

The PRECISION REPORT

Precise Market Timing



October 1, 2009

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

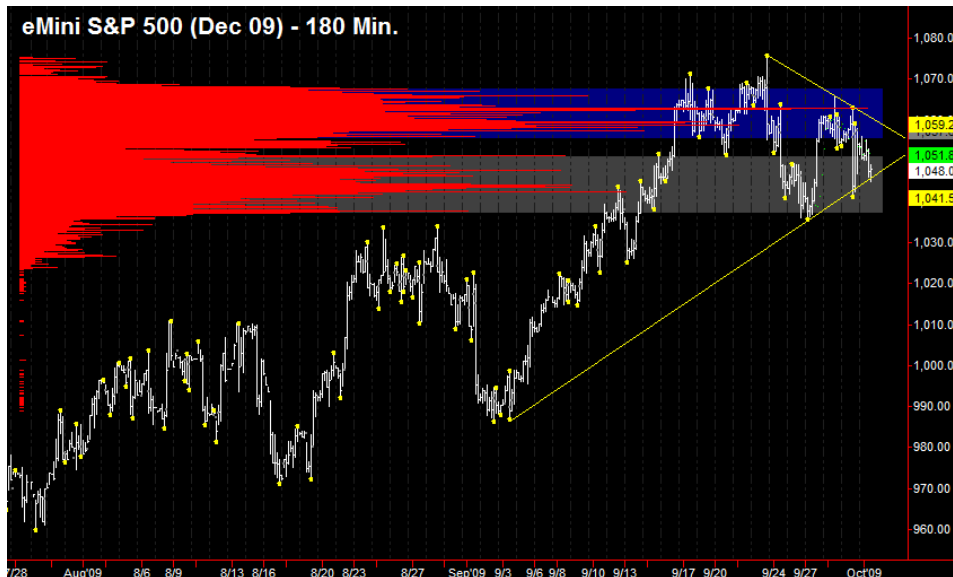
The Precise Take – ES consolidating into heavy end-of-week news cycle

Leaders Analysis: The range in 30 Year T-Bond futures appears the tightest and is at very important resistance, so we continue to look to it as a potential bellwether or confirmation of the next equities move.

Medium Term Analysis: While we were waiting for tomorrow's Employment report at 8:30 am to lead the eventual direction of equities, the ES is consolidating and, in the face of a heavy news day that touches on personal income, jobs, manufacturing, construction and housing, we may get a breakout today. We have drawn trendlines on the chart below and believe an upside breakout is more significant than a downside breakdown because, quite simply, all the breakdowns in the 2009 rally have been reversed on short covering rallies. We would not be surprised to see the 1035.75 low of this week taken out by a few points prior to a rally, should it occur. We're also a bit cautious about Friday's Employment report because it had been a reliable trend reverser (usually up) until the prior month. Just as the last FOMC Announcement was an unreliable equities supporter in September, we would also not be surprised to see some tricky price action around Friday's report. We will have a much better idea of what is in the cards after the close today.

Trading Today: As we write, the two 8:30 am reports have not moved the markets much. If the ES opens above 1041.00, we would like a long into the daily pivot/gap are of 1051.00 to 1054.00. Aside from that, we need to see where price is in relation to our expected range and potential reversal areas to determine what to do after the three 10:00 am reports, which should generate considerable volatility. One of our favorite trades is a spike through important support or resistance that is quickly reversed, which provides an easy stop.

Today's volume profile:



Day Trading Guide

Daily Gaps

1051.00 (4:00 pm close)
1054.00 (4:15 pm settlement)

Daily Pivots

1051.75 (day-session-only)
1053.00 (day & overnight sessions)

Unfilled Gaps

1011.75 to 1014.75 (price)

Upside Targets

1126.25, 1144.75, 1160.75

Downside Targets

1025.50, 991.00, 948.75, 922.25,
913.00, 854.75, 846.00, 828.00,
811.75, 777.25

Countertrend Longs*

None

Countertrend Shorts*

1064.50, 1071.25

* 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

ISM Mfg Index at 10:00 am
Pending Home Sales at 10:00 am
Minor Market Movers
Construction Spending at 10:00 am

