



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

The Precise Take – ES trades down into weekly pivot overnight

Leaders Analysis: 30 Year T-Bond futures are flat overnight, with gold and crude down, and the US Dollar up materially, which are all in line with lower equities. The lone dissenter is the EuroYen forex cross, which has strongly advanced through resistance overnight, indicative of increased risk appetite. Whether this is merely temporary overall Yen weakness (the USD is strongest against the Yen this morning), or is a sign of equities strength remains to be seen; however, it is a warning to the equities shorts.

Trading Today: Overnight, the ES has found support around the weekly pivot (low of 1052.00) and, below this level today, we are intraday bearish, watching combined session S2 at 1049.75 and day session S3 at 1046.50 as potential reversal areas. The Leading Indicators report is released at 10:00 am and is the only scheduled news of the day. An upside surprise is more likely to move markets as excitement over the "end of the recession" will build. We're willing to fade short a move in the daily gap/pivot area, that also contains contract and prior day points of control from 1061.00 to 1063.00, but want to see a quick rejection of the area to stay in the trade. Price lingering in the upper daily range has seen many afternoon rallies recently. If longs can get through 1063.00, there are two potential reversal areas above that will provide formidable resistance, 1065.65 to 1067.75 and 1070.00 to 1073.25. We won't fade long if the market heads lower until after 10:00 am, waiting to see if a directional move develops, not wishing to go against it should it be to the downside. We would be surprised to see new contract highs today or tomorrow, leaving that possibility for Wednesday, FOMC Announcement day, which has a very strong historical bullish bias.

Day Trading Guide

Daily Gaps
 1062.75 (4:00 pm close)
 1061.00 (4:15 pm settlement)

Daily Pivots
 1062.50 (day-session-only)
 1061.50 (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

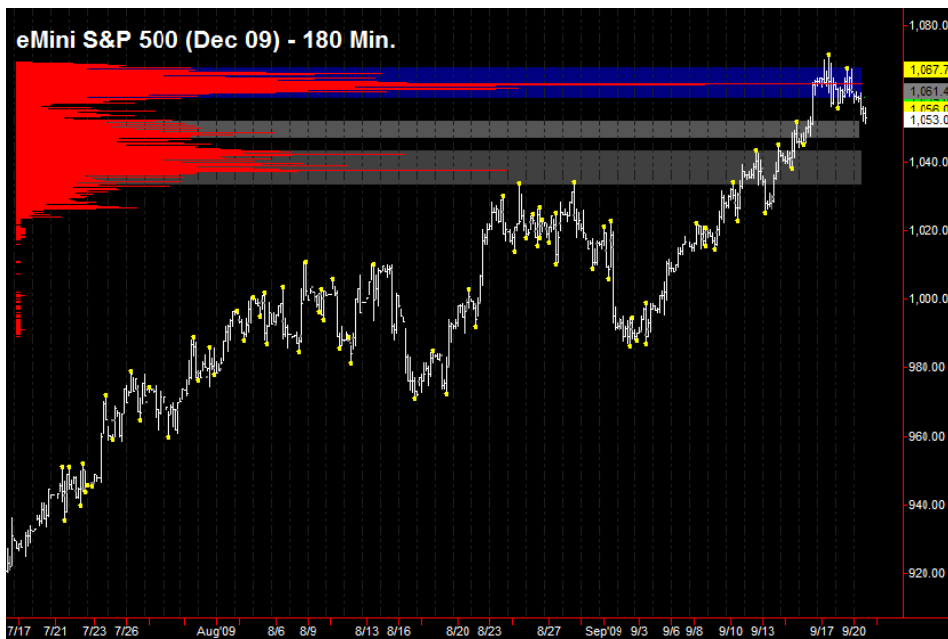
Major Market Movers
 Leading Indicators at 10:00 am

