



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

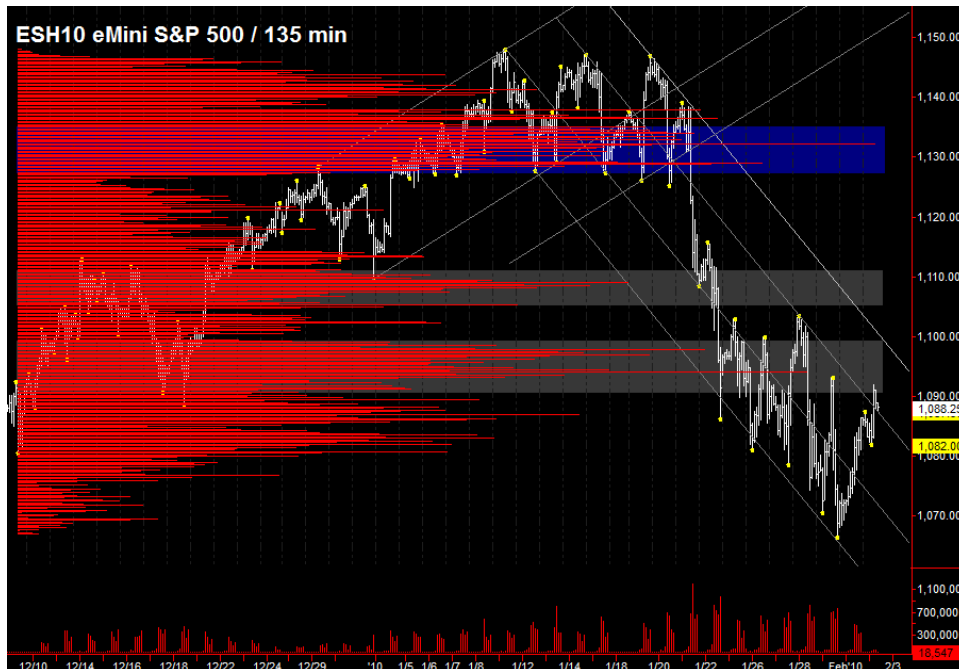
**The Precise Take** – Equities mounting the first signs of recovery, but shorts are emboldened

**Leaders Analysis:** Both gold and the EuroYen rallied throughout yesterday and closed higher than any day of the previous week, with marginal moves up overnight. 30 Year T-Bond futures slid after hitting resistance yesterday and the US Dollar Index has traded down to nearly the weekly pivot overnight. There is further room for the moves in the Dollar, EuroYen and gold to continue, so the leaders are equities bullish.

**Medium Term Analysis:** Yesterday nearly fit one of our two criteria for what would end the selloff, as there was a range day in the ES that *nearly* closed over daily R1, with a strong rally into the close. In fact, the ES never traded materially below VWAP. The bad news for longs is that sentiment has shifted from a buy-the-dips to a sell-the-rally mentality. Not until 1109 is cleared does the ES have a chance to revisit the higher end of the January range. The BLS stated in its October Employment Situation report that it would make an annual benchmark adjustment in the February 5 report of minus 824,000 (for the worse). It's possible it will find a way to spin or avoid this, but it's difficult to see how equities will rally this Friday on this relatively unknown news. If they can, that is indeed very bullish.

**Trading Today:** The lower end of the projected range today contains day-session-only S1, the weekly pivot, the combined session pivot and closing VWAP, from 1079.50 to 1080.25. If this area does not hold, we expect a return to test Friday's low. We would also consider a long from the overnight low to the day-session-only pivot from 1082.00 to 1083.00, which also includes yesterday's high volume level. The upper end of the projected range contains combined session R1, weekly R1, day-session-only R2, a long term high volume level and the monthly pivot, from 1092.50 to 1094.50. There's news at 10:00 am that has the potential to break the projected range.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1085.50 (4:00 pm close)  
1086.25 (4:15 pm settlement)

#### Daily Pivots

1083.00 (day-session-only)  
1080.25 (day & overnight sessions)

#### Unfilled Gaps

1063.00 to 1069.25 (price)  
1138.50 to 1143.00 (price)

#### Upside Targets

1109.00, 1126.25, 1132.25, 1154.50,  
1196.00, 1235.00

#### Downside Targets

1022.75, 1004.75, 975.50, 961.00

#### Countertrend Longs\*

None

#### 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

Pending Home Sales Idx at 10:00 am  
Geithner and Volcker speak at 10:00 am

#### Minor Market Movers

Motor Vehicle Sales (released throughout day)

### Tomorrow's Scheduled News

#### Major Market Movers

None

#### Minor Market Movers

Challenger Job Cut Report at 7:30 am  
ADP Employment Report at 8:15 am  
ISM Non-Mfg Idx 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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