



COMMENTARY FOR THE eMINI S&P 500 DEC 2009 CONTRACT (the "ES")

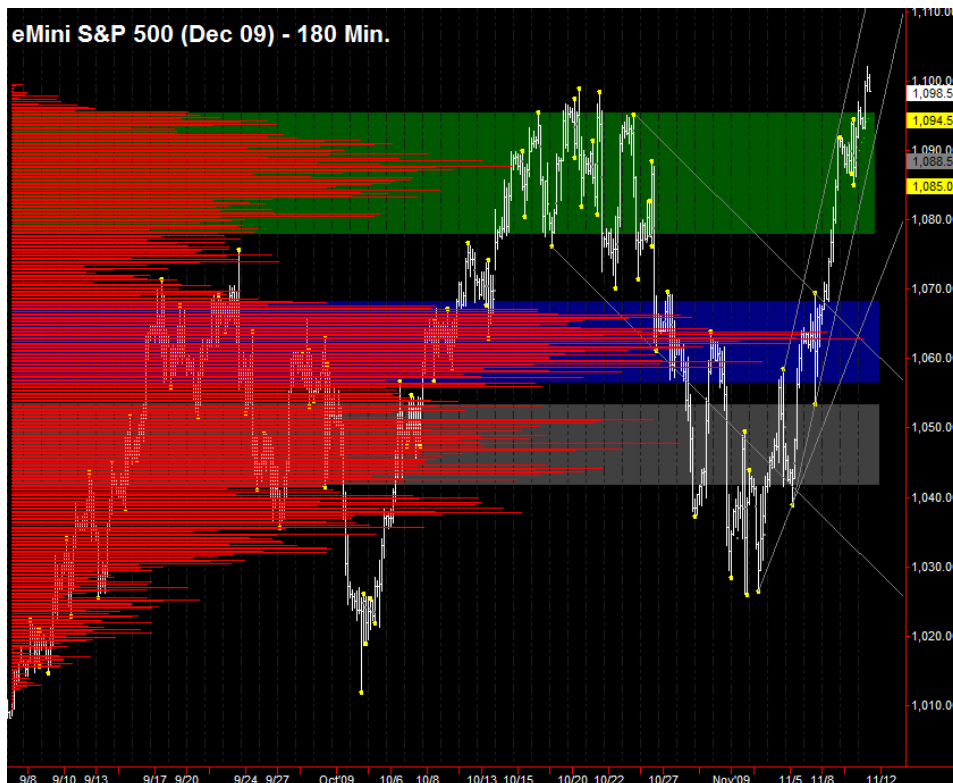
The Precise Take – ES breaks to new highs ahead of Veteran's Day

Leaders Analysis: We have been closely monitoring 30 Yr Treasury Bonds and the EuroYen forex cross, but they still have not moved materially. The 30 Yr looks poised to break to the upside after consolidating since last Wednesday at support. Whenever it has done so in the past in this rally, equities have corrected in turn, so we will continue to closely monitor it. Aside from that, the US Dollar is down overnight, gold is up, and otherwise confirming the new highs in the ES.

Medium Term Update: The second of each month appears to be the time to buy the S&P 500, as doing so each of the last three months (including November) would have got you in on the interim low and led to new highs. The time to sell has been the 20-23, so we'll keep that in mind if equities continue to surge over the next week. Today is US Veteran's Day with no scheduled news until tomorrow. When traders return, they will find the highs taken out ahead of the 8:30 am Jobless Report, which aids the longs.

Trading Today: Because of the US holiday, we expect either a low range day like yesterday, or a frictionless push up to the daily R3's at 1109.50. Above that, and we have no resistance until the 50% retracement of the entire down move from the Oct 07 highs at 1126.25. We would be early buyers at either the confluence of the daily R1's with weekly R2 at 1096.00 to 1097.50 (which includes the half gap based on the current overnight high), or strong support from 1089.75 to 1092.00, which includes yesterday's point of control, closing VWAP, the daily pivots and yesterday's settlement. We will likely not look for shorts unless it looks like a small range day is setting up and we have what we believe is a top to sell off of.

Today's volume profile:



Free intraday updates at <http://www.precisioncapmgt.com>.

