

The PRECISION REPORT

Precise Market Timing



January 14, 2010

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

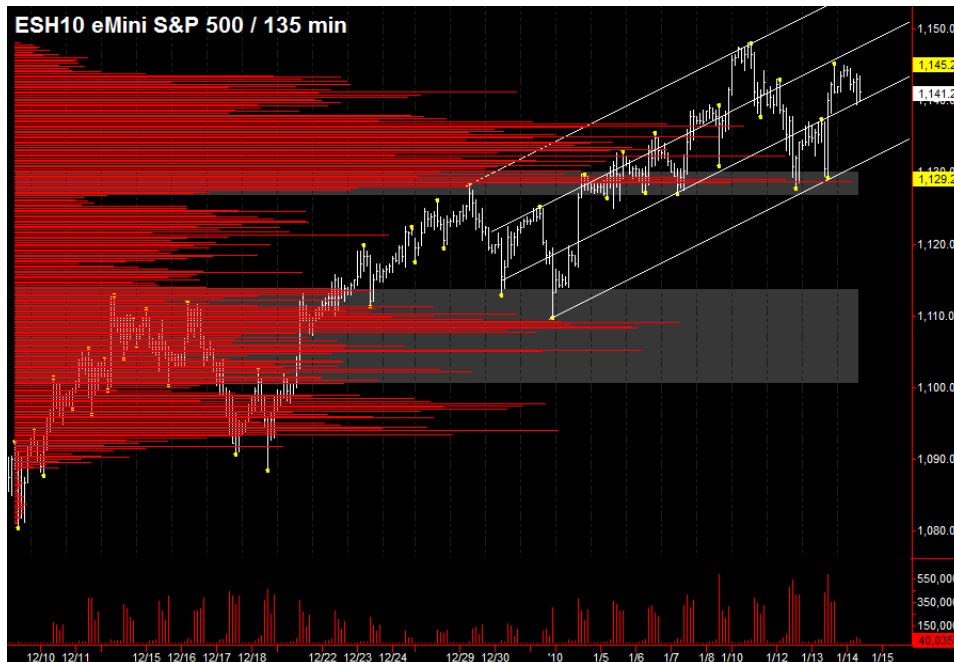
The Precise Take – ES flat on Retail Sales ahead of CPI and opex Friday

Leaders Analysis: 30 Year T-Bond futures have not been able to capitalize on Tuesday's breakout, but have a good chance to rally on a tepid to cold CPI tomorrow. Also, the 30 Year auction is today, but the auctions this week haven't been producing much volatility. The EuroYen is rangebound and not offering much guidance, and the US Dollar is up marginally from yesterday. All in all, the leaders are equities neutral.

Medium Term Analysis: Not much to add from yesterday's commentary, except that the ES had its biggest day-session range since December 4 and intraday volatility is returning as expected.

Trading Today: As we write, retail sales for December came in below expectations and jobless claims came in at the upper end of expectations, which should both be bearish for equities. However, the ES has barely budged, so the bulls appear to remain in control. If the ES can break above yesterday's high of 1145.25, there is a good chance of hitting weekly R1 at 1151.00, which is the upper end of the projected range. Since this would be a new contract high, caution is warranted with any shorts here. Also, there is stronger resistance from the confluence of monthly R2 at 1154.50 to the daily R2's at 1154.75. To the downside, today's value area is wide and support is scattered until the confluence of the daily S1's, the weekly pivot, monthly R1 and trendline support from 1132.00 to 1132.75. We are expecting a range day, but the projected range is a bit arbitrary today.

Today's volume profile:



Day Trading Guide

Daily Gaps

1142.00 (4:00 pm close)
1141.50 (4:15 pm settlement)

Daily Pivots

1138.75 (day-session-only)
1138.75 (day & overnight sessions)

Unfilled Gaps

1063.00 to 1069.25 (price)
1099.00 to 1103.00 (price)

Upside Targets

1154.50, 1196.00, 1235.00

Downside Targets

1109.00, 1063.00, 1022.75, 1004.75,
975.50, 961.00

Countertrend Longs*

1126.50, 1130.50

Countertrend Shorts*

None

* 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

RBC CASH Idx at 9:00 am
Business Inventories at 10:00 am
30 Yr Note Auction at 1:00 pm

