

# The PRECISION REPORT

Precise Market Timing



December 9, 2009

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

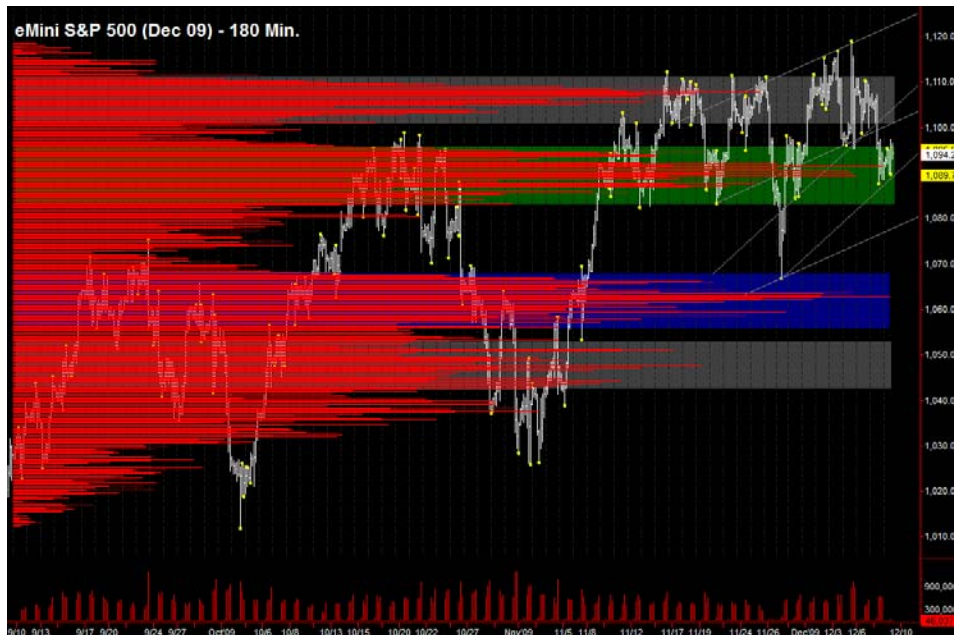
**The Precise Take** – ES holding critical support ahead of long term Treasury auctions.

**Leaders Analysis:** We're watching 10 Yr T-Notes and 30 Yr T-Bond futures closely, as they eased down off resistance yesterday (and their yields off support), in spite of a good 3 Yr auction and a strong US Dollar.

**Medium Term Analysis:** We wanted 1088.75 (weekly S1 in the ES) to hold on the close to support the swing long case and it did, barely, with an overnight high equal to yesterday's day session high. The Fed continues to hint of tightening and conducted another tri party repo to *test* its liquidity draining functionality. Combined with long term yields that are still up near resistance, this suggests that equities are likely to be under pressure until at least after today's 1:00 pm 10 Yr auction, and quite likely tomorrow's 30 Yr auction.

**Trading Today:** We will be rolling into the Mar 10 contract this week, likely tomorrow, but today's number are still basis Dec 09. Longs should defend the value area of 1090.00 to 1091.75, which contains yesterday's settlement, yesterday's point of control, long term point of control and the day-session-only pivot. If the ES trades below 1090.00, longs become more risky. Above, and 1099.00 is likely the high if today's a range day. There is strong resistance from 1101.50 to 1103.75 with day-session-only R2, combined session R1 and the weekly pivot, but that is far away enough in price that the move could gain momentum to the upside. Accordingly, shorts above 1099.00 are risky.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1091.50 (4:00 pm close)  
1090.00 (4:15 pm settlement)

#### Daily Pivots

1091.75 (day-session-only)  
1095.00 (day & overnight sessions)

#### Unfilled Gaps

1011.75 to 1014.75 (price)  
1069.25 to 1074.00 (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\*

1031.50, 1050.50, 1056.50, 1076.00,  
~~1086.50~~

#### Countertrend Shorts\*

1109.50

\* 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

#### Tomorrow's Scheduled News

**Major Market Movers**  
10 Yr Note Auction at 1:00 pm  
**Minor Market Movers**  
Wholesales Trade at 10:00 am  
EIA Petroleum Status at 10:30 am

