



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

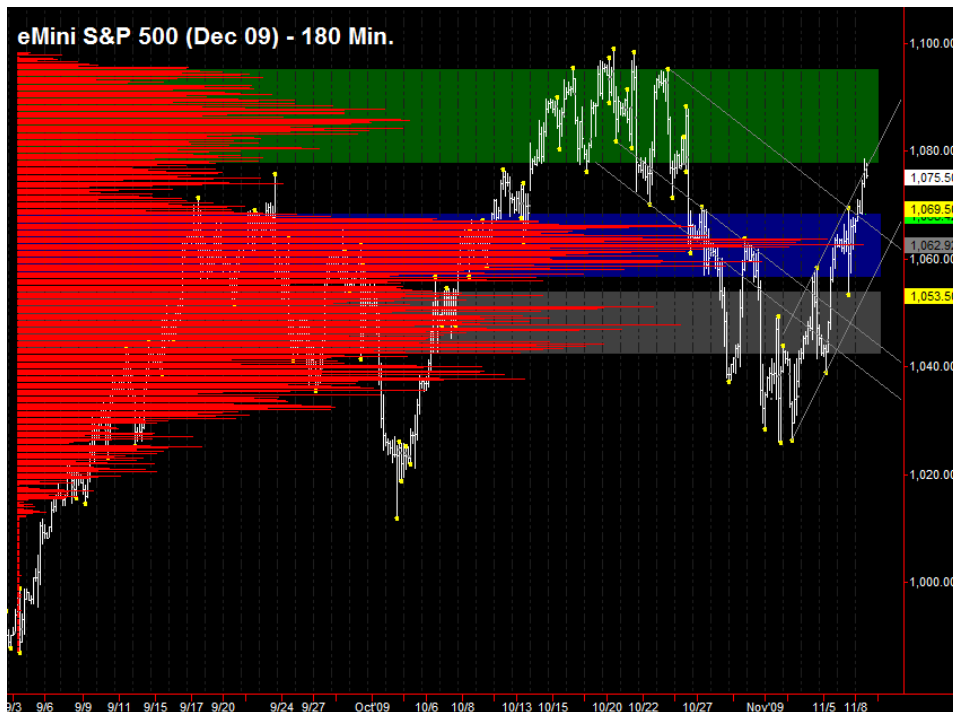
**The Precise Take** – Weak Dollar lifts equities overnight ahead of slow news week

**Leaders Analysis:** Overnight, the US Dollar has plummeted to support by the October lows near the 75 level, after selling off from just shy of the 77 level last week. If it follows the pattern it has made throughout the downward trend channel beginning in July, it will slowly edge lower over the coming week to test the bottom of the channel (74.00 to 74.30). Gold is not surprisingly up overnight as well. 30 Year T-Bond futures continue to maintain support ahead of a large auction week, and the EuroYen is consolidating in a wedge against resistance. Accordingly, these are the two leaders to watch.

**Medium Term Update:** The only scheduled news today is a 3 Year Treasury auction, which traders will look to for clues as to demand for the upcoming 10 Year (tomorrow) and 30 Year (Thurs) auctions. With no other major news until the Treasury Budget on Thursday at 2:00 pm, the ES has some time to attempt to test and perhaps make new highs without news impediments. Key resistance is now the confluence of weekly R1 at 1081.75 to monthly R1 at 1084.00, with the highest price market profile point of control just above at 1085.75. Shorts will be ready to jump in Friday ahead of Retail Sales on Monday if the ES looks weak near highs.

**Trading Today:** Overnight, the ES has traded up to the lower edge of the value area in green below. If it accepts in this area, it could be used as a launch pad to new highs. However, being a bit overbought it may need to test the blue value area once more before attempting to head higher. Accordingly, the aggressive long play is to buy early on a retrace to the daily R1's at 1071.75 to 1072.75. Value longs should step in from 1062.50 to 1066.25, which is a more conservative entry, and contains the daily pivot/gap area, closing VWAP, long term point of control for the blue value area and Friday's point of control. We are willing to short the 1081.75 to 1084.00 area today, but will not stick around if price does not reject this area quickly, and will not short above 1085.75.

