



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

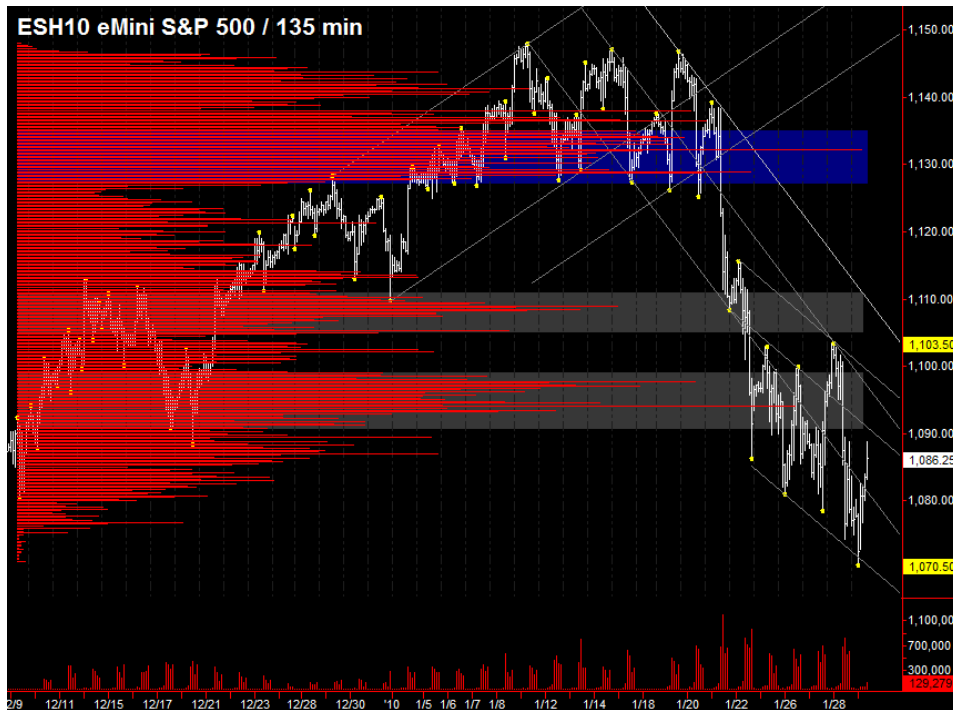
The Precise Take – January 2010 continues to track October 2009 as month draws to a close

Leaders Analysis: The leaders have been giving us some head fakes over the last few days. The US Dollar Index punched through resistance yesterday and convincingly closed above its 200 day moving average and fib resistance and poked above weekly R1 overnight. It should be able to hit longer term pivot confluence at 79.45 to 79.48. The EuroYen is looking to put in a bullish reversal day. Basically, these two are cancelling each other out in terms of an equities directional bias. The tie breaker, 30 Year T-Bond futures are not telling us anything so, all in all, the leaders are equities neutral.

Medium Term Analysis: We had previously mentioned the similarity of this month to last October, and the pattern continues roughly, except that the dates are not lining up exactly. Q3 2009 GDP that month came out on Oct 29, a Thursday, and was reversed the next day. It was the following Monday that looks like today's candle (so far). If the pattern were to continue, we would have an interim low either today or Monday with a sizable rally to follow. The first two weeks of the month have been bullish since this rally began, so longs will need to assert themselves or risk a much more material correction as it will appear that things are, in fact, different this time. In fact, delving into the internals and underlying stocks of the index, it does look a bit bleaker this time around. So, while we have been expecting a bounce for several days now, it is all the more critical that it occur in short order.

Trading Today: The lower end of today's projected range is yesterday's settlement of 1079.25 to yesterday's high volume level of 1081.25. The upper end of the projected range is combined session only R1 at 1097.00 to fib resistance at 1098.00; however, we would entertain a short at day-session-only R1 to a long term high volume level, from 1093.25 to 1094.00.

Today's volume profile:



Day Trading Guide

Daily Gaps

1080.75 (4:00 pm close)
1079.25 (4:15 pm settlement)

Daily Pivots

1083.75 (day-session-only)
1085.75 (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

1069.00, 1022.75, 1004.75, 975.50,
961.00

Countertrend Longs*

1082.75

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

GDP at 8:30 am

Minor Market Movers

Employment Cost Idx at 8:30 am
Chicago PMI at 9:42 am
Consumer Sentiment at 9:55 am

Tomorrow's Scheduled News

Major Market Movers

Personal Income & Outlays at
8:30 am

ISM Mfg Idx at 10:00 am

Minor Market Movers

Construction Spending 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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