



July 28, 2010

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

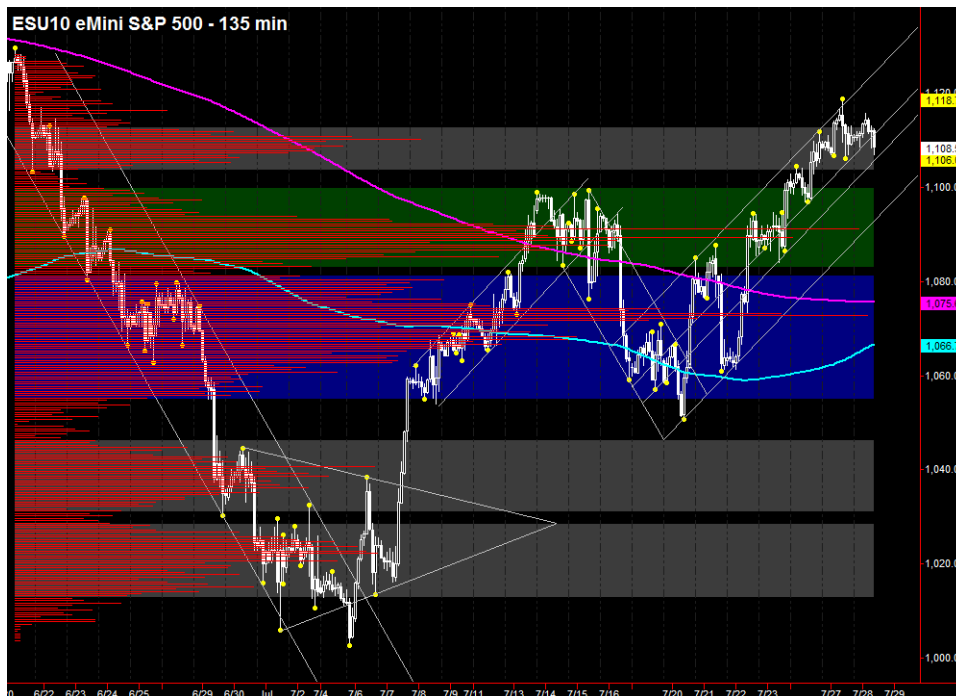
The Precise Take – Equity futures attempting to maintain on negative Durable Goods

Big Picture Analysis: Equities held up well yesterday considering the disappointing Consumer Confidence report. Today, bulls will have to defend against an even more disappointing Durable Goods report that came in negative month over month and materially below expectations--relevant, as some will read into it for clues as to Friday's preliminary Q2 GDP. A pullback from the recent surge is rather expected at this point, so for bulls to really assert control, they would simply rally in the face of today's news. Otherwise, a mild pullback today to the 1099.25 to 1000.50 support cluster would allow new longs to enter at a favorable risk reward area. Below there, and the rally is not dead, but simply in a bit of doubt.

Leaders Analysis: Yesterday, the 10 Year Yield spent all day above its intermediate term trendline resistance, an important technical hurdle. Also, the EuroYen closed the highest since mid-May. Both are down overnight suggesting equities weakness early today--the EuroYen more so--but, the stage is set for reassertion of risk preference in the days, and perhaps, weeks to come.

Trading Today: The upper end of the projected range contains the daily pivots and yesterday's settlement, from 1111.00 to 1112.00. The lower end contains the daily S-2's and fib support, from 1099.25 to 1100.50. As we mentioned Monday, prior to the April 26 correction, the 2 and 5 Year auction days had a bearish seasonality until after 1:00 pm. Yesterday, that was the case with the 2 Year, so we will be alert for it today with the 5 Year.

