



January 8, 2010

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

**The Precise Take** – Employment Report disappoints—can equities hold on?

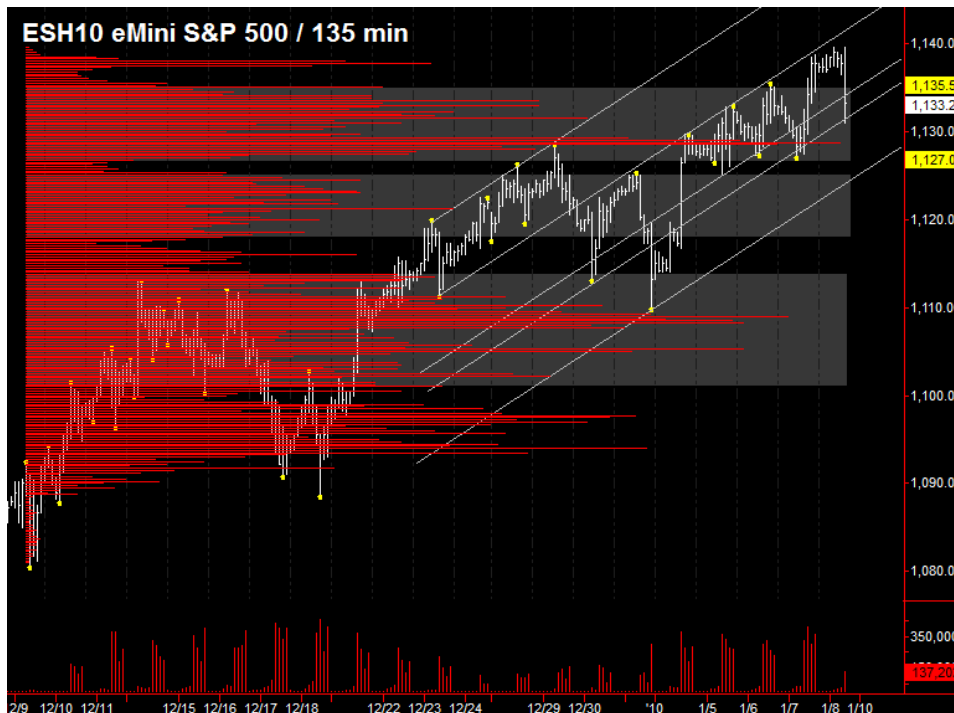
**Leaders Analysis:** The leaders will probably make substantial moves today, so analysis prior to the report will not carry much weight. Notably, 30 Year T-Bonds are finally breaking to the upside. The close will be important.

**Medium Term Analysis:** See yesterday's [two studies](#) regarding seasonality. Monday has been opening flat to up with follow through during the day. If it does not, the week has less of a chance of continuing the up move. The tendency of Employment Situation Fridays to mark interim tops or congestion periods also adds to this possibility. Should Monday be strong, however, the lack of news into Wednesday may provide the opportunity for material new highs. A lot depends on the Employment Situation report today and how the markets react to it. Enough volume has traded this week to establish 1128.75 as the highest volume level for the Mar 09 ES contract. This should act as strong support. Next major volume support is not until 1109.00. This means the next down move likely will be swift.

**Update:** As we write, the Employment report has disappointed. This actually makes the prospects for continuation of the rally better. If the ES can advance today or at least close above 1128.75, we will become much more bullish over the medium term than we would have had it advanced on a good number. If 1126.25 in the ES gives today, we could see a large selloff.

**Trading Today:** The upper end of the projected range is 1141.00 to 1141.75, which includes the daily R1s and weekly R3. The lower end is volume support and yesterday's lows, from 1126.25 to 1128.50. If there's a move down into the lower projected range into the open, a long is a high probability setup into the daily pivots at 1134.50. However, the higher the ES is (farther from the lower end of the range), the lower probability this setup is. We will try to update after the open.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1137.50 (4:00 pm close)  
1137.50 (4:15 pm settlement)

#### Daily Pivots

1134.50 (day-session-only)  
1134.50 (day & overnight sessions)

