



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

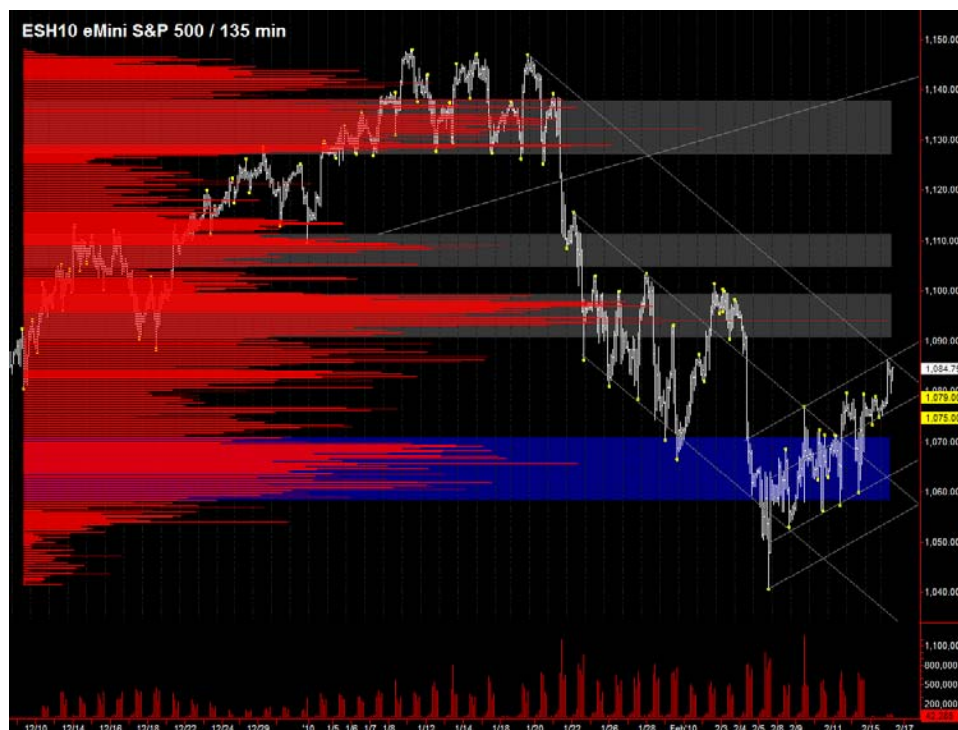
**The Precise Take** – Equities to gap up on opex week

**Leaders Analysis:** The leaders are mostly quiet overnight, with gold the notable exception and looking strong. The US Dollar Index continues to trade just under strong resistance at 80.55, and has been unable to close above as of yet. All in all, the leaders are slightly equities bullish.

**Medium Term Analysis:** The abbreviated week will end with CPI and options expiration. In the meantime, there is only a minor housing report today at 1:00 pm. Tomorrow features five minor reports, including the weather-delayed Treasury Budget and FOMC Minutes. At least one is likely to get the markets moving at some point. The ES traded up to 1086.50 overnight and looks like it will gap open at or just above the critical 1080-1083 resistance band we have been following. The ES has retraced nearly all of the latest downward slide that began February 4. Significantly, a lot of volume was traded at the lower value area between about 1059 to 1071 (high volume level = 1065.75), and it has a better chance of holding as support than the areas created in late January (and subsequently gave way easily). The highest volume level for the March contract still looms overhead at 1094.00, so it will be important to watch how price reacts there and below at 1065.75. It will likely take strong news to break through either of their respective value areas.

**Trading Today:** There are a number of strong support areas that could have marked the lower end of the projected range today. We settled on 1078.50 to 1079.75 because it is the most conservative. The others are marked as potential reversal areas on page 2. The upper end of the projected range is weekly R1 at 1088.25. If the ES trades above, there is a good chance of hitting day-session-only R2 at ~~1082.25~~ [corrected: 1092.25] in confluence with a high volume level at 1094.00.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1075.25 (4:00 pm close)  
1079.00 (4:15 pm settlement)

#### Daily Pivots

1072.75 (day-session-only)  
1076.00 (day & overnight sessions)

#### Unfilled Gaps

1138.50 to 1143.00 (price)  
1090.50 to 1085.75 (price)

