



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

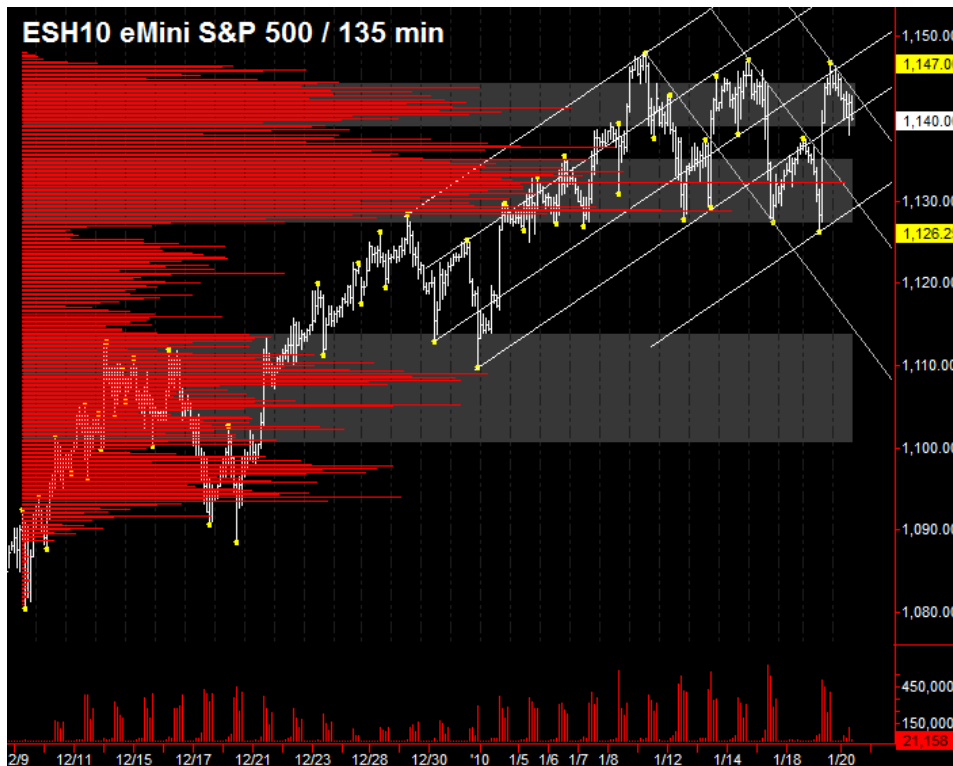
The Precise Take – Equities looking to consolidate yesterday's gains on strong US Dollar

Leaders Analysis: The leaders did pause yesterday, just long enough for equities to post a sizable gain. However, the US Dollar Index and EuroYen have resumed their trends, the Dollar now testing the December highs and the EuroYen in the upper end of a large support band that extends to May, 2009, which has held five times. 30 Year T-Bond futures look a bit stronger than yesterday after having rebounded from what could have been a sizable selloff. All in all, the leaders are still slightly bearish.

Medium Term Analysis: What a difference a day can make. Though the ES was able to climb back to the upper end of its trading range, it is forming an expanding wedge (trumpet) formation on the daily. Since the 2009 rally began, these patterns typically have led to a sharp selloff (sometimes as brief as one day) before resuming the uptrend. Notably, this last occurred during the Q3 2009 earnings season in the fourth full week of October, which would line up with next week on the news calendar. What this suggests is that, if longs cannot break the range materially and get another rally started by Monday's close, downside rather than upside is likely.

Trading Today: Given yesterday's large range up, we expect consolidation of that move today. The lower end of the projected range is day-session-only S1 in confluence with the weekly pivot from 1135.75 to 1136.00. The upper end is yesterday's high in confluence with contract highs from 1147.00 to 1148.00. However, the ES may only be able to muster a gap fill up to 1145.75. Price relative to VWAP at the open will be important as to the initial direction.

