



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

**The Precise Take** – Modest overnight weakness into slow news day

**Leaders Analysis:** As we wrote last week, equities and Treasuries should not continue to both advance in lockstep and we expect a return to the negative correlation early this week. After the 30 Year T-Bond future rebounded to the upside from very strong support last Wednesday, it reached and backed off very strong resistance in the 121-122 area last Friday. The most likely scenario is that equities reach new highs this week as Treasuries retreat further, at least into Wednesday, with Wednesday's CPI or Thursday's Housing Starts potential marking another reversal (down equities, up Treasuries). With quantitative easing (POMO) drawing to an end, also in the cards is another wildcard in the form of an announcement by the Fed. Three top Fed officials speak today and could give clues to the Fed's next direction. Of particular interest is San Francisco Fed Res Bank President Janet Yellen (3:50 pm EDT), who often speaks Bernanke's mind.

**Trading Today:** There is a slow economic calendar for today, so we will try to trade the range between the overnight low of 1025.00 and strong confluence resistance at 1037.25 to 1038.25, which includes the daily gap/pivot area and the Dec 09 contract's highest volume point of control. Should price trade outside this range, we would consider fading short the 1042.75 to 1043.75 resistance area or fading long the 1015.25 to 1017.75 support area. Beyond, and we will not attempt to pick bottoms or tops.

### Day Trading Guide

**Daily Gap**  
1038.50 (4:00 pm close)  
1037.25 (4:15 pm settlement)

**Daily Pivot**  
1038.25 (day-session-only)  
1038.25 (day & overnight sessions)

**Unfilled Gaps**  
1011.75 to 1016.00 (price)

**Upside Targets**  
1053.50, 1066.00, 1126.25

**Downside Targets**  
991.00, 948.75, 922.25, 913.00,  
854.75, 846.00, 828.00, 811.75,  
777.25

### Countertrend Longs\*

None

### 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

Janet Yellen speaks at 3:50 pm.

### Tomorrow's Scheduled News

#### Major Market Movers

Producer Price Index at 8:30 am

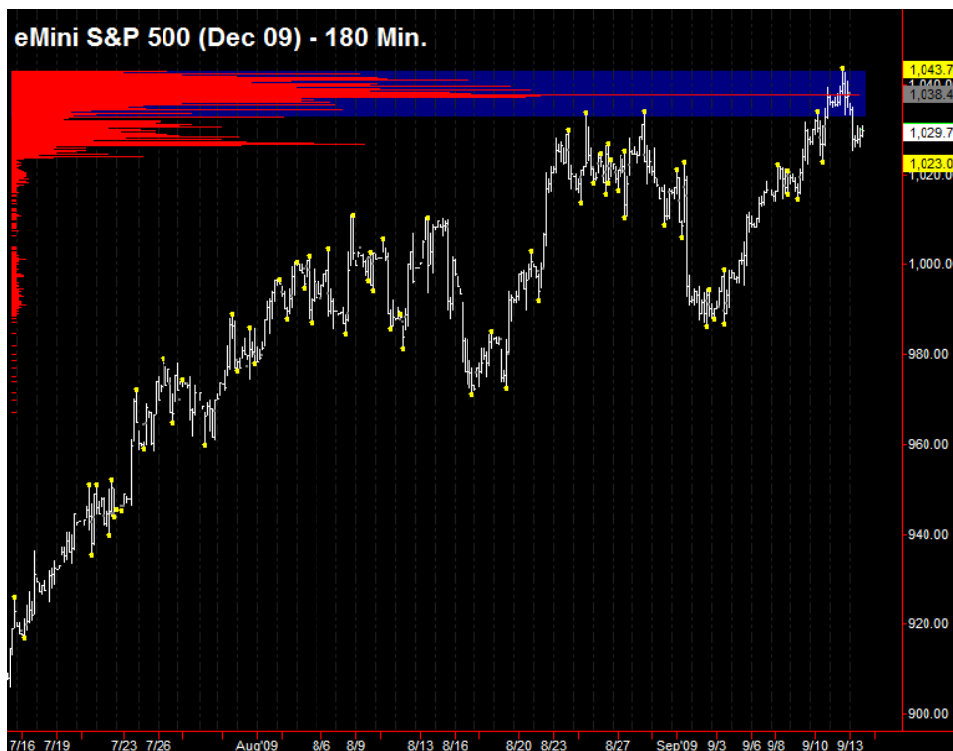
Retail Sales at 8:30 am

#### Minor Market Movers

Empire State Mfg Survey at 8:30 am

Redbook at 8:55 am

Business Inventories at 10:00 am



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 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.

Support and resistance is as follows:



**Legend:** Market Profile points of control (POC's) are calculated each day and displayed as lines colored shades of green 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. They 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 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.