#### Upside Targets

1082.00, 1109.00, 1126.25, 1132.25,  
1154.50, 1196.00, 1235.00

#### Downside Targets

1022.75, 1004.75, 975.50, 961.00

#### Countertrend Longs\*

1041.75, 1060.50

#### Countertrend Shorts\*

~~1084.75~~, 1109.75, 1118.75

\* 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

Treas. Int'l Capital at 9:00 am  
Housing Market Idx at 1:00 pm

### Tomorrow's Scheduled News

#### Major Market Movers

None

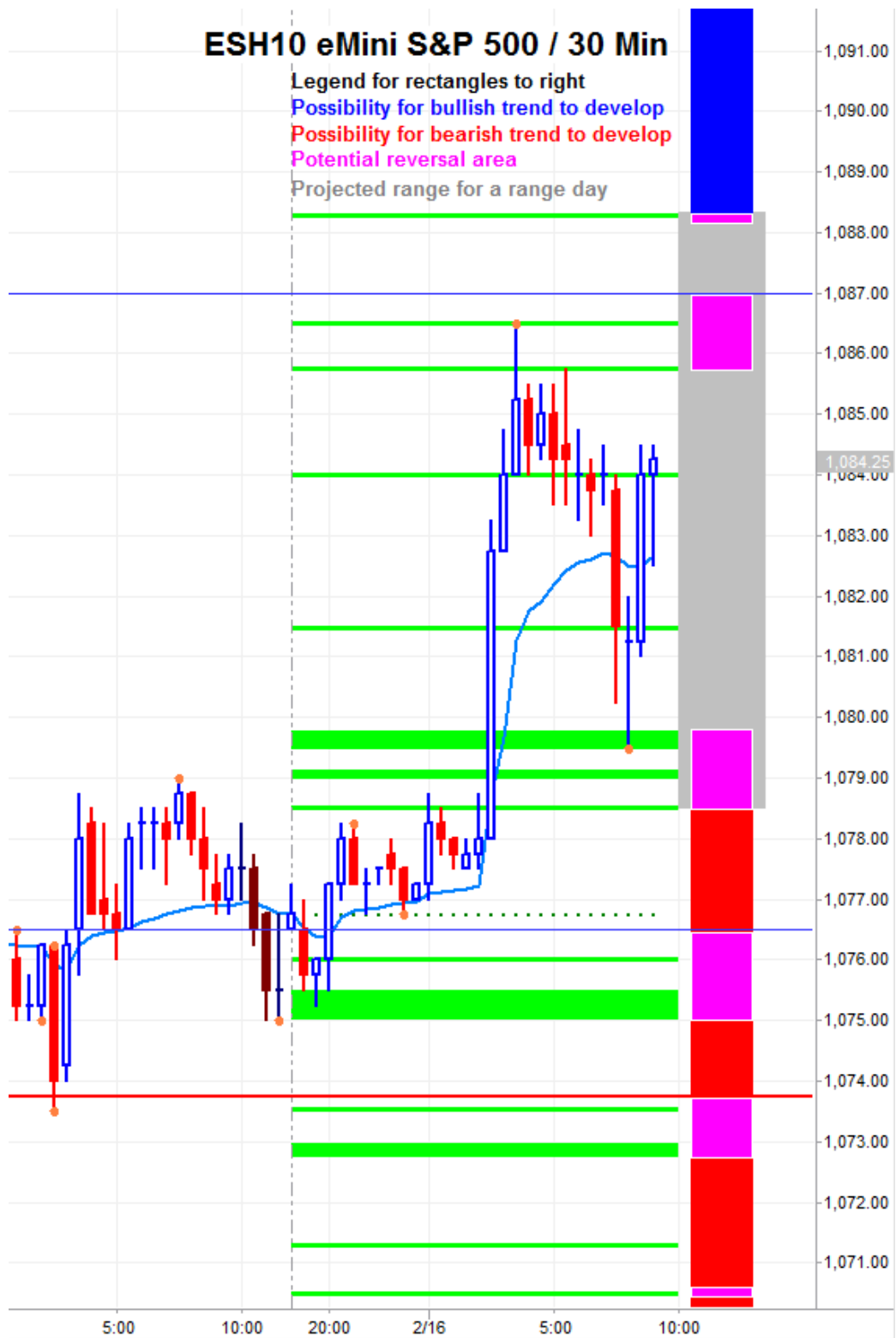
#### Minor Market Movers

Housing Starts at 8:30 am  
Import & Export Prices at 8:30 am  
Industrial Production at 9:15 am  
FOMC Minutes at 2:00 pm  
Treasury Budget at 2:00 pm

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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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