



January 4, 2010

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

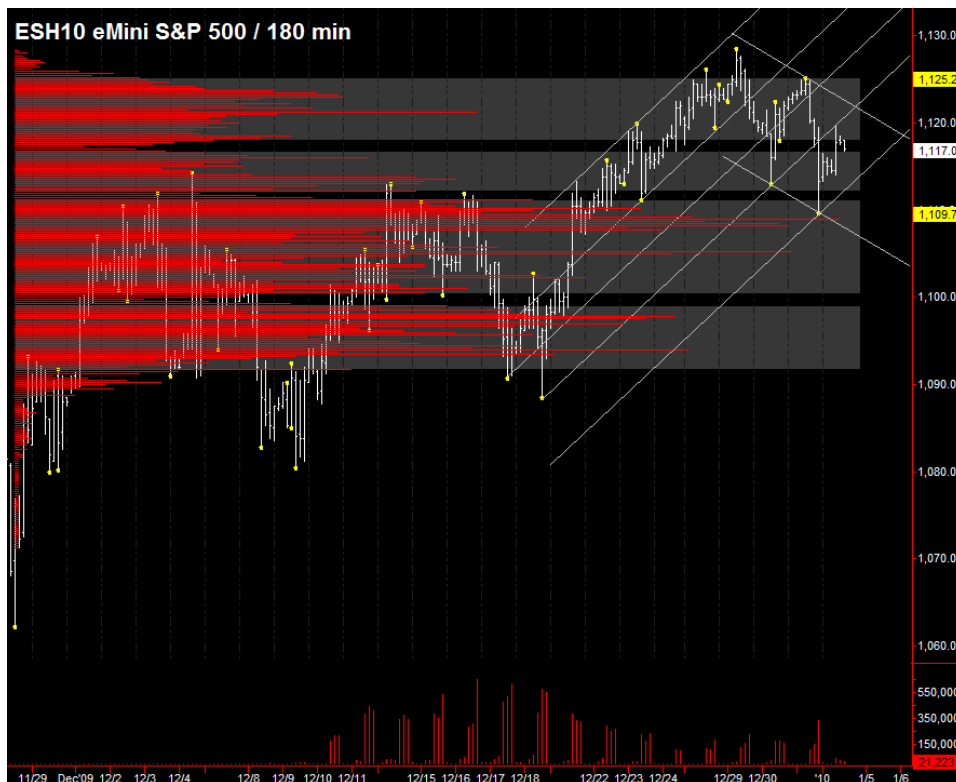
**The Precise Take** – Overnight, equities recover from Friday's selloff on weaker US Dollar

**Leaders Analysis:** The EuroYen forex cross is now using previous resistance (50 day moving average) as support, and has exceeded last week's high overnight. Commodities, in general, are up overnight as well on a weaker US Dollar. Accordingly, the leaders are still equities bullish.

**Medium Term Analysis:** Despite the selloff on Thursday's close, after the highest volume level for the ES (red histogram below) was reached, the ES was bought aggressively. After today there is not much news until Friday's Unemployment Situation. Bullish seasonality and the leaders suggest at least a retest of the ~1125 area; however, longs will need to prove they are in control by closing over the weekly pivot of 1116.25.

**Trading Today:** ISM at 10:00 am is the major news item of the day, and the day's direction (if one develops) will likely be determined thereafter. Until then, we play the projected range and, perhaps, thereafter, depending upon price action. Because of the steep selloff, the today's value area is unusually wide. Also, of note, the final print on Thursday afternoon of 1113.25 is 2.5 points higher than the official settlement of 1110.75. Accordingly, gap fill strategies will likely be off kilter today. Nonetheless, we have established the projected range (for a range day) as 1113.25 to 1114.00 to the downside and 1120.00 (day-session-only R1) to 1121.25 (high volume level) to the upside.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1110.25 (4:00 pm close)  
1110.75 (4:15 pm settlement)

#### Daily Pivots

1114.75 (day-session-only)  
1115.25 (day & overnight sessions)

#### Unfilled Gaps

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

#### Upside Targets

1144.75, 1160.75

#### Downside Targets

1109.00, 1063.00, 1022.75, 1004.75,  
975.50, 961.00, 937.25, 899.00,  
882.25, 831.25

