



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

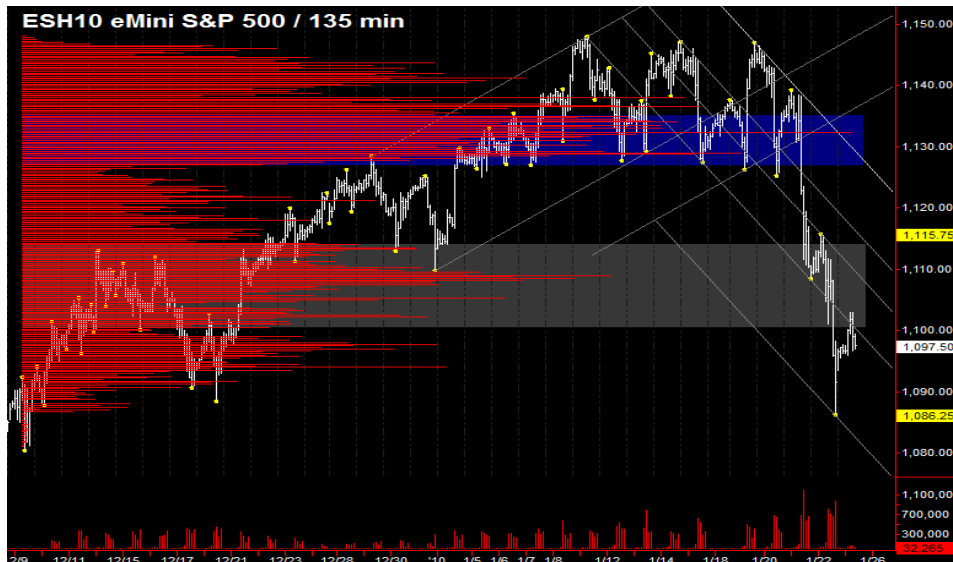
The Precise Take – Equity indexes look to rebound after last week's selloff

Leaders Analysis: The US Dollar is down marginally overnight and the EuroYen up marginally. 30 Year T-Bond futures are backing off Friday's high and have not caught up with their yield, which is in last Tuesday's range (notably, before last week's selloff). The discrepancy may be due to the huge Note auctions this week and the FOMC meeting. We believed Friday that the US Dollar's inability to push through key resistance would lead to a selloff, which would facilitate an equities rally. As of yet this has not occurred, so equities may need to wait or get their boost elsewhere. All in all, the leaders are slightly equities bullish.

Medium Term Analysis: We expected a bounce Friday, which did not materialize. And, with Friday's large selloff, just about everyone is expecting a bounce now, including us. It may take another day, however, with the ES chopping around until then. This is because one of the more bullish seasonalities revolves around FOMC meetings, with the close of the day before (Tuesday, this week) until just after the announcement being very bullish. In addition, GDP on Friday could come in greater than 5%, which would get the animal spirits moving again. Accordingly, we expect the ES to retrace to at least 1126.25 by next Monday close (which is the lower end of the long term high volume area in blue, below). The converse to all this is that, if there is another large selloff, there is something very wrong with the long term rally.

Trading Today: The ES is poised to gap up between 5 and 10 points, which will alleviate some of the early selling pressure. While we expect a range day and do not expect another selloff, longs should still be careful given last week's poor performance. The lower end of the projected range includes Friday's settlement, some volume support and the overnight low, from 1091.00 to 1094.00. A half gap fill (which can only be calculated after the open) may occur just above here. If longs cannot defend 1091.00, then we would expect a test of Friday's low in confluence with monthly S1, from 1084.75 to 1086.25, at which point it's do or die to prevent another selloff. To the upside, closing VWAP in confluence with the overnight high, from 1102.50 to 1103.00 will give some initial resistance. The upper end of the projected range is very strong pivot and volume resistance, from 1106.50 to 1109.00. If longs can push above, then Friday's low should hold over the medium term. The longer price stays at or near the bottom of the projected range today, the more aggressive longs become.

Today's volume profile:



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.

