

# The PRECISION REPORT

Precise Market Timing



July 23, 2010

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

**Reader Survey:** Thanks to all who responded so far. If you did not receive it by email, you may download at the below link and return by email to [info@precisioncapmgt.com](mailto:info@precisioncapmgt.com).  
<http://www.precisioncapmgt.com/wp-content/uploads/pcmsurvey.txt>

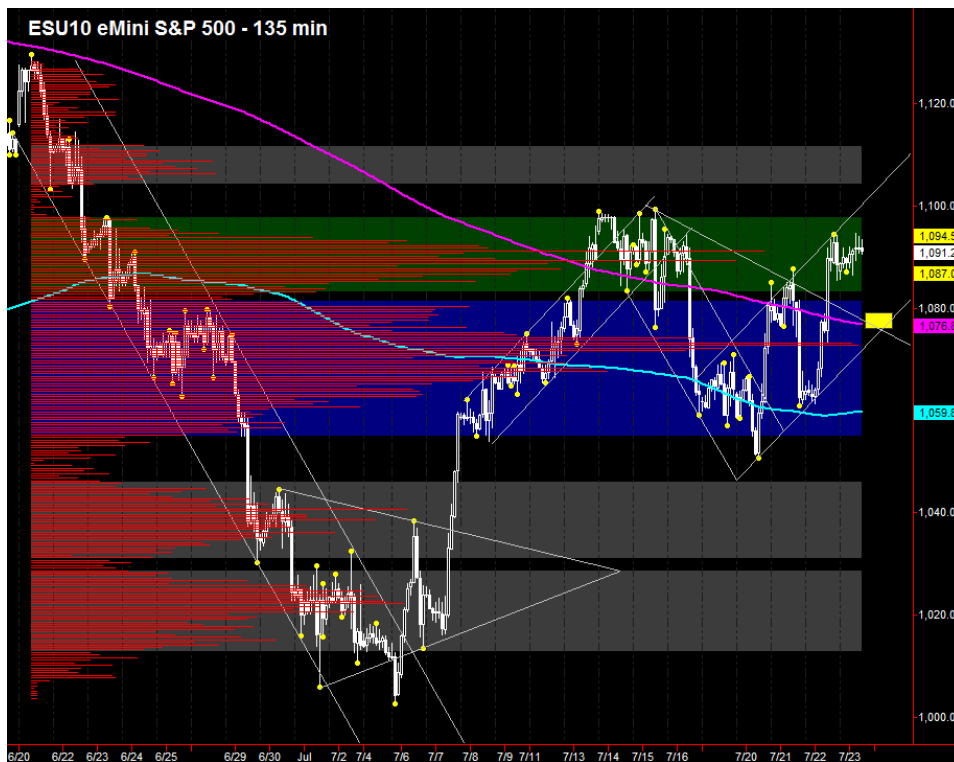
**The Precise Take** – Signs of risk preference reappearing

**Big Picture Analysis:** It has been a volatile week, and that trend is likely to continue today, as the final European bank stress test results are due to be released just after their close today, at noon EDT. Yesterday, bulls were able to drive the ES, and comfortably close, in the green value area, below—what we considered a necessary first step prior to and potential bellwether of a breakout of the 1100 level. If there is a pullback first, the yellow box, also marked below, from 1076 to 1079 should hold as support today or early Monday. Otherwise, another perceived failure just under the 1100 level may give the bears too much ammunition.

**Leaders Analysis:** We were watching primarily long term Treasury yields and the AussieYen. The 10 Year Yield is up materially, though now at its old long-standing trendline resistance. The AussieYen has just barely broken out of its similar long-standing trendline resistance. The Euro is generally quiet, as would be expected ahead of big news. However, there is enough evidence to say the leaders are slightly equities bullish as of now.

**Trading Today:** Similar to yesterday, the projected range is relatively narrow and there is a good chance of it being broken one way or another. The upper end contains yesterday's high, the overnight high, and the daily R1's, from 1094.00 to 1095.50. The lower end contains yesterday afternoon's low, closing VWAP and the day-session-only pivot, from 1085.75 to 1086.75.

**Today's volume profile:**



### Day Trading Guide

**Daily Gaps**  
 1089.50 (4:00 pm close)  
 1087.75 (4:15 pm settlement)

**Daily Pivots**  
 1086.75 (day-session-only)  
 1081.25 (day & overnight sessions)

**Unfilled Gaps**  
 1142.75 to 1150.00 (price)

**Upside Targets**  
 1086.75, 1101.00, 1109.00, 1150.75

**Downside Targets**  
 898.75, 941.25, 962.50, 996.00,  
 1022.75, 1040.75, 1073.25

### Today's Scheduled News

**Major Market Movers**  
 European Bank Stress Tests  
 at 12:00 pm

**Minor Market Movers**  
 None

### Tomorrow's Scheduled News

**Major Market Movers**  
 New Home Sales at 10:00 am

**Minor Market Movers**  
 None

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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