

# The PRECISION REPORT

Precise Market Timing



October 20, 2009

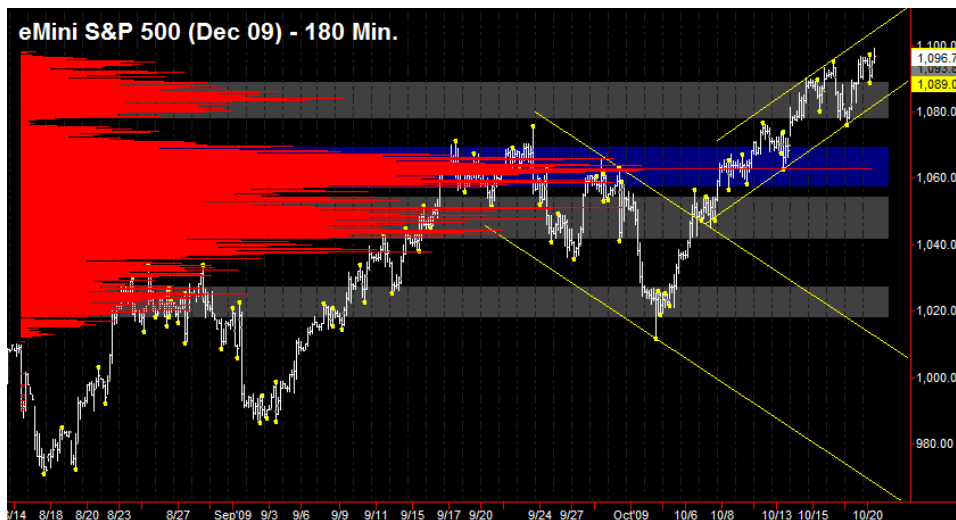
## COMMENTARY FOR THE eMINI S&P 500 DEC 2009 CONTRACT (the "ES")

**The Precise Take** – ES longs extend gains overnight

**Leaders Analysis:** 30 Year T-Bond futures continue to advance slowly after hitting support late last week. As long as there are no major surges, the equities rally should be safe. Gold is marginally higher and the USD is marginally lower, with the EuroYen still consolidating

**Trading Today:** The ES reverted to VWAP yesterday on the close, only to surge nearly seven points in the opening minutes of the overnight session. Since then, it has been volatile, with two new highs and a new overnight low. As we write, the two 8:30 am reports of Housing Starts and PPI disappointed a bit, but the ES found support just above yesterday's settlement. If the day-session-only pivot of 1090.25 holds into the open we would be early buyers just above this area. Below the combined session daily pivot of 1088.00, and we would not be long. The first major potential reversal area is the overnight high of 1099.00 to daily R1 at 1099.75. Above, and there is a clear path to daily R2 at 1104.25. Below 1088.00, and we will not fade long, but will watch closely the critical support area of 1075.75 to 1080.25, which needs to hold for the rally to remain in tact. If 1088.00 is breached before the open, we will look for shorts in the daily pivot/gap area of 1088.00 to 1091.00, with tight stops above.

**Today's volume profile:**



### Day Trading Guide

#### Daily Gaps

1093.75 (4:00 pm close)  
1091.00 (4:15 pm settlement)

#### Daily Pivots

1090.25 (day-session-only)  
1088.00 (day & overnight sessions)

#### Unfilled Gaps

1011.75 to 1014.75 (price)  
1038.50 to 1042.50 (price)  
1054.25 to 1056.75 (price)  
1072.00 to 1077.75 (price)  
1075.50 to 1078.25 (volume)

