



February 8, 2010

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

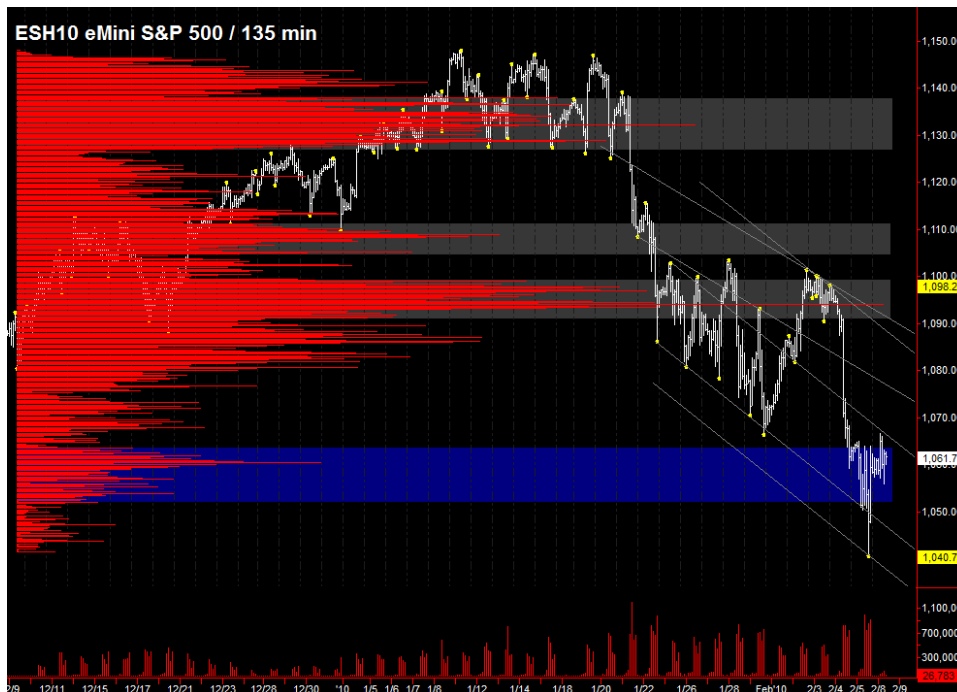
**The Precise Take** – Markets quiet overnight ahead of slow news week

**Leaders Analysis:** The US Dollar Index advanced above, but then closed below strong resistance Friday, and is down marginally overnight. The inverse is true for the EuroYen as it usually trades in the opposite direction of the Dollar. 30 Year T-Bond futures closed over strong resistance and have backed off marginally overnight, with the yield finally breaking down below a long term trendline ahead of three large Note auctions this week. It looks as though the uptrend in yields will confirm a downward reversal on the first good auction this week. Given the recent international turmoil, demand should be solid. The leaders are the slightest bit equities bullish.

**Medium Term Analysis:** This is a relatively quiet news week with no top tier reports scheduled. Retail Sales on Thursday and Consumer Sentiment on Friday could move the markets a bit. Accordingly, any political or sovereign news will probably provide the impetus for the next major move. Barring that, today we expect range bound action. Should the ES be able to mount a minor rally, 1080 to 1083 will be the first major resistance area.

**Trading Today:** The ES has oscillated overnight roughly between the weekly and daily pivots. This range will probably be broken, but only nominally. Accordingly, the upper end of the projected range includes the daily R1's and January's settlement from 1069.00 to 1070.50, with the lower end including the daily pivots, closing VWAP, one of Friday's high volume levels and fib support, from 1053.50 to 1055.25. A break of the projected range on surprise news could easily lead to an eight to ten point move in either direction.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1062.50 (4:00 pm close)  
1059.75 (4:15 pm settlement)

#### Daily Pivots

1054.75 (day-session-only)  
1055.25 (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

