



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

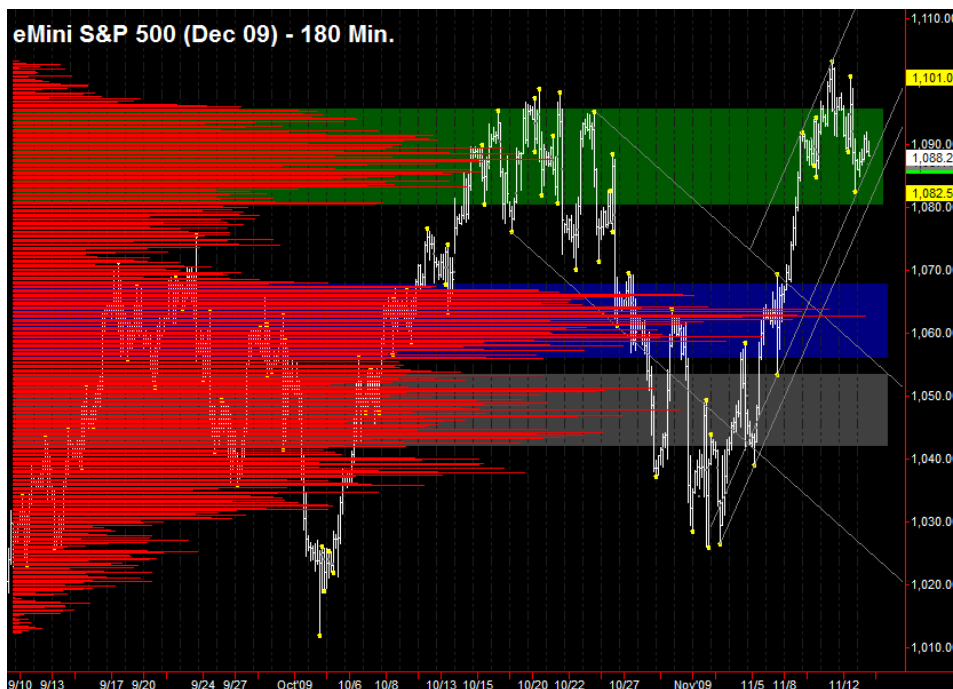
**The Precise Take** – ES attempts to hold on at highs ahead of Retail Sales Monday

**Leaders Analysis:** We may sound like a broken record, but 30 Year T-Bonds are still on the verge of a breakout. The fact that it has not yet occurred may portend weakness; however, their recovery yesterday after the tepid 30 Year auction was impressive. The EuroYen finally broke to the downside after consolidating for several days, which is equities bearish. If T-Bonds do break to the upside today, we have likely seen the equities high until the EuroYen trades down to its 200 day moving average again.

**Medium Term Analysis:** Two consecutive closes under the daily pivot has been the death knell for the last three rallies, so longs will want to close above today's pivot at 1090.25, especially ahead of Monday's Retail Sales report at 8:30 am. We wrote earlier in the week that if equities looked weak Friday (today), shorts would start piling in ahead of next week's news calendar (also options expiration). Accordingly, it's likely do or die for the rally today.

**Trading Today:** Yesterday's strong close in light of the day's losses allowed an overnight run to closing VWAP (actual overnight high of 1092.00). The daily pivot at 1090.25 up to 1092.00 also includes yesterday's market profile point of control and serves as a key area to watch today. As we wrote above, longs want to close above the pivot. The 8:30 am reports have not moved the markets much, so Consumer Sentiment will likely be the catalyst today. With price near both yesterday's settlement and the daily pivots, we don't have a bias and will likely watch the reaction to Consumer Sentiment before developing one. Areas to watch are the upper and lower ends of the projected range. To the upside is a minor point of control for yesterday in confluence with the daily R1's and weekly R2 at 1095.75 to 1098.00. Below is a wide support area containing the daily S1's, weekly R1, yesterday's low and monthly R1, from 1079.50 to 1084.00. We will try to update shortly after ten, but are having technical issues that may not support this plan.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1085.50 (4:00 pm close)  
1087.25 (4:15 pm settlement)

#### Daily Pivots

1090.25 (day-session-only)  
1090.25 (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\*