#### Upside Targets

1126.25, 1144.75, 1160.75

#### Downside Targets

1063.00, 1051.25, 1016.00, 991.00,  
948.75, 922.25, 913.00, 854.75

#### Countertrend Longs\*

1065.50, 1046.25

#### 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

Redbook at 8:55 am  
Bank of Canada Announcement at 9:00 am

### Tomorrow's Scheduled News

#### Major Market Movers

None

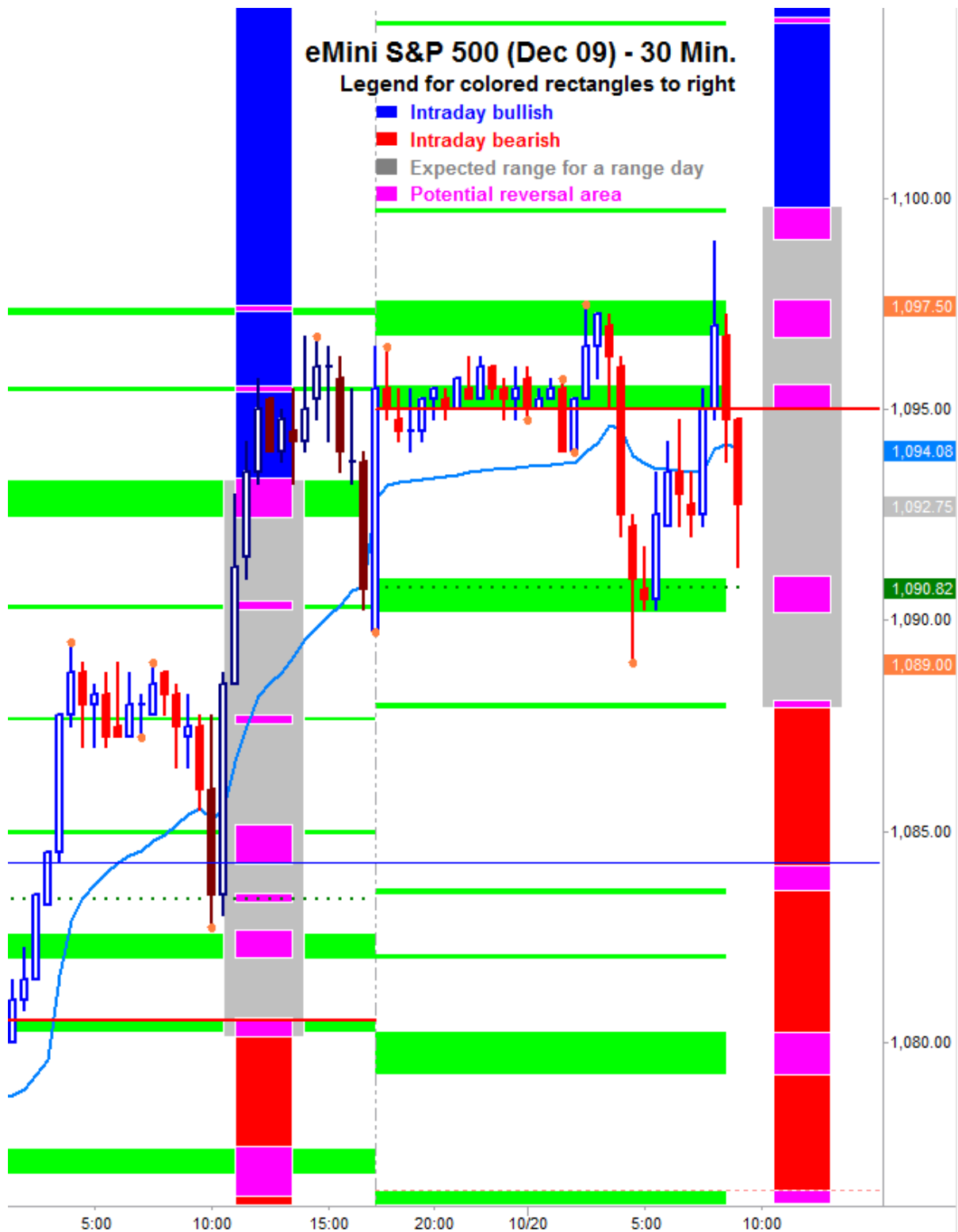
#### Minor Market Movers

MBA Purchase Apps at 7:00 am  
EIA Petroleum Status at 10:30 am  
Beige Book at 2:00 pm

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.

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.