Minor Market Movers
 None

Tomorrow's Scheduled News

Major Market Movers
 2 Year Note Auction at 1:00 pm

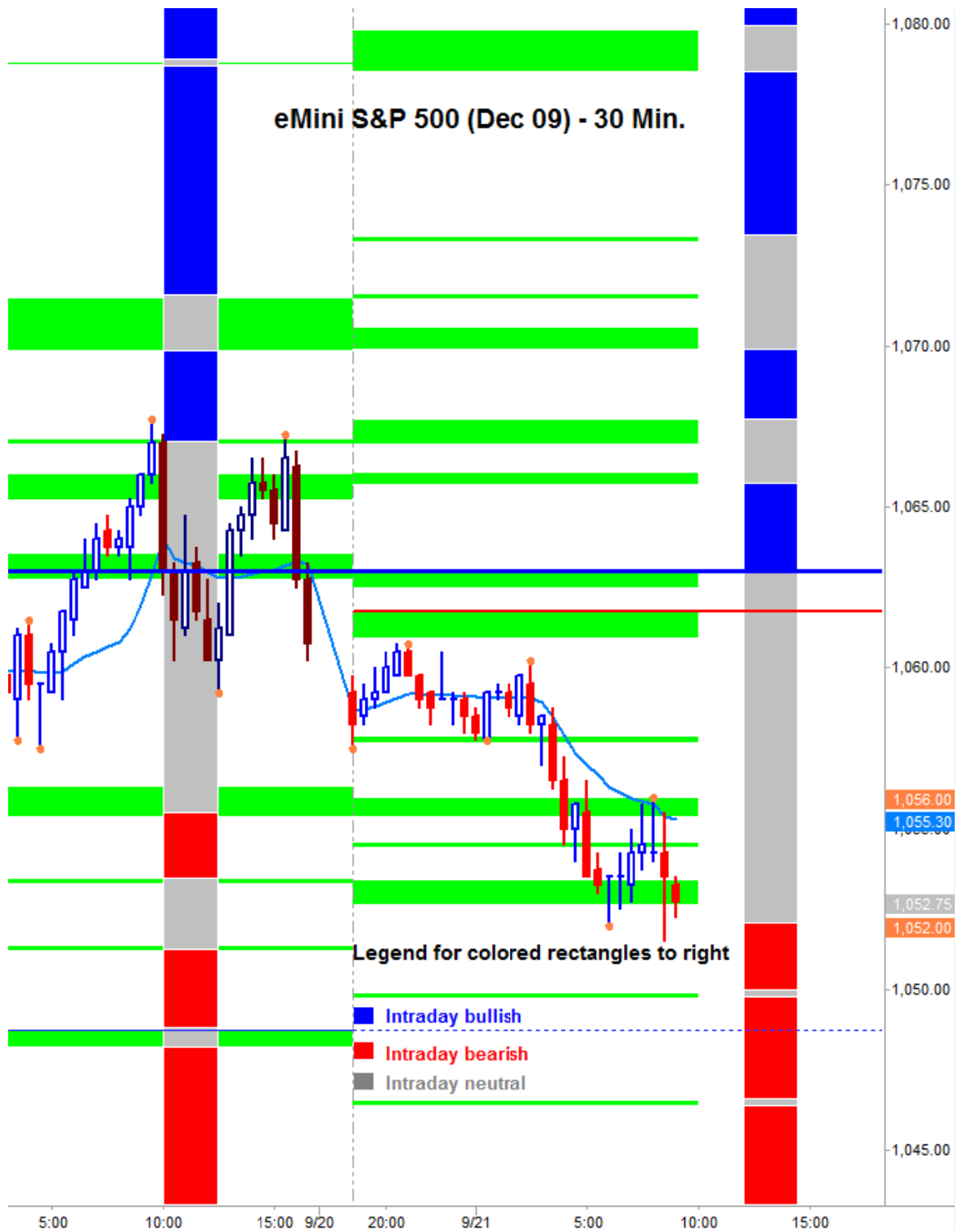
Minor Market Movers
 ICSC-Goldman Store Sales at 7:45 am
 Redbook at 8:55 am



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.

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