1098.75

\* 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

Consumer Sentiment at 9:55 am

#### Minor Market Movers

None

### Tomorrow's Scheduled News

#### Major Market Movers

Retail Sales at 8:30 am

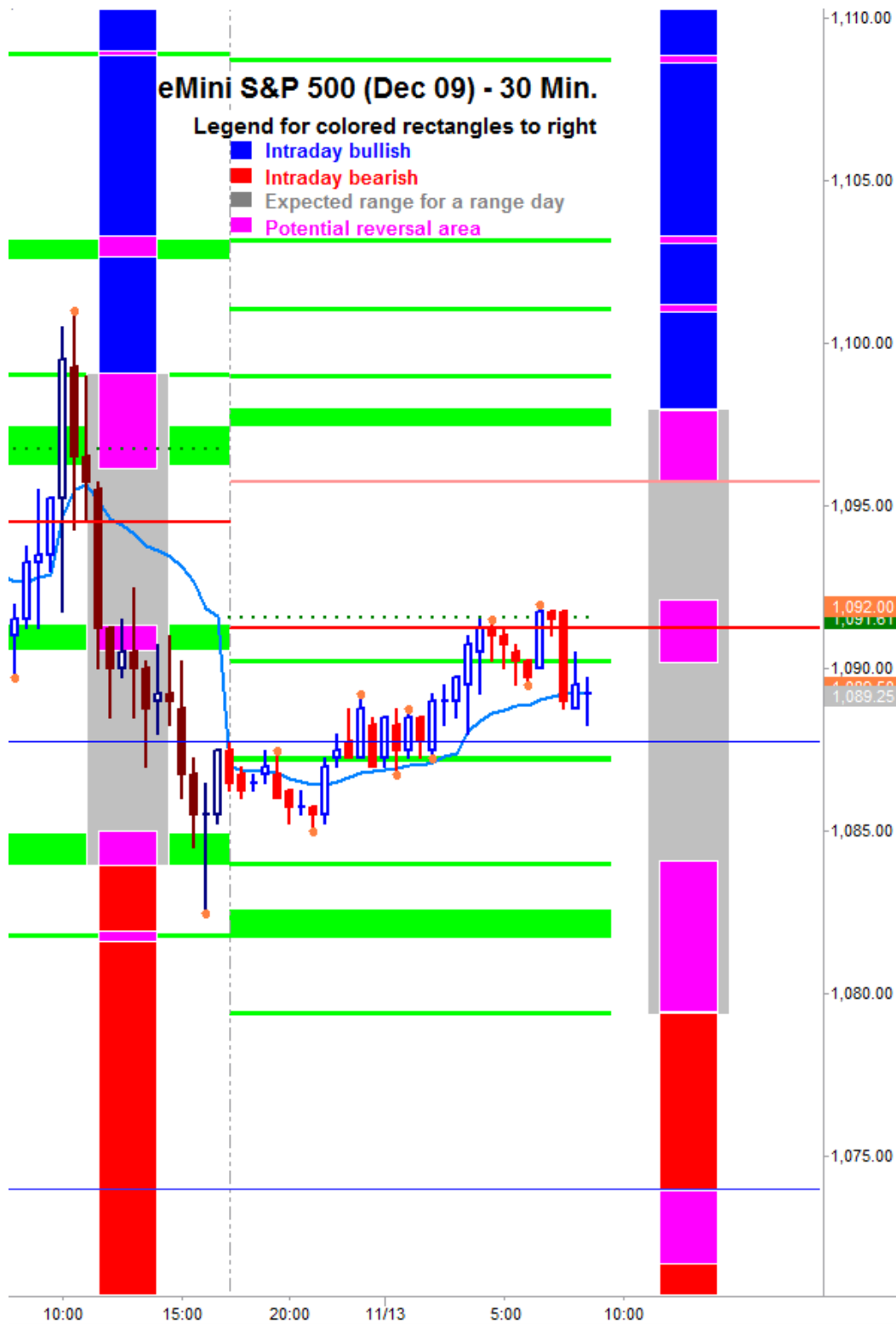
#### Minor Market Movers

Empire State Mfg Survey at 8:30 am  
Business Inventories at 10:00 am  
Bernanke speaks at 12:00 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) 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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