



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

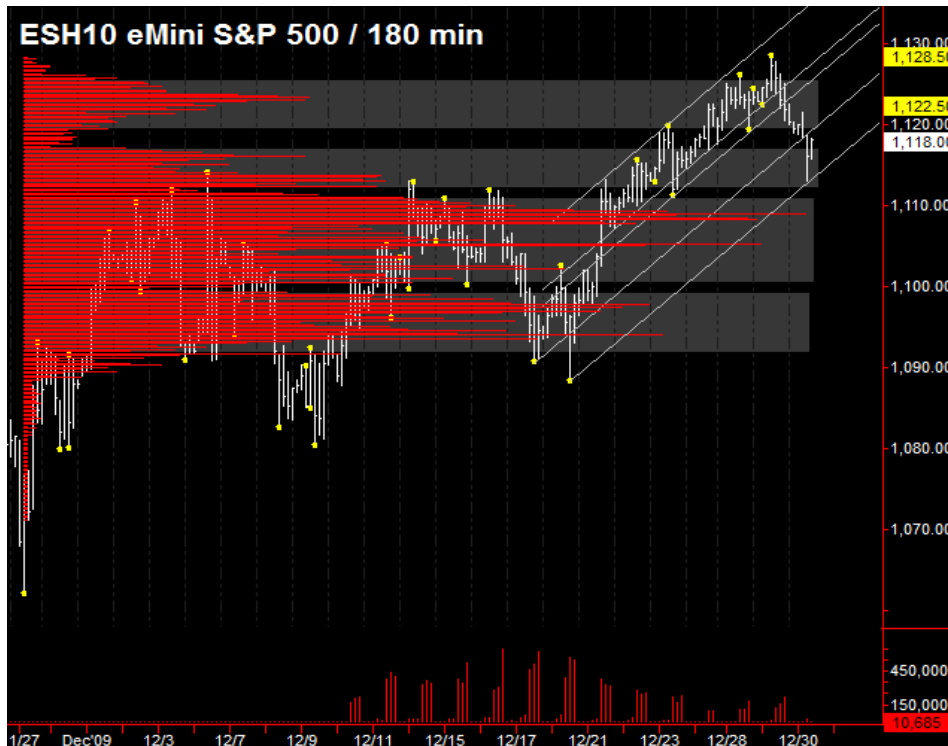
**The Precise Take** – Minor shakeout or end of trend?

**Leaders Analysis:** Yesterday, we noted that several of the leaders were at inflection points, and updated intraday that the EuroYen forex cross had made a sharp intraday reversal from its 50 day moving average, which signaled to us the equities rally was drawing to a close. Though the ES is indeed down overnight, interestingly, the EuroYen has advanced again to yesterday's high. The 30 Year yield looks as though it's putting in a top, just in time for today's 7 Year auction. Correspondingly, 30 Year T-Bond futures are due for an oversold bounce.

**Medium Term Analysis:** Overnight, the ES fell to just below the weekly pivot at 1113.75 (actual low 1113.00), and has bounced to VWAP as we write. Respect of the weekly pivot combined with the EuroYen rally overnight suggests this may just be a minor shakeout. A close in the ES below 1113.75, however, would negate this. As we wrote earlier in the week, next week's news calendar features ISM Manufacturing first thing Monday, with nothing major until Friday's Employment Situation.

**Trading Today:** We'll play the projected range today, which is the overnight low and the weekly pivot (1113.00 to 1113.75) on the lower end to yesterday's low and close (1120.50 to 1121.75) on the upper end. Today's value area is from 1121.75 to 1124.25, but is unlikely to be reached. If it is, we expect shorts to defend, but given the size of the range, risk reward may not justify a short. Definitely no shorts above 1124.25. The major moves have been overnight, so the overnight low should hold. However, the potential for profit taking from longs remains, so we do not like longs below 1113.00. The initial direction after the open (whether we test the upper or lower end of the projected range first) will likely be determined by whether price is above or below VWAP.

**Today's volume profile:**



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.

