



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

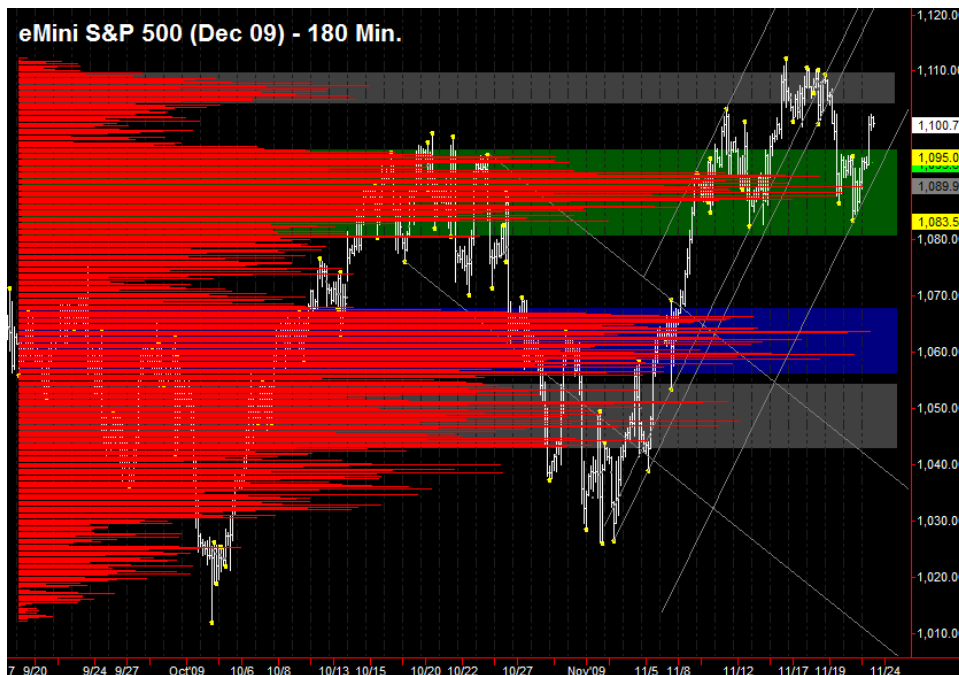
**The Precise Take** – ES up strongly at beginning of US holiday week

**Leaders Analysis:** Friday, the leaders came close, but did not signal a change from equities bullishness. Overnight, the US Dollar is down after closing Friday at its 20 day moving average resistance, the EuroYen is up after closing at its 200 day support, and 10 Year T-Notes have fallen from resistance. Only 30 Year T-Bonds are lagging and holding on at resistance. There are some major Treasury auctions this week, beginning with the 2 Year today, so the 30 Year will be key to watch. We have not commented on gold much lately because its relentless march upwards has caused it to lose its correlative value, but will note that gold is testing all time highs in both the Canadian Dollar and the Euro, which makes for a natural resistance level.

**Medium Term Analysis:** We wrote late last week that longs would want to push to new highs ahead of tomorrow's GDP revision and Durable Goods on Wednesday. Tomorrow also features Consumer Sentiment and the FOMC Minutes. Currently, the ES is up just over 1% in overnight trading. Given the bullish tendency of the US Thanksgiving holiday week, new highs today are still a possibility by GDP tomorrow. Of the 14 days in the 2009 rally where the overnight market has been up > 1%, 4 were reversed strongly and closed below the day session open. Accordingly, the reaction to today's only major news item at 10:00 am should be monitored closely to see how the day will unfold.

**Trading Today:** We would be early buyers down to strong support from 1095.00 to 1096.75, which includes Friday's combined session high, the weekly pivot, combined session R1 and day-session-only R2. There is still decent support from Friday's day-session-only high and R1 from 1092.75 to 1093.50, but the ES will have given up a bit too much of its gains for us to get excited about a long at that point. 1088.50 to 1090.00 is very strong support that includes the daily pivot/gap area and long term (and Friday's) points of control. If longs cannot defend this area and close above it, the rally is in serious jeopardy. Above, and day-session only R3 at 1104.25 is minor resistance, and weekly R1 in confluence with the highest long term market profile point of control from 1107.00 to 1107.50 is major resistance.

