

The PRECISION REPORT

Precise Market Timing



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

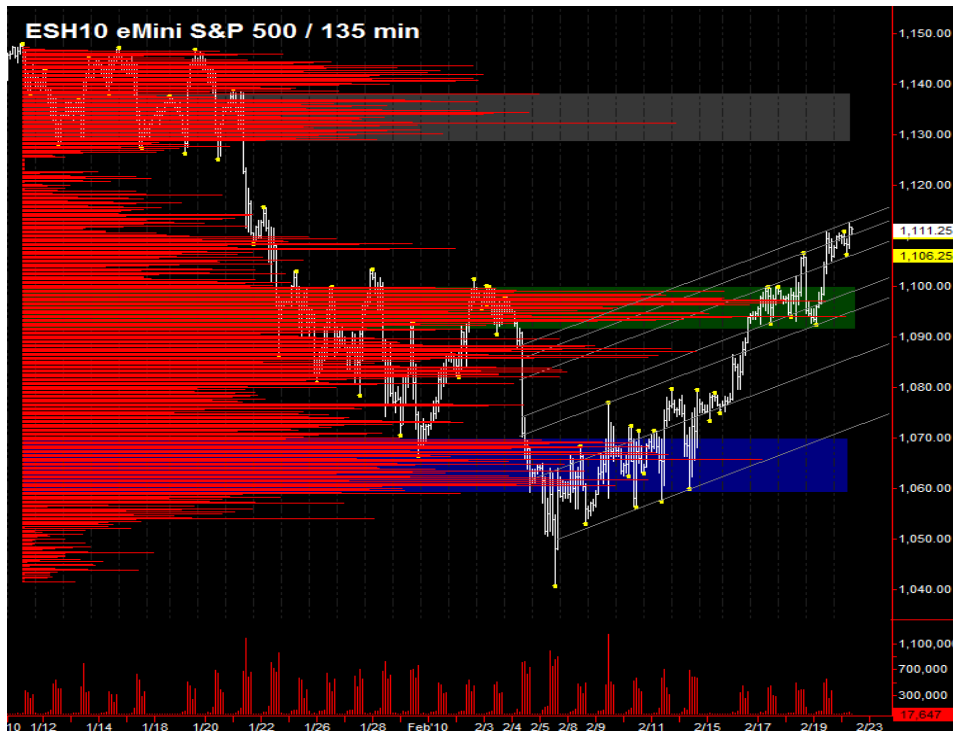
The Precise Take – Markets poised to consolidate after tumultuous week

Leaders Analysis: The EuroYen forex cross was able to just barely close over its 20 day moving average Friday. Overnight, it took out last week's high but is trading down a bit. The 50% retracement of the down leg that began in January at 127.53 is a realistic target this week. The US Dollar Index has rejected the higher levels reached on last week's Fed announcement and is back in the prior range of 79.56 to 80.75. The 30 Year T-Bond yield is at strong resistance and is probably topping, but it could take several weeks to put in its characteristic rounded top, meaning T-Bond futures will probably chop around sideways in the meantime. Gold made a new high overnight just short of the 50% retracement of the November high to the February low, and has backed off a bit. For today, the leaders are equities neutral, but the Dollar and EuroYen look as though they will make an equities bullish move by Wednesday.

Medium Term Analysis: Equity indexes are looking strong, especially after the inability of the shorts to regain control after the Fed announcement post-close Thursday. While we would not be surprised to see a pullback to either the 1094 or 1083 level in the ES, the 1127 target has a good chance to be reached over the coming week. We will be watching the US Dollar closely as it appears ripe for a correction of 38% to 50% of the rally that began in late November. A strong down move would help either kick off an equities rally if they were to correct first over the coming days, or would help equities power through resistance from the January highs at 1148, should equities advance from here. The major report of the week is the first revision to Q4 09 GDP on Friday. Bernanke also speaks three times this week, including at 11:00 am today. He is unlikely to make any waves, but attention will be sufficiently focused on his remarks after last week's action to warrant caution around this time.

Trading Today: The lower end of the projected range is from the daily pivot to the 4:00 pm gap fill, from 1105.25 to 1107.25. The upper end is the daily R1s, from 1112.00 to 1114.00. We expect a range day unless Bernanke throws the markets for a loop.

