

The PRECISION REPORT

Precise Market Timing



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

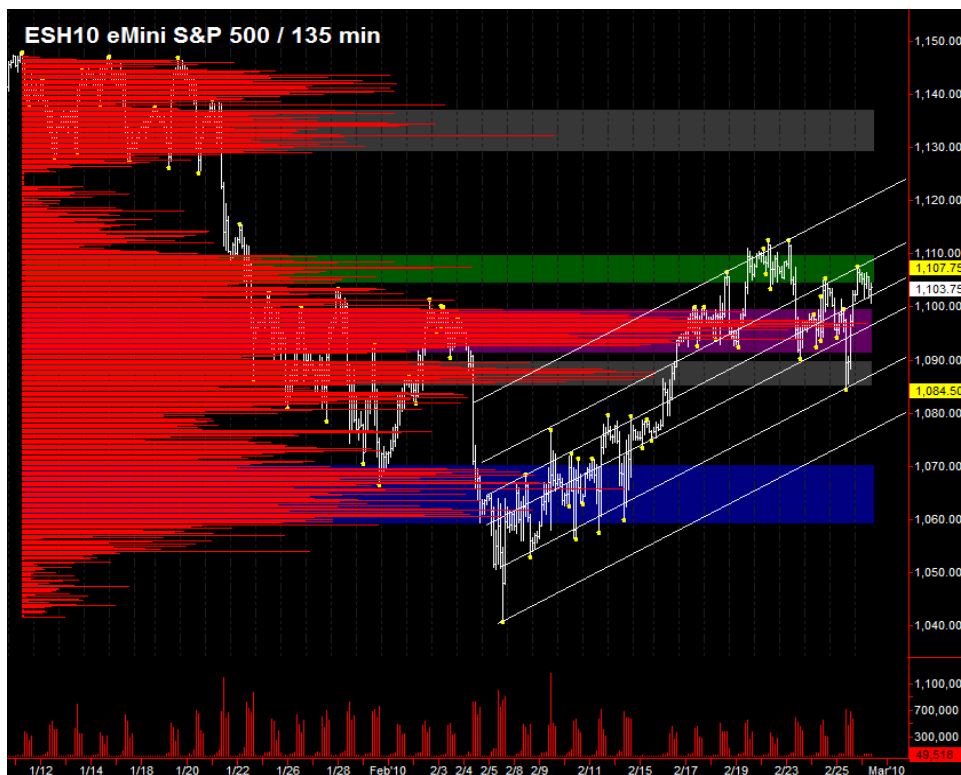
The Precise Take – February poised to close on a volatile note.

Leaders Analysis: Most of the leaders reversed yesterday in line with the afternoon equities rally. The US Dollar Index is forming a consolidating wedge and is one to watch. If it were to top this week, we thought it would have done so more convincingly by now; however, as long as it is consolidating, it can still do so, but needs to do so soon. The 30 Year yield is trading at long term trendline support that has three points of contact since late September, having bounced most recently earlier in the month. A break down should lead to a test of at least the 200 day moving average, currently at 4.40%. A concurrent Dollar decline and equities rally is not out of the question, but would be slightly unusual, so this will be an important leader to watch. A bounce would lead to a retest of the 4.75% level and possible break.

Medium Term Analysis: Yesterday proved to be a difficult day to predict, as the 1082 to 1085 support level in the ES that we had dismissed the day before indeed proved to be strong support. Overnight, the ES rallied but rejected the 1107.50 high volume level we have been watching. Until the ES accepts around this area, it will not be able to move higher. With three reports today between 9:42 and 10:00 am and rumors regarding Greek debt, there should be some early volatility. Monday also features three news items, with ISM Manufacturing a major market mover. Accordingly, the move to test either 1127 or 1070 should have begun by Monday morning.

Trading Today: As we write, the GDP revision was for the better and the ES is back to VWAP after making a new overnight low. The upper end of the projected range contains the overnight high, a high volume level and the daily R1's, from 1107.50 to 1109.00. The lower end is the daily pivots, and high volume levels, from 1096.50 to 1097.50. We would not be surprised to see the projected range broken given the reports after the open and with February settling today.

Today's volume profile:



Day Trading Guide

Daily Gaps

1102.50 (4:00 pm close)
1102.25 (4:15 pm settlement)

Daily Pivots

1096.75 (day-session-only)
1096.50 (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, 1080.50, 1086.25

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

Consumer Sentiment at 9:55 am

Minor Market Movers

Chicago PMI at 9:42 am
Existing Home Sales at 10:00 am

Tomorrow's Scheduled News

Major Market Movers

ISM Mfg Index at 10:00 am

Minor Market Movers

Personal Income & Outlays at
8:30 am
Construction Spending at 10:00 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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