



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

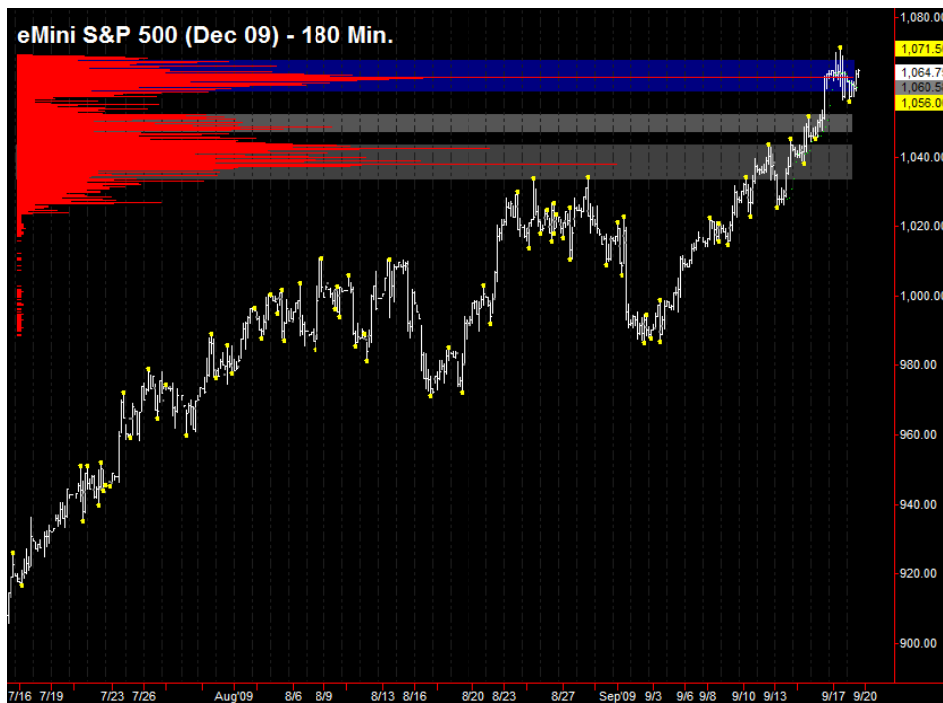
The Precise Take – Equities maintaining highs on options expiration Friday

Leaders Analysis: 30 Year T-Bond futures were able to post sizable gains yesterday on equities intransigence. The EuroYen was up again, able to pierce resistance from earlier in the month, but not able to break through it (similar to crude), with gold posting nominal new highs. The 30 Year has consolidated since June, and it is the 30 Year that we believe will be the ultimate confirmation of a top in equities (should it ever come), with a break of the 121 to 122 resistance area as such confirmation.

Treasury Update: We will be posting an update by noon today that explores further the \$185 wind down of the Treasury Supplementary Financing Program, next week's Treasury Auctions and recent developments in the monetary base and money supply. [Subscribe for free updates here.](#)

Medium Term Analysis: We had given equities until yesterday to confirm an interim top, and such confirmation did not come. Accordingly, while a correction is always possible given the house-of-cards nature of this rally, we must look upwards to the next price target of 1126.25 over the coming weeks.

Trading Today: Today is quadruple witching options expiration and, with the exception of the August opex trading day which was able to clear overhead resistance, the others in this 2009 rally have been below average range. Accordingly, we are not expecting a volatile day and will play the expected range of 1055.50 (confluence of overnight low and daily S1) to 1067.00 (Fib confluence), preferring to buy at the low end rather than sell at the high end. We would prefer to fade short a bit higher in the 1070.00 to 1071.50 area on a quick rejection of it. Below 1055.50 and there are too many possible reversal areas to look for shorts until 1048.25 is taken out (very unlikely). Above 1071.50 and we will only look for longs and not pick tops, as the next resistance area is 1078.75 (also unlikely to be hit).