Tomorrow's Scheduled News

Major Market Movers

CPI at 8:30 am
Consumer Sentiment at 9:55 am

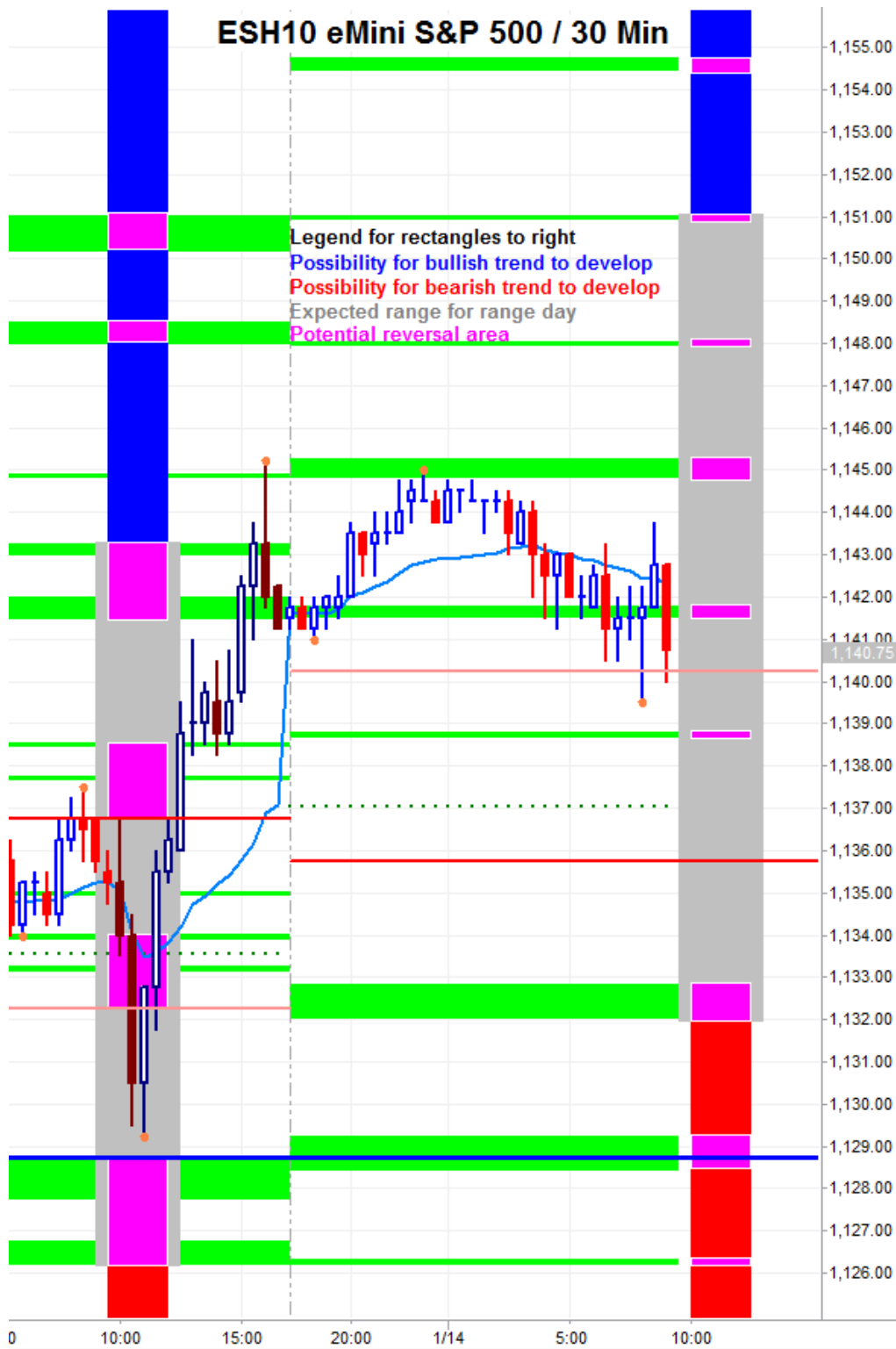
Minor Market Movers

Empire State Mfg Survey at 8:30 am
Industrial Production at 8:30 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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