**Today's volume profile:**



### Day Trading Guide

**Daily Gaps**  
 1066.75 (4:00 pm close)  
 1066.25 (4:15 pm settlement)

**Daily Pivots**  
 1063.75 (day-session-only)  
 1063.00 (day & overnight sessions)

**Unfilled Gaps**  
 1011.75 to 1014.75 (price)

**Upside Targets**  
 1099.00, 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, 1056.25

**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**  
 3 Yr Note Auction at 1:00 pm

### Tomorrow's Scheduled News

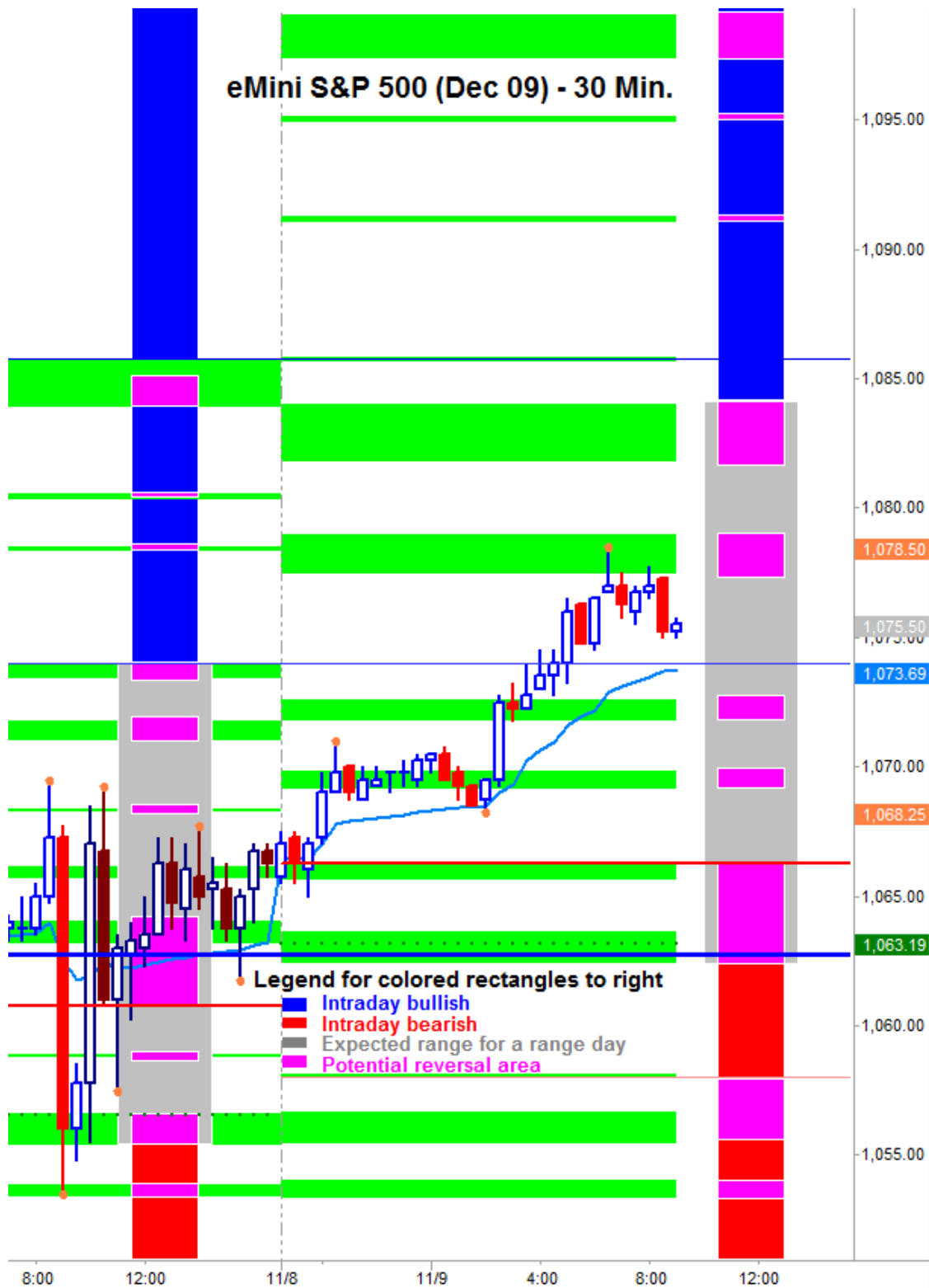
**Major Market Movers**  
 10 Yr Note Auction at 1:00 pm

**Minor Market Movers**  
 ICSC-Goldman Store Sales at 7:45 am  
 Redbook at 8:55 am  
 Janet Yellen speaks at 10:00 am

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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