**Today's volume profile:**



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

### Day Trading Guide

#### Daily Gaps

1090.25 (4:00 pm close)  
1090.00 (4:15 pm settlement)

#### Daily Pivots

1089.25 (day-session-only)  
1089.50 (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

1063.00, 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\*

1109.25

\* 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

Existing Home Sales at 10:00 am

#### Minor Market Movers

2 Yr Note Auction at 1:00 pm

### Tomorrow's Scheduled News

#### Major Market Movers

GDP at 8:30 am

S&P Case-Shiller HPI at 9:00 am

Consumer Confidence at 10:00 am

#### Minor Market Movers

ICSC-Goldman Store Sales at 7:45 am

Corporate Profits at 8:30 am

Redbook at 8:55 am

State Street Investor Confidence at

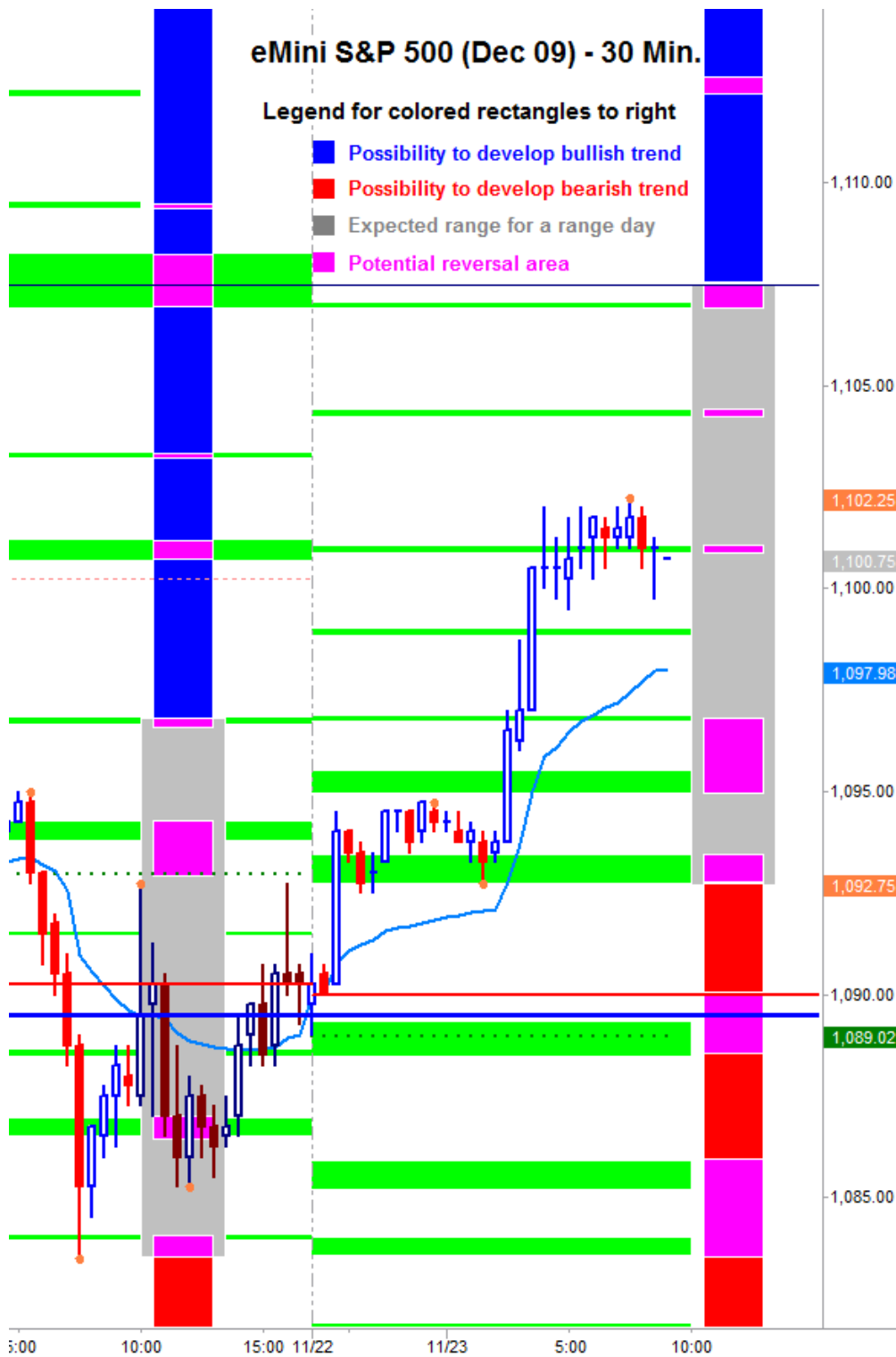
10:00 am

5 Yr Note Auction at 1:00 pm

FOMC Minutes at 2:00 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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