



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

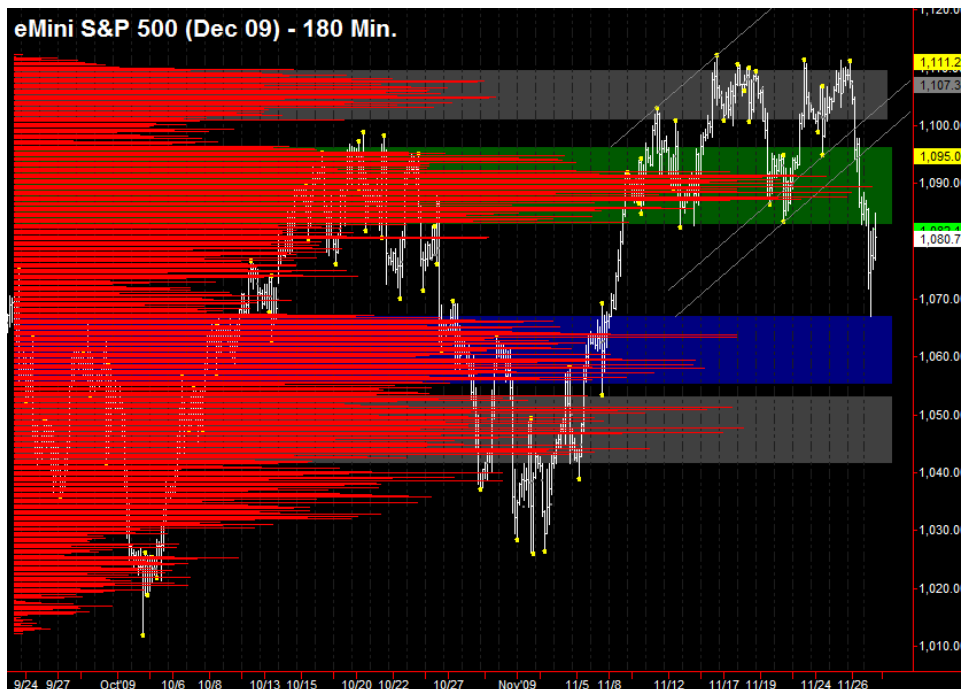
The Precise Take – End of trend or shakeout?

Leaders Analysis: An unsustainable divergence built Wednesday with the 30 Year and 10 Year Treasury futures breaking through resistance materially and the US Dollar breaking support materially. We expected the reckoning would be postponed post-holiday, but it was not. Volatility is such that many of the leaders have advanced from support to resistance or vice versa, so another short term reversal is now possible.

Medium Term Analysis: The Dubai news is largely immaterial as it broke early Wednesday and did not cause an immediate reaction. The media cannot allow a large move to be ascribed to a *shakeout*. Whether or not this is a shakeout remains to be seen; however, the ES rejected a key value area yesterday (blue rectangle below) and traded back up to the lower end of its highest volume value area (green rectangle). In addition, SPY will open just above very strong support between 108.40 and 108.58, which includes monthly R1, weekly S1, and VWAP anchored from both the Nov 2 09 low and from the Oct 07 all time high. If this area does not hold, not only is the rally in jeopardy, but the prospect for future rallies will be suspect as well. If it holds, the 2009 rally has material new highs ahead, perhaps into early 2010.

Trading Today: Time constraints prevent a more thorough analysis. Accordingly, see page 2 for support and resistance levels.

Today's volume profile:



Day Trading Guide

Daily Gaps

1108.75 (4:00 pm close)
1109.00 (4:15 pm settlement)

Daily Pivots

1107.50 (day-session-only)
1093.00 (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*

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

Monday's Scheduled News

Major Market Movers

None

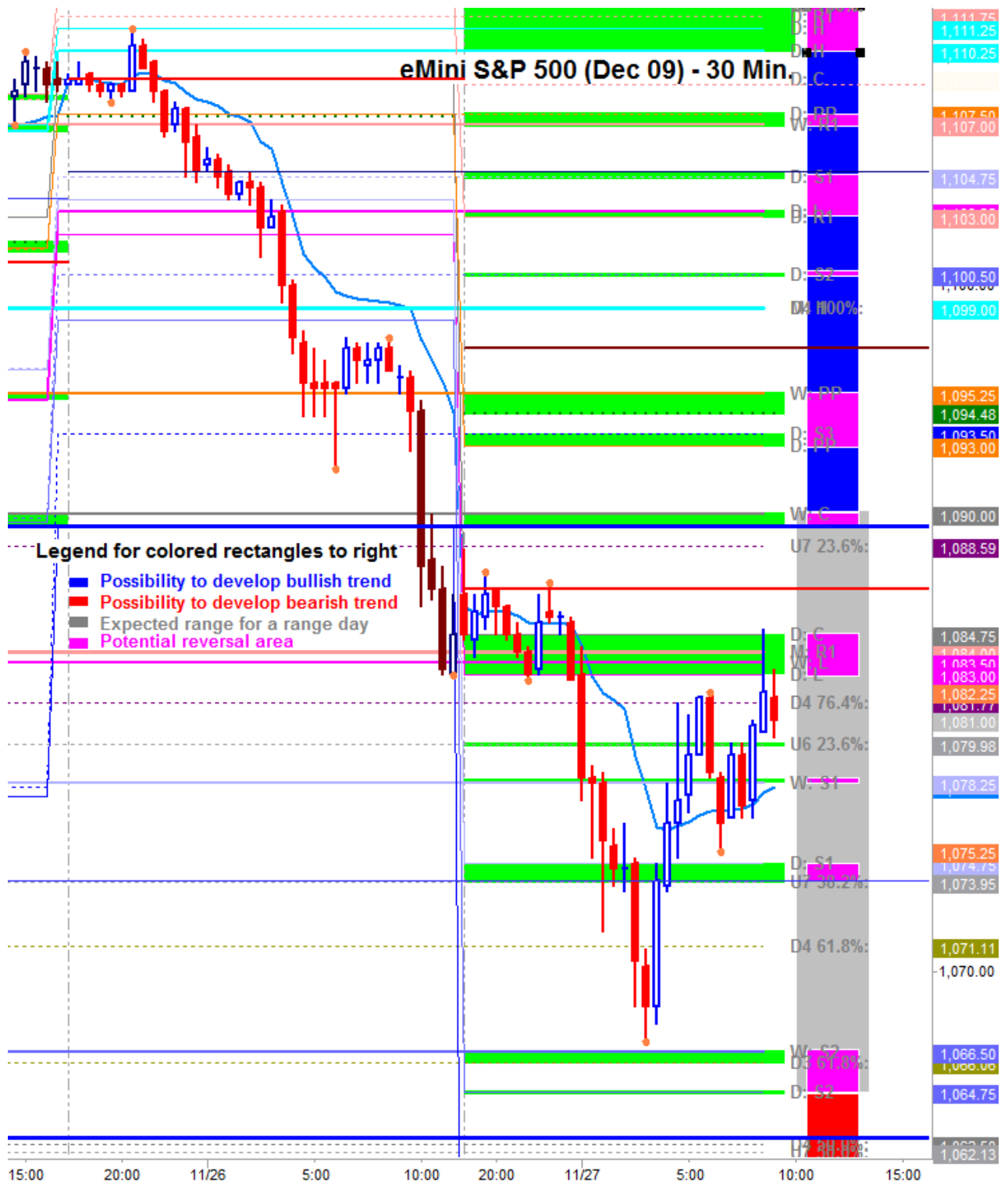
Minor Market Movers

None

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) 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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