

The PRECISION REPORT

Precise Market Timing



May 18, 2010

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

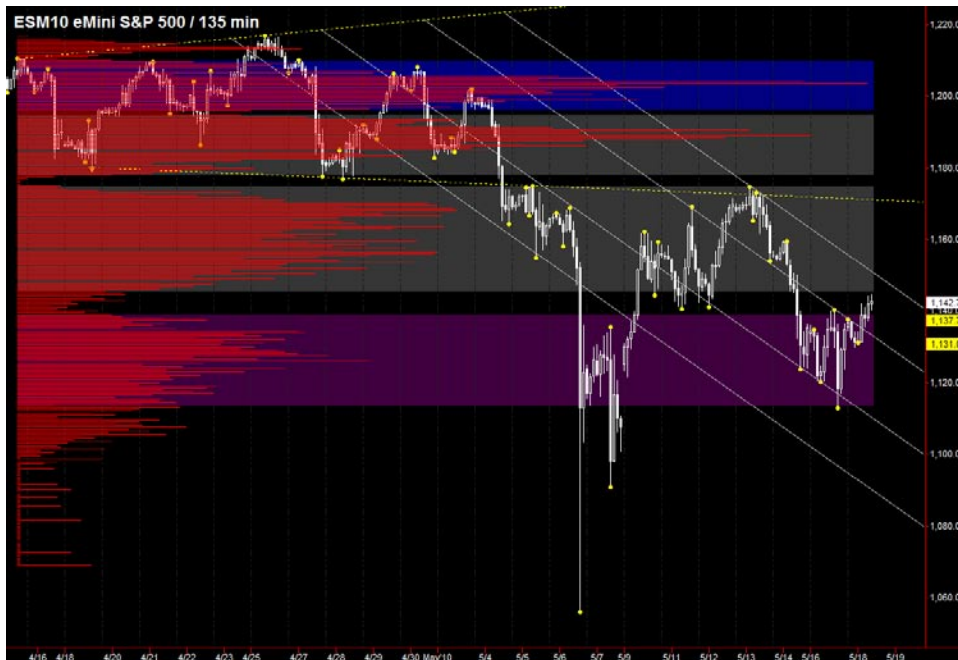
The Precise Take – Markets dabbling in risk

Big Picture Analysis: After a rocky start yesterday, equities managed to close strong and head higher overnight. The ES went from weekly S1 yesterday to its weekly pivot overnight. From a market profile perspective, the ES is building a base of volume from about 1113 to 1139 (deep purple rectangle, below), but it is not yet as large as the one above, from 1145 to 1175. This means, sellers are still in control and the first venture of price into this area is likely to get beaten back strongly. At that point, either the top of the purple value area at 1139.00 or its highest volume level at 1126.00 should hold as support within a point as a signal that bulls are willing to spend the money to gain control. If 1126.00 does not hold, the ES should chop around more building a base or, potentially head lower. As an aside, the recent volatility is making these value areas much wider than normal, as evidenced by the smaller ones toward the top of the chart. This, however, does not detract from the worth of this type of analysis.

Leaders Analysis: The leaders are looking increasingly risk friendly, albeit at a timid pace. The EuroYen forex cross is up overnight, with the US Dollar Index down a bit. Long term Treasury yields are also down off a mildly deflationary PPI report, but not materially. For today, the leaders are slightly equities bullish

Trading Today: Volatility is still high and caution warranted. The upper end of the projected range contains the weekly pivot and the daily R1's, from 1143.75 to 1146.00. The lower end contains the overnight low, the daily pivots and closing VWAP, from 1127.75 to 1130.00. The daily pivot/gap area from 1134.50 to 1136.00 is also strong support.