Today's volume profile:



Day Trading Guide

Daily Gaps

1146.00 (4:00 pm close)
1145.75 (4:15 pm settlement)

Daily Pivots

1141.25 (day-session-only)
1139.75 (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

None

Tomorrow's Scheduled News

Major Market Movers

Jobless Claims at 8:30 am

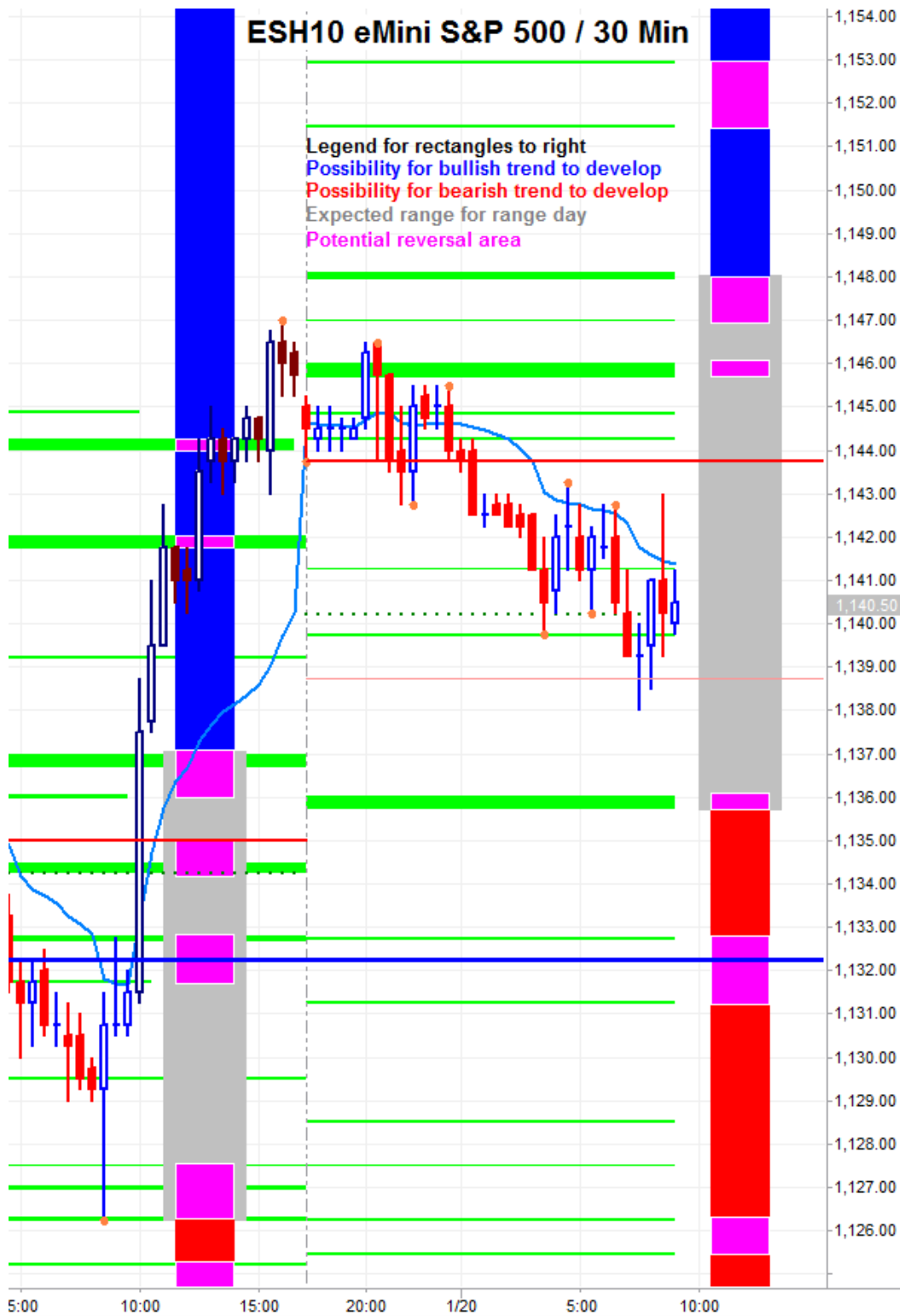
Minor Market Movers

Leading Indicators at 10:00 am
Phili Fed Survey at 10:00 am
EIA Petroleum Stats at 10:30 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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