



March 3, 2010

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

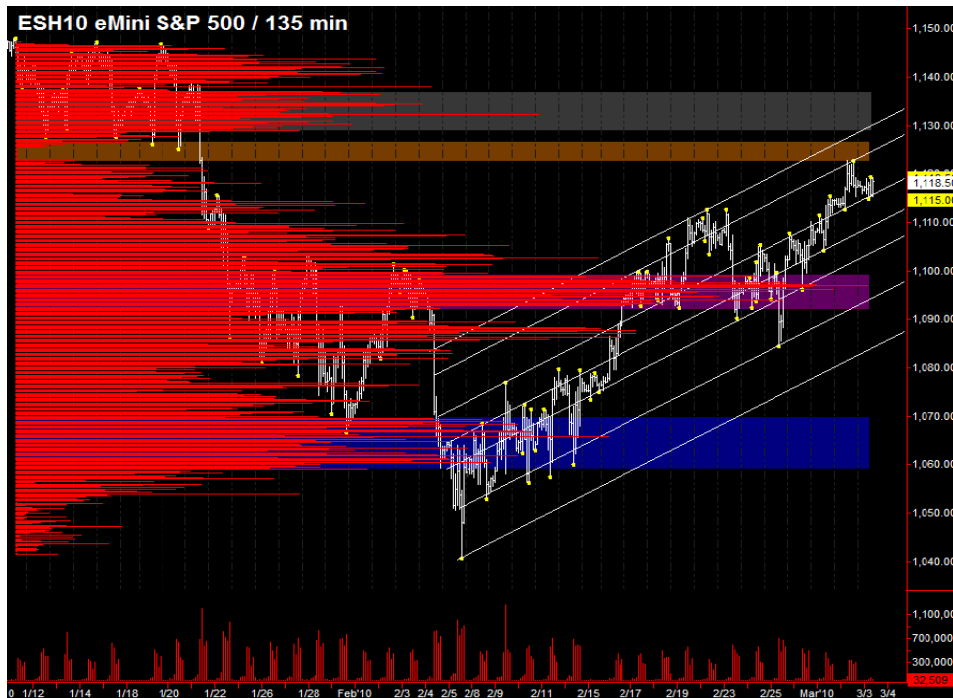
The Precise Take – Markets looking to consolidate ahead of Employment Situation

Leaders Analysis: The EuroYen is on the verge of breaking to the upside after basing for several days. Gold closed over its 50% retracement of its down leg and is up nominally overnight. The 30 Year T-Bond yield is still hugging its long term trendline support, but has been spending more time below it than above, thus not confirming the other leaders. The US Dollar Index is at the bottom of its trading range, which could be equities bearish, because it has rallied the prior times it hit this support level. However, and very importantly, it is below its 20 day moving average, which has acted as strong support since the January 20, 2010 breakout. A close below should finally facilitate a larger retracement downwards and help equities break through resistance. If it closes above, it could move up to the upper end of its range again, which would probably be concurrent with a correction in equities. For today, the leaders are slightly equities bullish.

Medium Term Analysis: Today should be relatively quiet, but the action will pick up a bit tomorrow and get going Friday with the Employment Situation. An expected poor headline statistic due to the harsh winter is now being widely discussed. Regardless, poor readings that cause equities to gap down tend to get reversed intraday, and vice versa for good readings that cause gap ups. Next week will be relatively quiet with some long term Treasury auctions, then Retail Sales on Friday. Lack of news after Friday could cause some back and fill in equities if they have not cleared major resistance. For now, that number is 1122.75 in the ES which, as we wrote yesterday, is the 76.4% retracement of the last down leg. We still believe it is unlikely to see a subsequent 76.4% retracement to 1060, but the fact that 1122.75 was hit to the tick in the overnight and day sessions yesterday, strengthens the possibility slightly.

Trading Today: The upper end of the projected range is 1121.75 to 1122.75 and includes the daily R1's, fib resistance and yesterday's highs. The lower end is 1114.25 to 1115.25, which includes day-session-only S1, the overnight low and yesterday's day session low.

Today's volume profile:



Day Trading Guide

Daily Gaps

1116.75 (4:00 pm close)
1117.50 (4:15 pm settlement)

Daily Pivots

1118.75 (day-session-only)
1117.75 (day & overnight sessions)

Unfilled Gaps

1138.50 to 1143.00 (price)
1122.75 to 1127.00 (volume)

Upside Targets

1127.00, 1132.25, 1154.50, 1196.00,
1235.00

Downside Targets

1083.00, 1065.75, 1022.75, 1004.75,
975.50, 961.00

Countertrend Longs*

1041.75, 1060.50, 1080.50, 1086.25,
1101.00

Countertrend Shorts*

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

None

Minor Market Movers

ISM Non-Mfg ldx at 10:00 am
Beige Book at 2:00 pm

Tomorrow's Scheduled News

Major Market Movers

Jobless Claims at 8:30 am

Minor Market Movers

BOE Announcement at 7:00 am
ECB Announcement at 7:45 am
Productivity & Costs at 8:30 am
Factory Orders at 10:00 am
Pending Home Sales 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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