Today's volume profile:



Day Trading Guide

Daily Gaps

1134.50 (4:00 pm close)
1134.50 (4:15 pm settlement)

Daily Pivots

1129.25 (day-session-only)
1129.25 (day & overnight sessions)

Unfilled Gaps

1185.50 to 1187.00 (price)

Upside Targets

1175.00, 1189.00, 1203.50, 1215.75,
1222.25, 1235.00, 1267.25, 1272.50

Downside Targets

1107.50, 1098.75

Today's Scheduled News

Major Market Movers

None

Minor Market Movers

None

Tomorrow's Scheduled News

Major Market Movers

CPI at 8:30 am

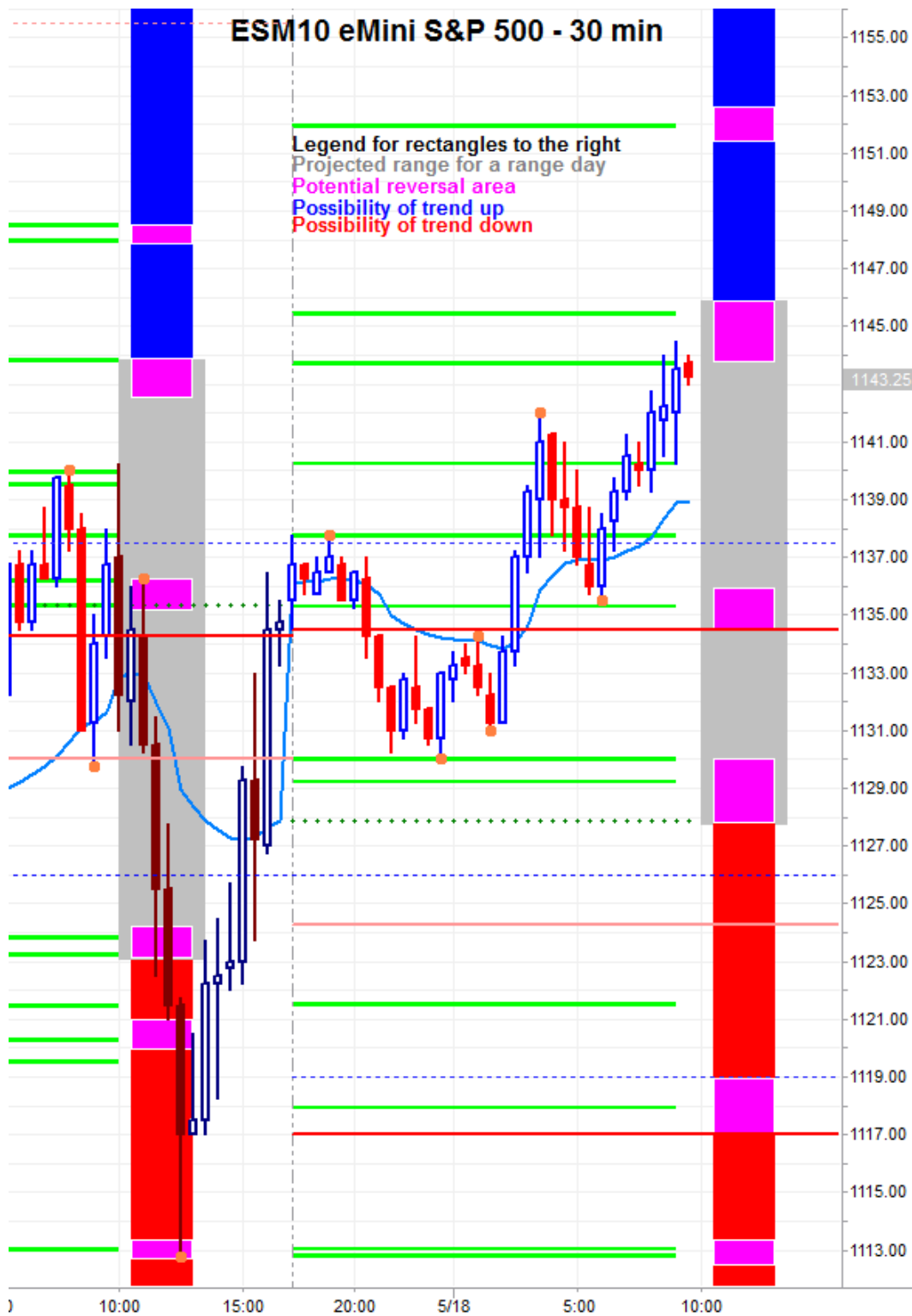
Minor Market Movers

FOMC Minutes at 2:00 pm

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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