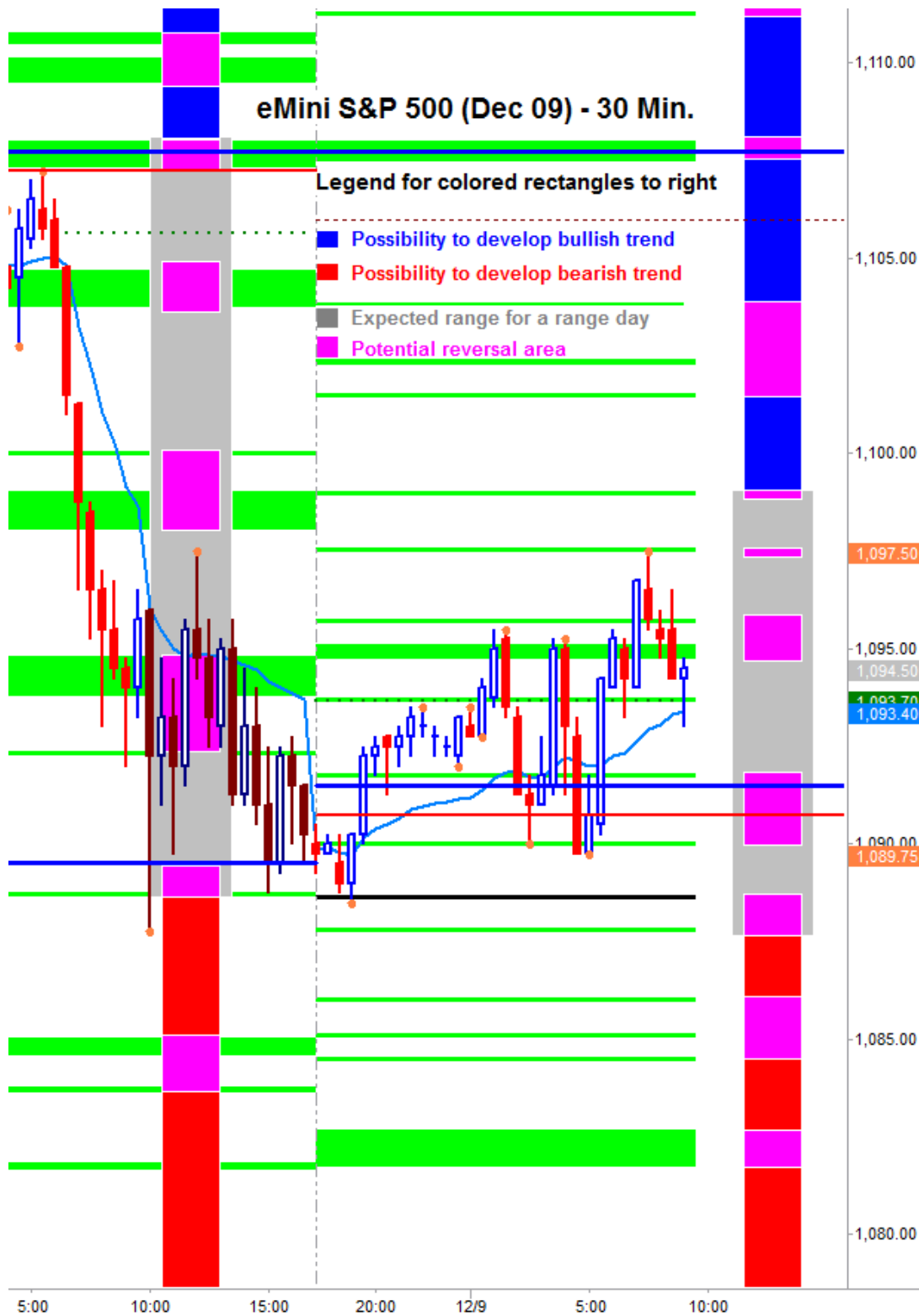
#### Tomorrow's Scheduled News

**Major Market Movers**  
Int'l Trade at 8:30 am  
Jobless Claims at 8:30 am  
30 Yr Note Auction at 1:00 pm  
**Minor Market Movers**  
RBC CASH Idx at 9:00 am  
Treasury Budget at 2:00 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) 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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