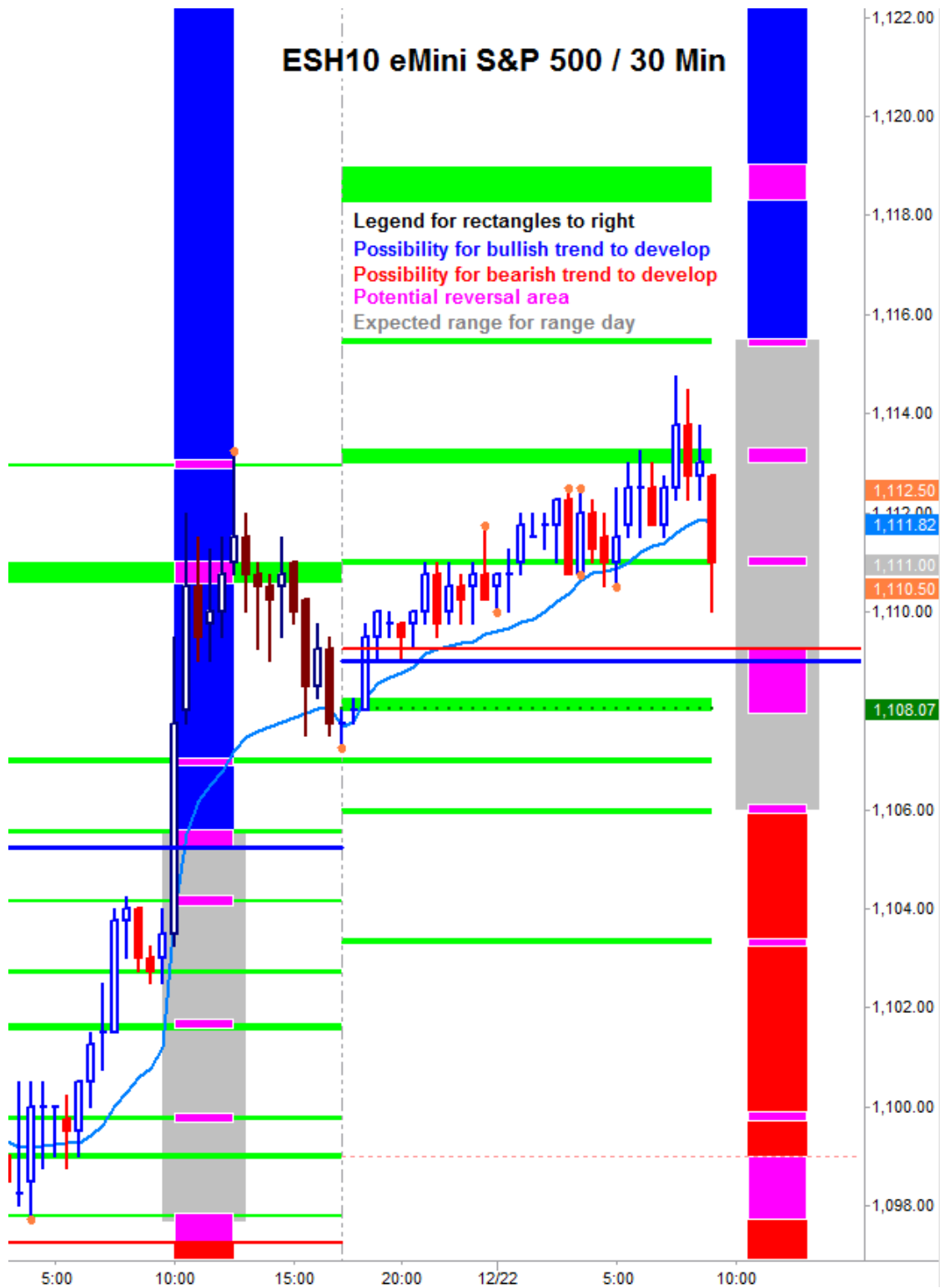
New Home Sales at 10:00 am

#### Minor Market Movers

MBA Purchase Apps at 7:00 am

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) 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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