Day Trading Guide

Daily Gaps
 1062.00 (4:00 pm close)
 1062.75 (4:15 pm settlement)

Daily Pivots
 1063.50 (day-session-only)
 1063.50 (day & overnight sessions)

Unfilled Gaps
 1011.75 to 1014.75 (price)

Upside Targets
 1126.25, 1144.75, 1160.75

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

Countertrend Longs*

1040.25, 1051.00

Countertrend Shorts*

1069.50

* 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

Tomorrow's Scheduled News

Major Market Movers

Leading Indicators at 10:00 am

Minor Market Movers

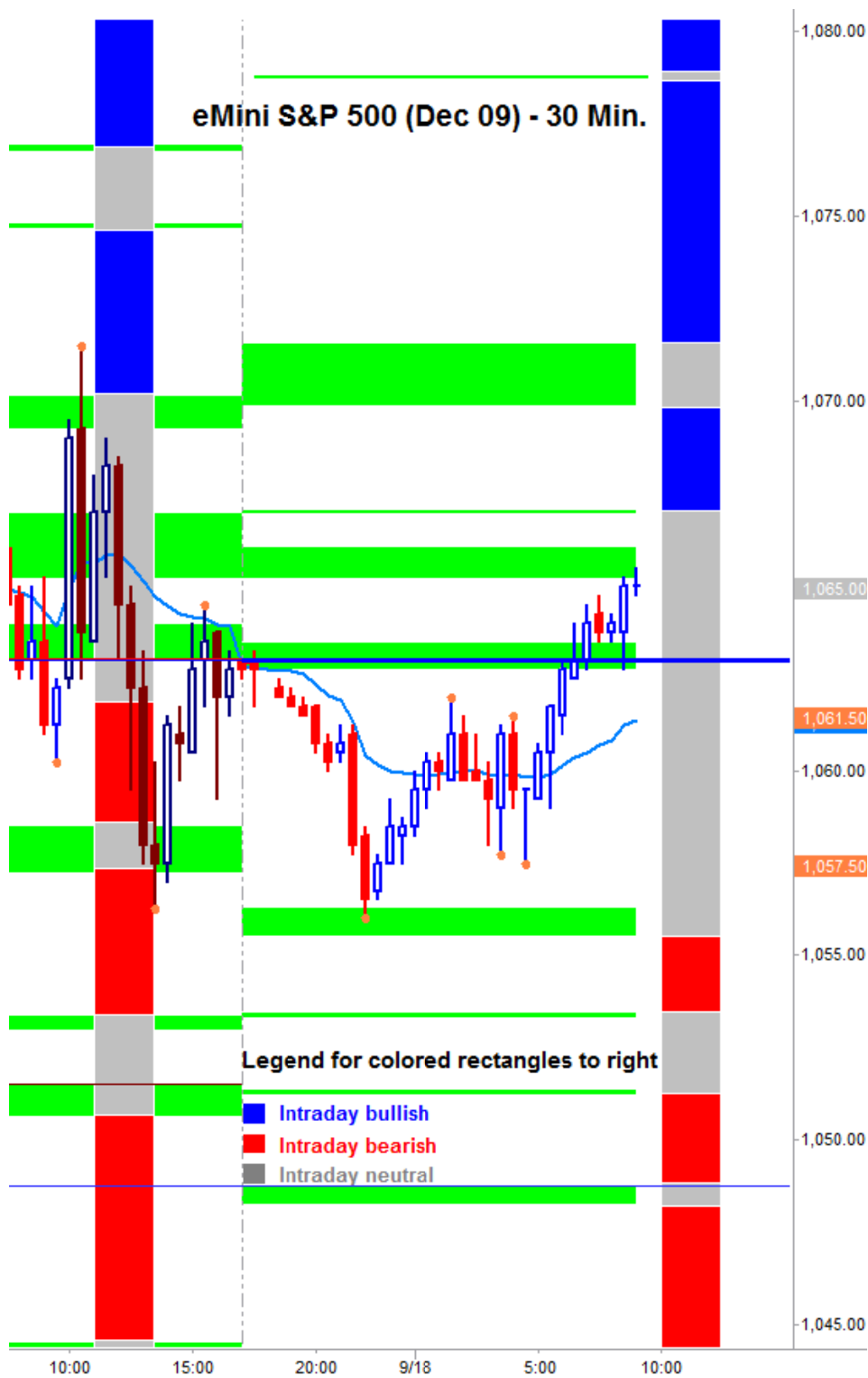
None



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 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.

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