Tomorrow's Scheduled News

Major Market Movers

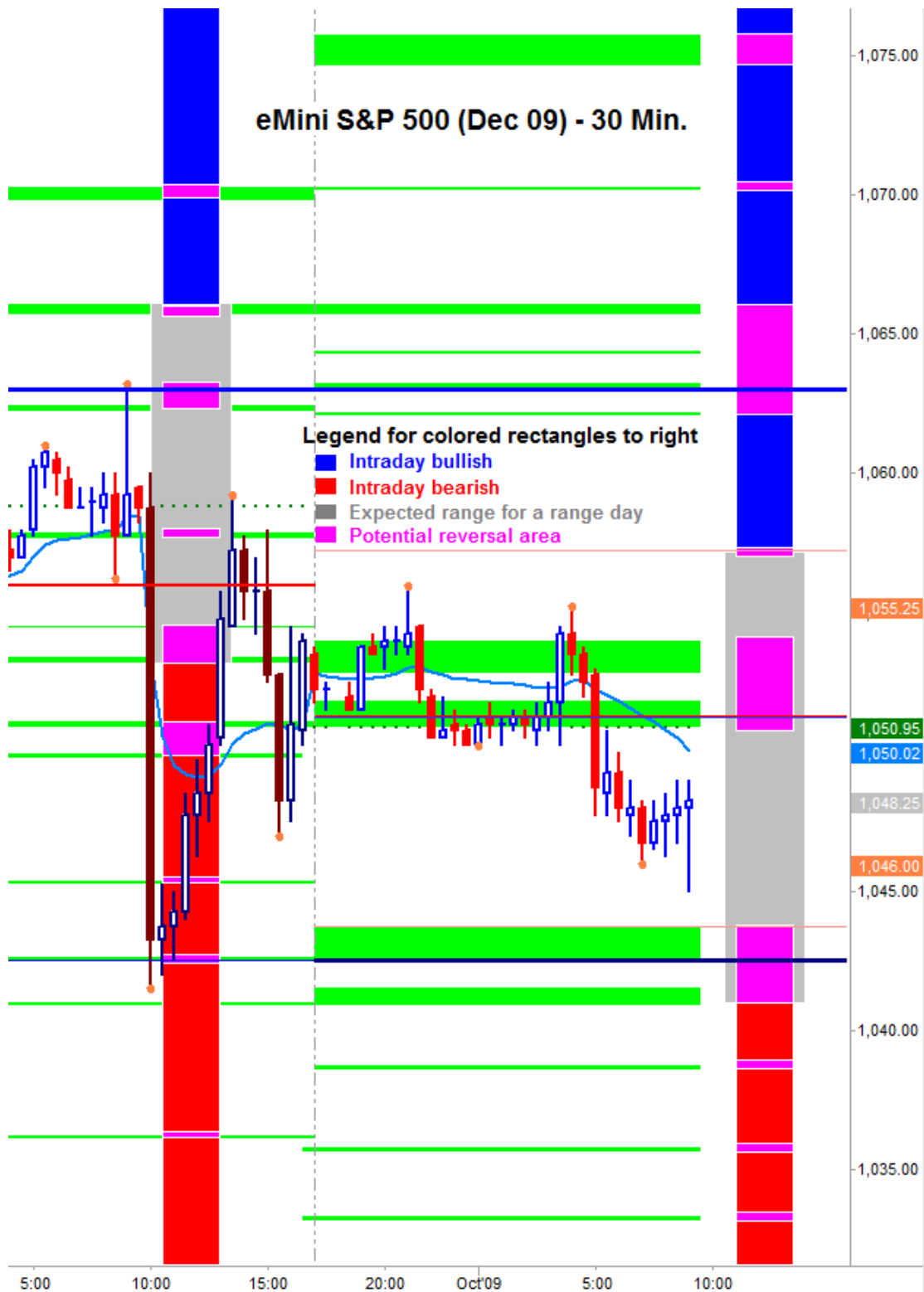
Employment Situation at 8:30 am
Minor Market Movers
Factory Orders at 10:00 am



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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