#### Countertrend Longs\*

~~1110.75, 1115.25, 1120.25~~

#### Countertrend Shorts\*

~~1124.50~~

\* 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

ISM MfgIdx at 10:00 am

#### Minor Market Movers

Construction Spending at 10:00 am

### Monday's Scheduled News

#### Major Market Movers

Pending Home Sales at 10:00 am

#### Minor Market Movers

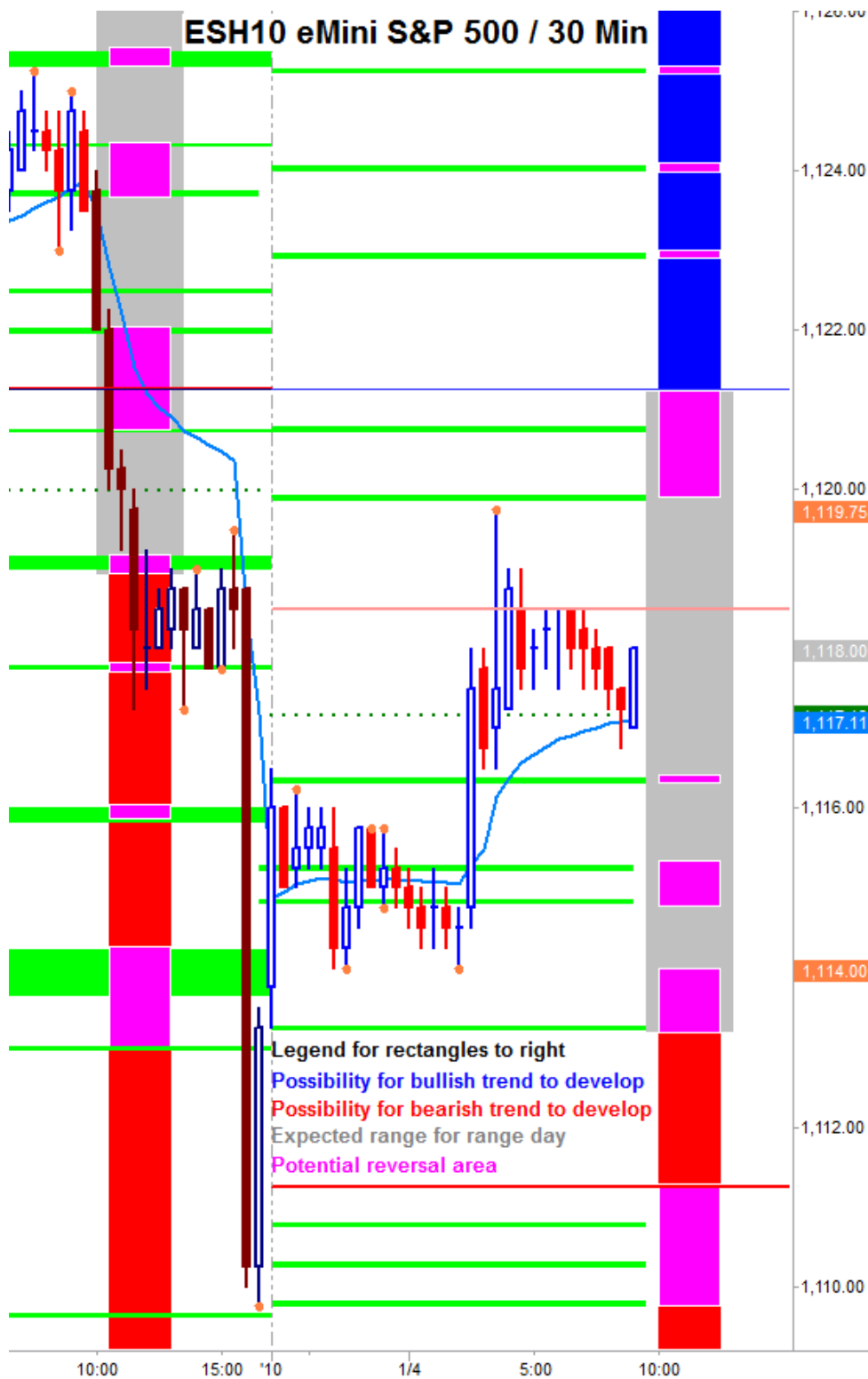
Factory Orders at 10:00 am

Motor Vehicle Sales throughout day

Free intraday updates at <http://www.precisioncapmgt.com>.

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Today's Support and Resistance:



**Legend:** Market Profile points of control (POC's) 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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