

The PRECISION REPORT

Precise Market Timing



February 25, 2010

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

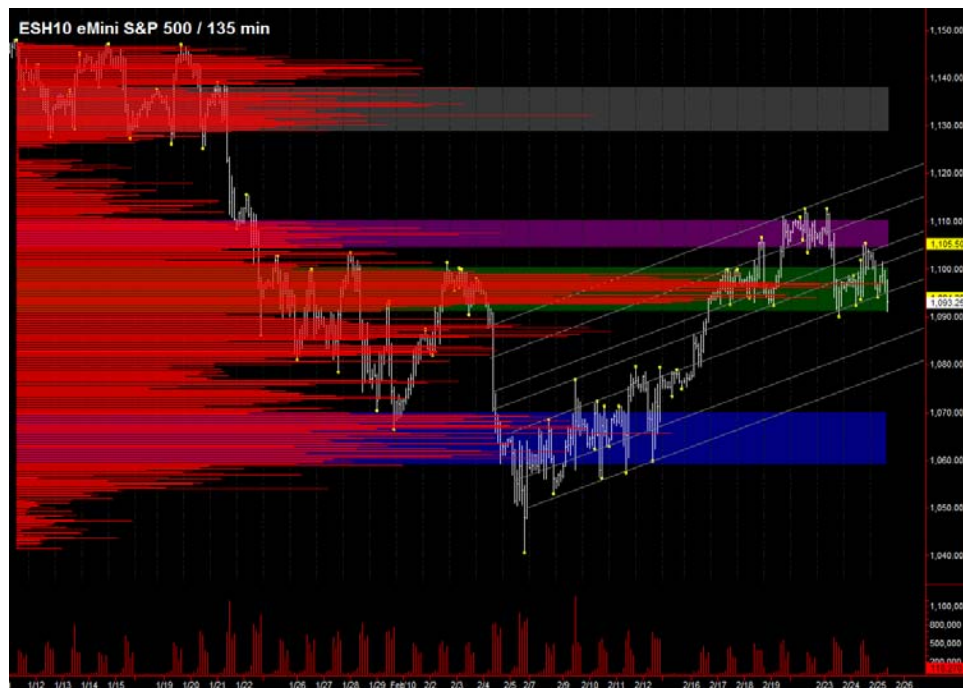
The Precise Take – The risk trade is at a critical juncture

Leaders Analysis: The EuroYen sold off again overnight to make a new 52 week low. In fact, it passed through the 120 level (on the way up) exactly a year and a day ago. The US Dollar Index is correspondingly up, but only nominally and has not exceeded last week's high. 30 Year T-Bond futures are up, with the yield breaking moving average support and approaching long term trendline support, despite yesterday's poor 5 year auction. It's increasingly looking like the US Dollar will break resistance and rally higher. We will know after tomorrow's GDP report at 8:30 am. All in all, the leaders are slightly equities bearish.

Medium Term Analysis: Overnight, the ES sold off from yesterday's settlement after having failed intraday yesterday to accept in the green value area below. Jobless Claims disappointed as we write and the ES is down to critical support. As we said yesterday, if it closes below 1090, it should test at least 1060 to 1070. There are a number of economic reports tomorrow, which will provide volatility into the end of the week, in addition to the Greece situation. Bulls need to assert themselves today to salvage the possibility of a rally.

Trading Today. The upper end of the projected range contains closing VWAP, an overnight swing high and the daily pivots, from 1099.75 to 1101.50, though we would also consider an early short from 1096.25 to 1097.00, which includes day-session-only S1, the weekly pivot and a long term high volume level. The lower end of the projected range is day-session-only S2 in confluence with Tuesday's low, from 1089.25 to 1090.25. Bernanke speaks at 9:00 am and, if the plan changes, we will try to update pre-open.

Today's volume profile:



Day Trading Guide

Daily Gaps

1103.50 (4:00 pm close)
1103.50 (4:15 pm settlement)

Daily Pivots

1101.00 (day-session-only)
1100.50 (day & overnight sessions)

Unfilled Gaps

1138.50 to 1143.00 (price)

Upside Targets

1107.50, 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, ~~1091.50~~

Countertrend Shorts*

1104.00, 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

7 Yr Note Auction at 1:00 pm

Tomorrow's Scheduled News

Major Market Movers

GDP at 8:30 am

Consumer Sentiment at 9:55 am

Minor Market Movers

Chicago PMI at 9:42 am

Existing Home Sales at 10:00 am

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), 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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