Day Trading Guide

Daily Gaps

1087.50 (4:00 pm close)
1091.00 (4:15 pm settlement)

Daily Pivots

1096.25 (day-session-only)
1097.75 (day & overnight sessions)

Unfilled Gaps

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

Upside Targets

1126.25, 1132.25, 1154.50, 1196.00,
1235.00

Downside Targets

1063.00, 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

Existing Home Sales at 10:00 am

Minor Market Movers

None

Tomorrow's Scheduled News

Major Market Movers

Consumer Confidence at 10:00 am

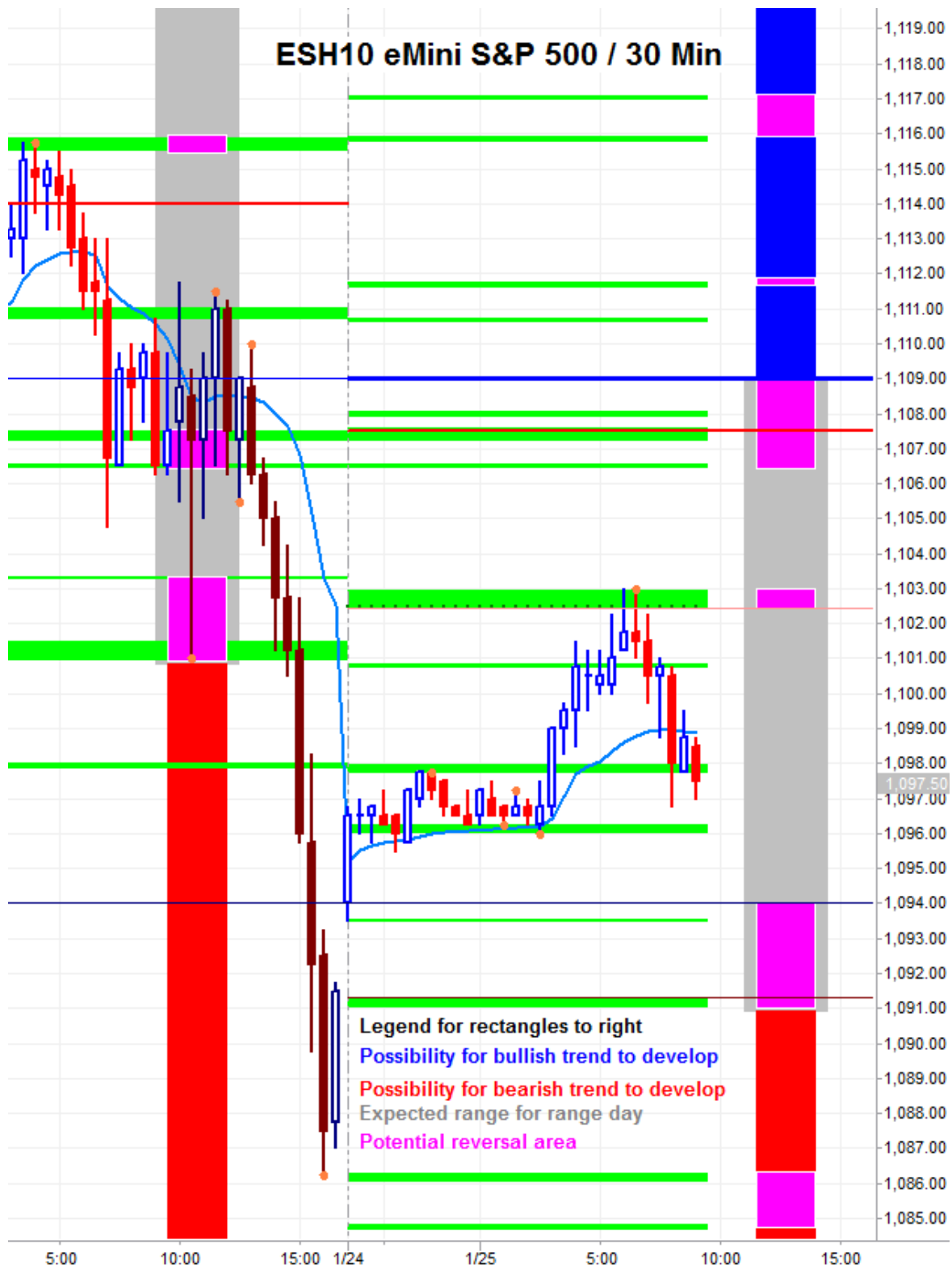
Minor Market Movers

S&P Case-Shiller HPI at 9:00 am

State St. Investor Confidence at 10:00 am

2 Yr Note Auction at 1:00 pm

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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