Today's volume profile:



Day Trading Guide

Daily Gaps

1107.25 (4:00 pm close)
1106.25 (4:15 pm settlement)

Daily Pivots

1105.25 (day-session-only)
1103.25 (day & overnight sessions)

Unfilled Gaps

1138.50 to 1143.00 (price)

Upside Targets

1127.00, 1132.25, 1154.50, 1196.00, 1235.00

Downside Targets

1083.00, 1065.75, 1022.75, 1004.75, 975.50, 961.00

Countertrend Longs*

1041.75, 1060.50, 1180.50

Countertrend Shorts*

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

Bernanke Speaks at 11:00 am

Tomorrow's Scheduled News

Major Market Movers

Consumer Confidence at 10:00 am

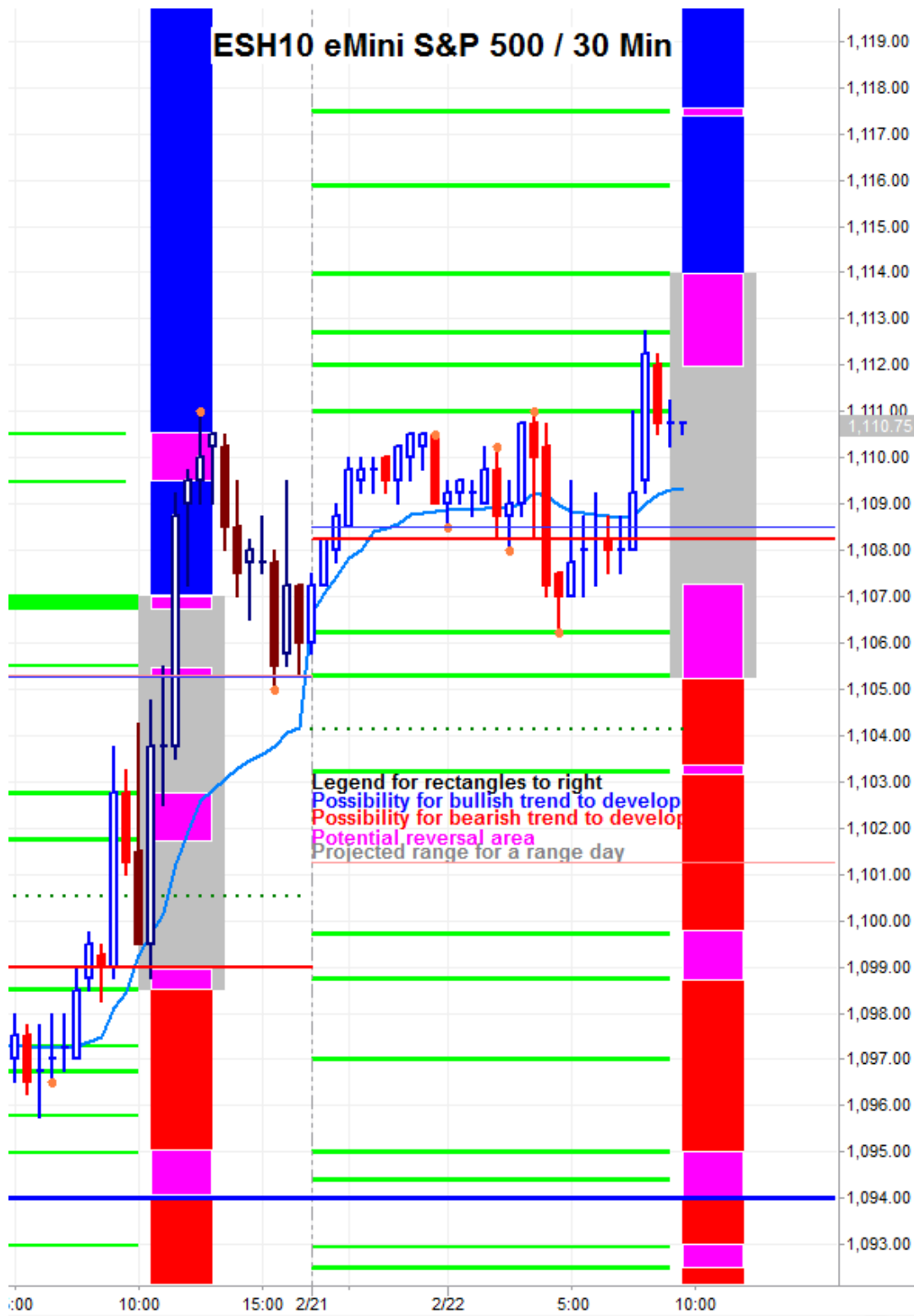
Minor Market Movers

S&P Case-Shiller at 9:00 am

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

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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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