Day Trading Guide

Daily Gaps

1091.00 (4:00 pm close)
1092.00 (4:15 pm settlement)

Daily Pivots

1090.50 (day-session-only)
1090.50 (day & overnight sessions)

Unfilled Gaps

1011.75 to 1014.75 (price)
1069.25 to 1074.00 (price)

Upside Targets

1126.25, 1144.75, 1160.75

Downside Targets

1022.75, 1004.75, 975.50, 961.00,
937.25, 899.00, 882.25, 831.25

Countertrend Longs*

1031.50, 1050.50, 1056.50, 1085.75

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

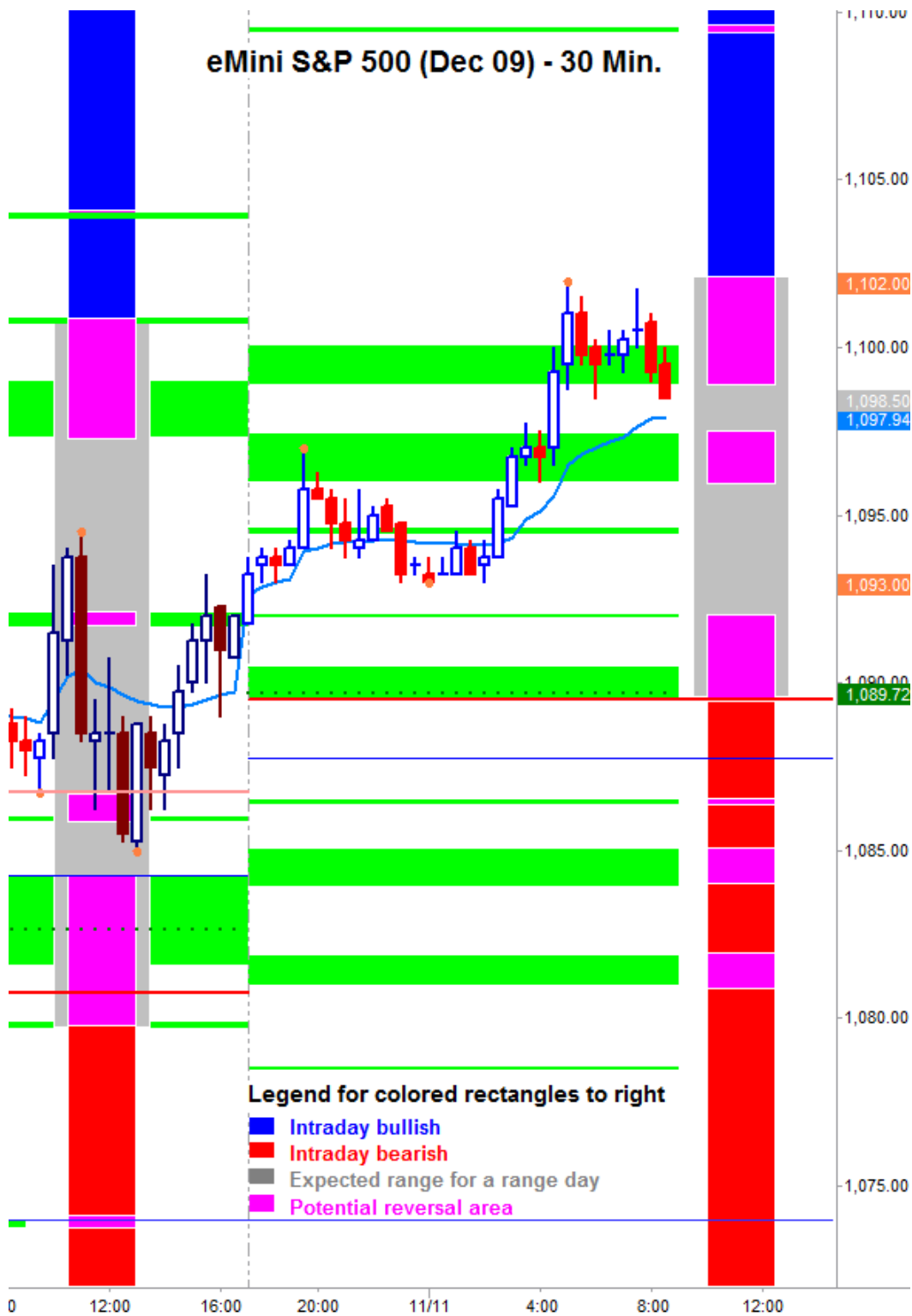
Jobless Claims at 8:30 am
Treasury Budget at 2:00 pm

Minor Market Movers

EIA Petroleum Stats at 11:00 am
30 Yr Auction at 1:00 pm

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Today's Support and Resistance:



Legend: Market Profile points of control (POC's) 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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