Today's volume profile:



Day Trading Guide

Daily Gaps

1110.00 (4:00 pm close)
1111.00 (4:15 pm settlement)

Daily Pivots

1111.50 (day-session-only)
1112.00 (day & overnight sessions)

Unfilled Gaps

1142.75 to 1150.00 (price)

Upside Targets

1126.75, 1135.25, 1150.75

Downside Targets

941.25, 962.50, 996.00, 1022.75,
1040.75, 1073.25, 1191.25, 1102.75

Today's Scheduled News

Major Market Movers

None

Minor Market Movers

5 Yr Note Auction at 1:00 pm
Beige Book at 2:00 pm

Tomorrow's Scheduled News

Major Market Movers

None

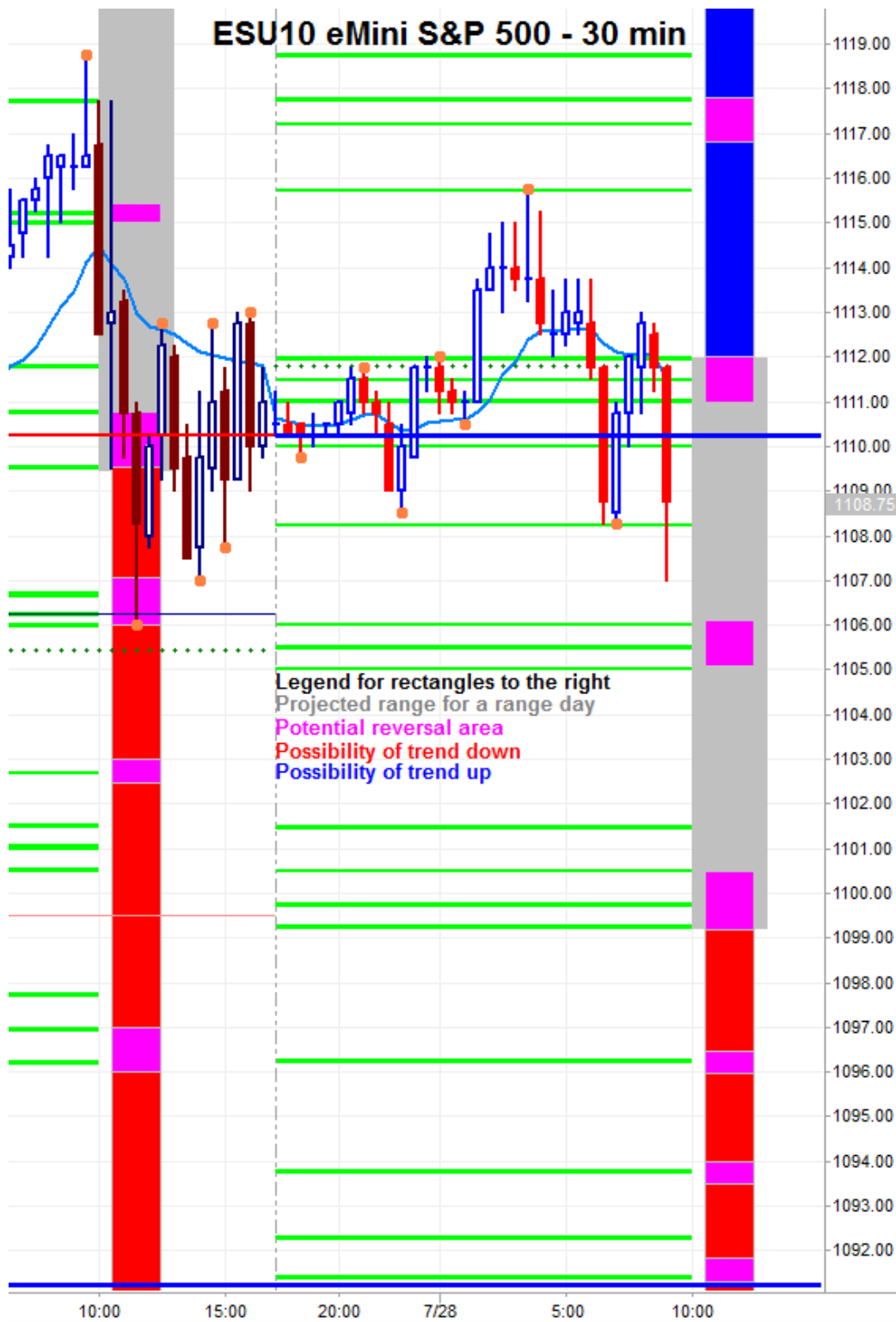
Minor Market Movers

Jobless Claims at 8:30 am
7 Yr Note Auction at 1:00 pm

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), 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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