### Day Trading Guide

#### Daily Gaps

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

#### Daily Pivots

1123.00 (day-session-only)  
1123.50 (day & overnight sessions)

#### Unfilled Gaps

1063.00 to 1069.25 (price)  
1099.00 to 1103.00 (price)  
1117.25 to 1118.00 (price)

#### Upside Targets

1144.75, 1160.75

#### Downside Targets

1109.00, 1063.00, 1022.75, 1004.75,  
975.50, 961.00, 937.25, 899.00,  
882.25, 831.25

#### Countertrend Longs\*

1110.75, 1115.25, 1120.25

#### Countertrend Shorts\*

1124.50

\* 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

None

#### Minor Market Movers

Chicago PMI at 9:42 am  
EIA Petroleum Stats at 10:30 am  
7 Yr Auction at 1:00 pm

### Tomorrow's Scheduled News

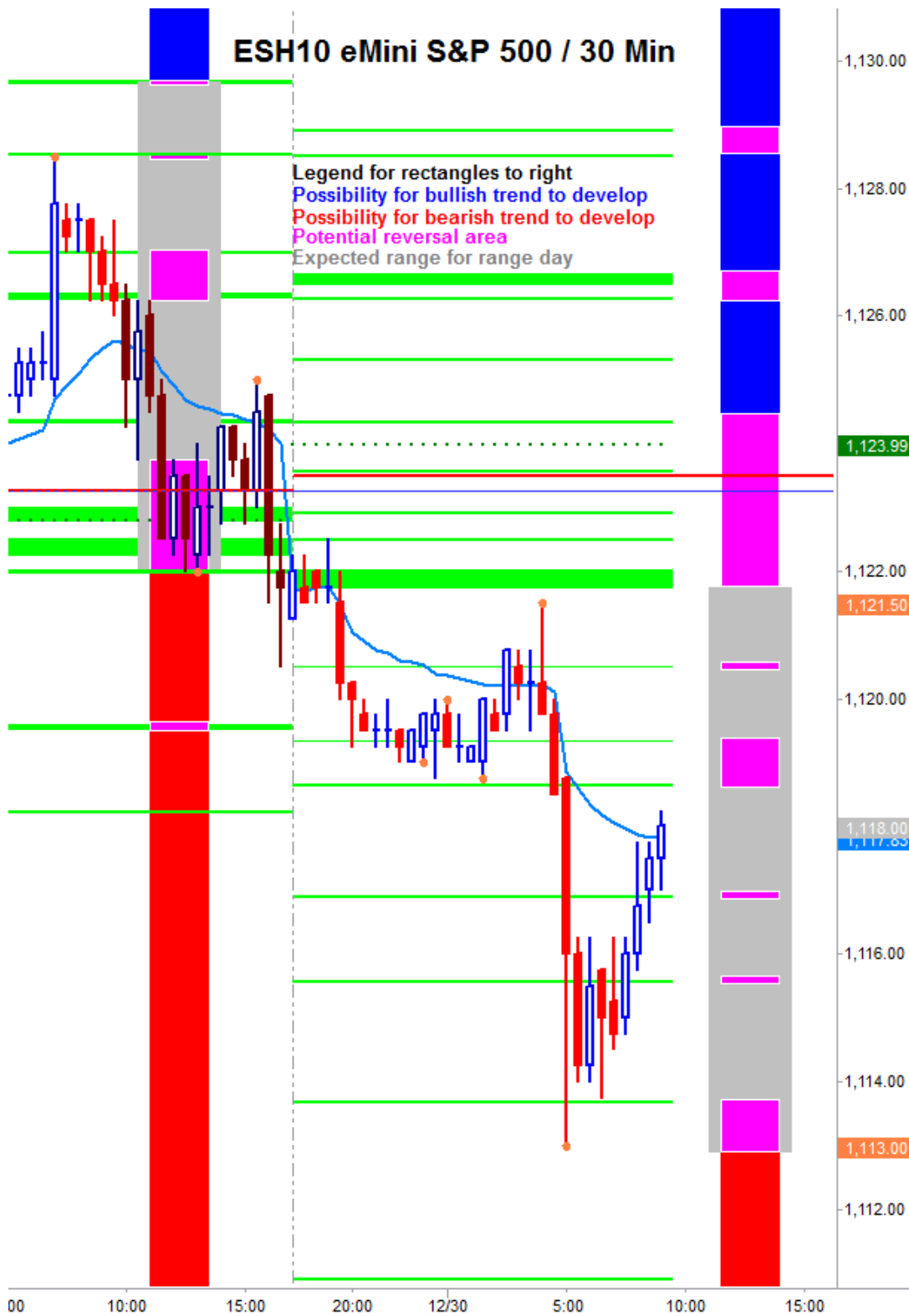
#### Major Market Movers

Jobless Claims at 8:30 am

#### Minor Market Movers

None

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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