



March 8, 2010

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

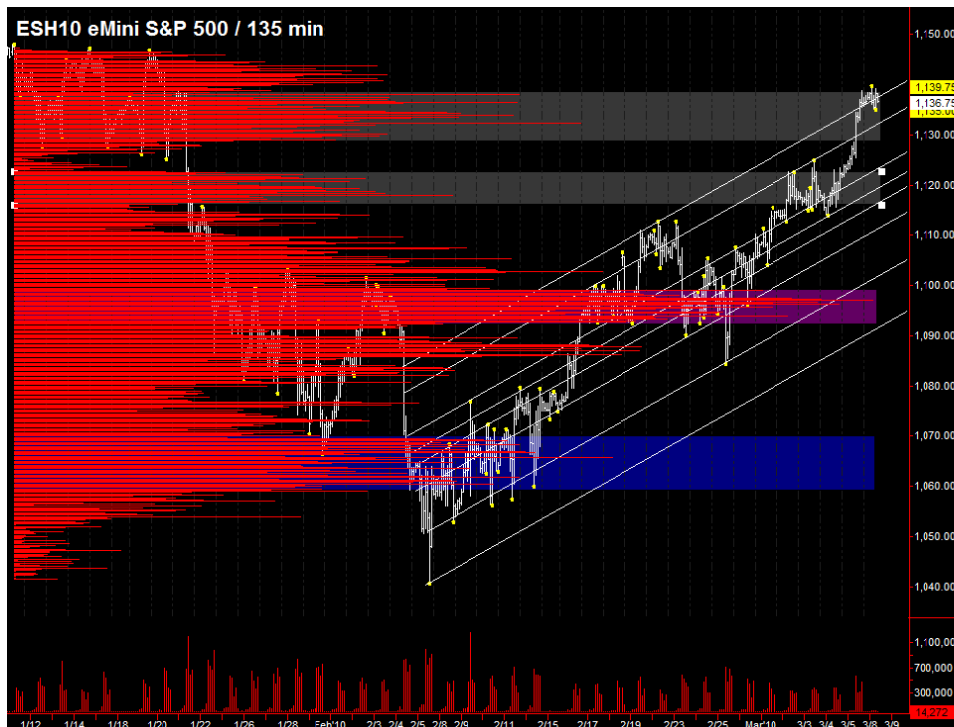
The Precise Take – Markets quiet ahead of slow news week

Leaders Analysis: The divergences in leaders correlation that we noted shortly after the report Friday was quickly resolved intraday. The US Dollar retraced all of its early gains and closed on its low, and is down further overnight. The EuroYen finally got the breakout we were looking for and is up nominally overnight. The 30 Year T-Bond yield broke above its long term trendline but, with the futures having traded down to support, may continue to oscillate around the trendline. Until it breaks definitively away from it, this market will not provide much predictive value. The leaders look as though they will consolidate their moves and are, therefore, equities neutral.

Medium Term Analysis: On Friday, equities showed great strength and should be able to capitalize by extending gains this week. The ES is within striking distance of the January 11 high of 1148.00 which, interestingly, was posted the day after the month's Employment Situation report. The fact that market internals calculated by a variety of methods are making new highs suggests they should avoid a similar fate this time. If not, there should at least be warning. Having said all that, there is not scheduled news of note over the next two days, and little else until Friday. It would be normal in this situation to see a pullback, perhaps to the weekly pivot of 1126.50 before attempting to head higher.

Trading Today: Pretty simple today. The upper end of the projected range is day-session-only R1 at 1141.50. The lower end is 1132.25 to 1133.75, which contains the daily pivots, a high volume level from Friday and closing VWAP.

Today's volume profile:



Day Trading Guide

Daily Gaps

1138.00 (4:00 pm close)
1136.50 (4:15 pm settlement)

Daily Pivots

1133.75 (day-session-only)
1132.25 (day & overnight sessions)

Unfilled Gaps

1138.50 to 1143.00 (price)

Upside Targets

1127.00, 1132.25, 1154.50, 1196.00, 1235.00

Downside Targets

1097.00, 1083.00, 1065.75, 1022.75, 1004.75, 975.50, 961.00

Countertrend Longs*

1041.75, 1060.50, 1080.50, 1086.25, 1101.00, 1126.25

Countertrend Shorts*

None

* 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

None

Tomorrow's Scheduled News

Major Market Movers

None

Minor Market Movers

None

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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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