#### 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

None

### Tomorrow's Scheduled News

#### Major Market Movers

None

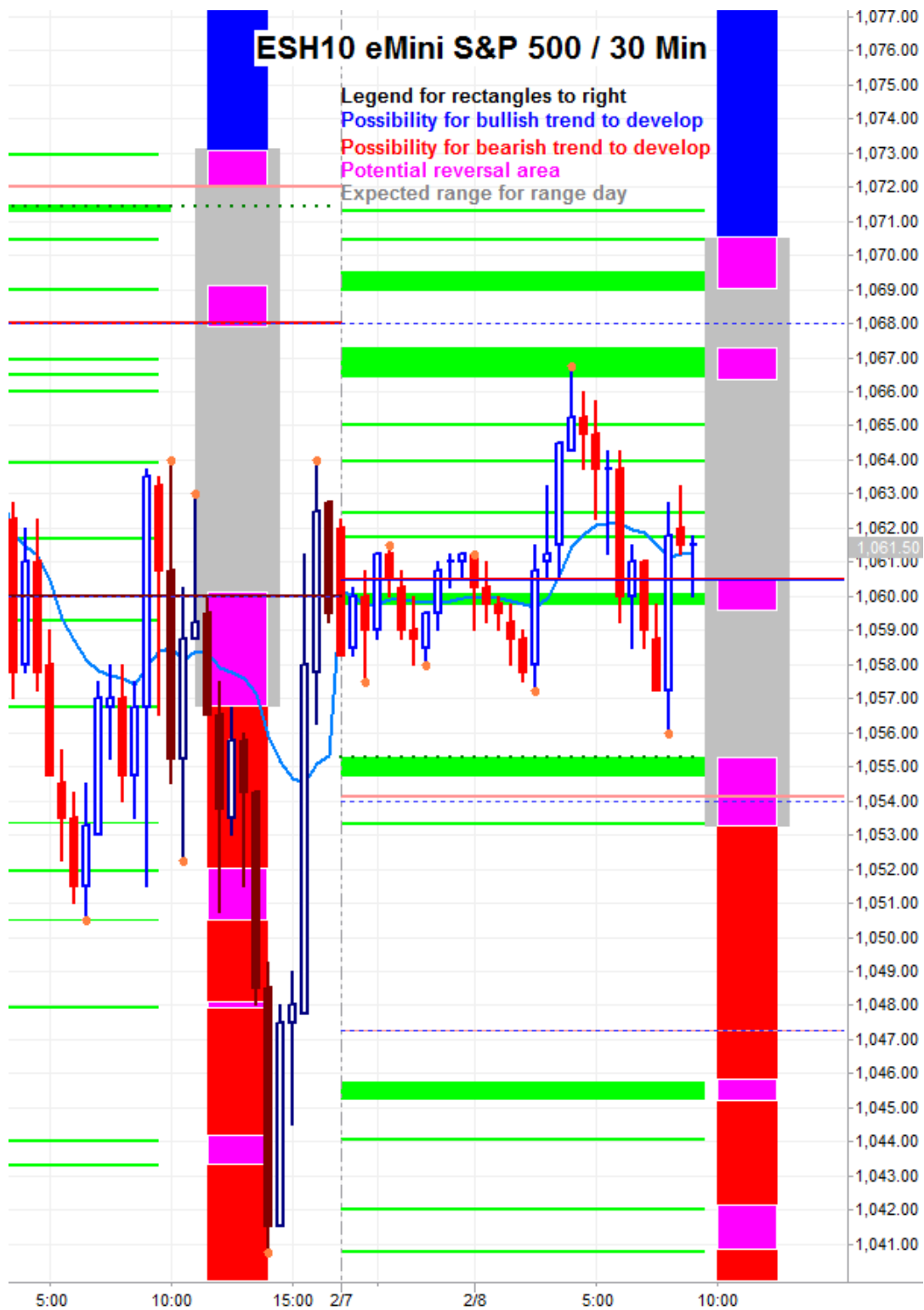
#### Minor Market Movers

Wholesale Trade 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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