#### Unfilled Gaps

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

#### Upside Targets

1144.75, 1154.50, 1196.00, 1235.00

#### Downside Targets

1109.00, 1063.00, 1022.75, 1004.75,  
975.50, 961.00

#### Countertrend Longs\*

1126.50

#### Countertrend Shorts\*

1134.75

\* 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

None

#### Minor Market Movers

Wholesale Trade at 10:00 am  
Consumer Credit at 3:00 pm

### Tomorrow's Scheduled News

#### Major Market Movers

None

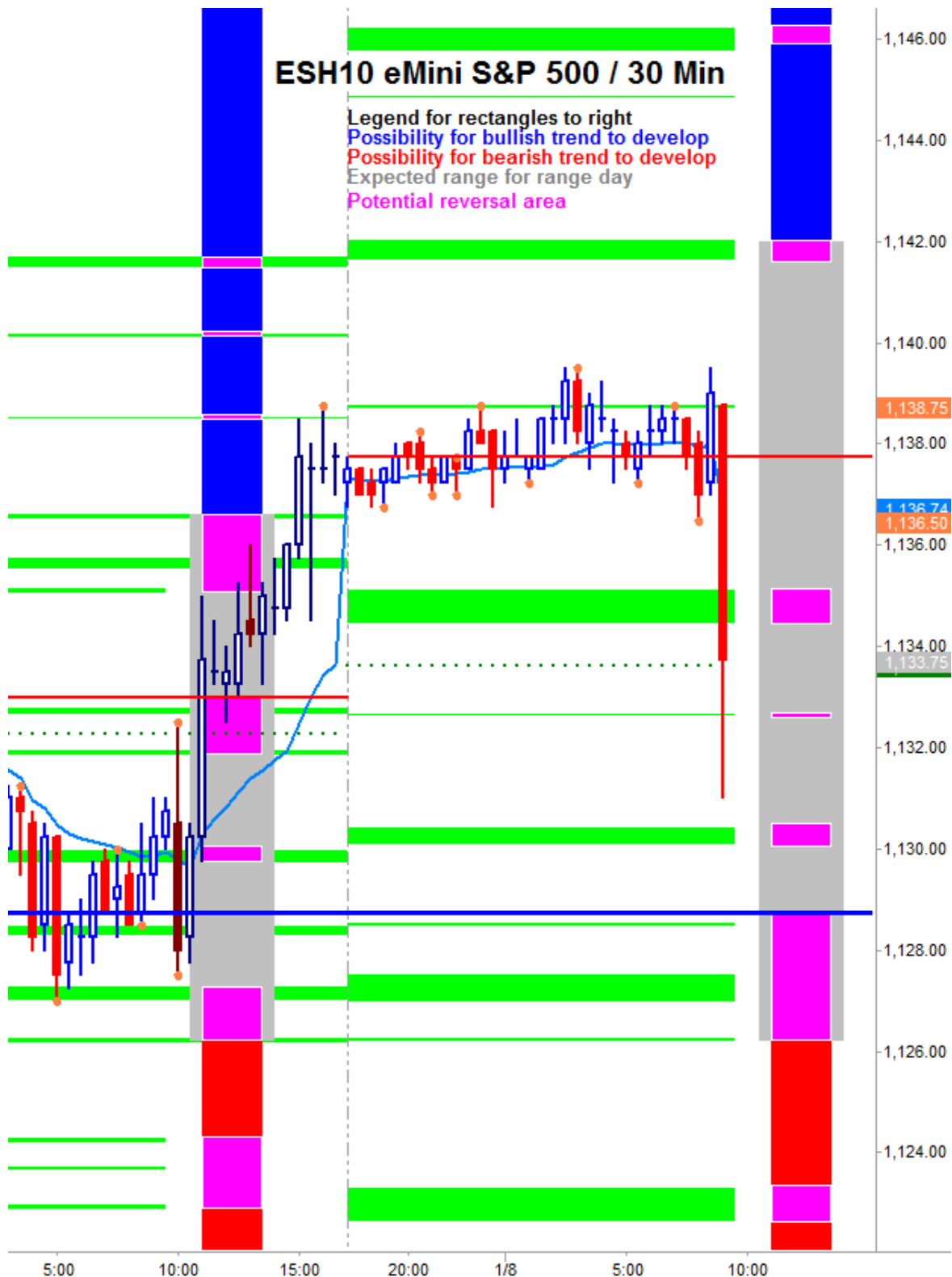
#### Minor Market Movers

None

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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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