

# The PRECISION REPORT

Precise Market Timing



September 22, 2009

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

**The Precise Take** – Equities up on US Dollar weakness

**Leaders Analysis:** The US Dollar is down materially overnight, making fresh monthly lows against the Euro and Swiss Franc. Not surprisingly, gold and equities are up, with the ES retesting contract highs and confirming the EuroYen breakout through resistance yesterday.

**Treasury Analysis:** Today is the first of the Note auctions this week, with the 2 Year at 1:00 pm. A poor showing could propel equities higher, but the reverse is unlikely to move equities materially. The end of month auctions went well last month and we expect no different this month. If there is to be any weakness, it is likely to be today, with the 7 Year on Thursday expected to be the strongest. Tomorrow is FOMC day, historically bullish. Assuming no disaster today, we would expect to see new highs in the ES- tomorrow early, if they are not achieved today.

**Trading Today:** Shorting into the daily gap/pivot area of 1058.25 to 1060.50 is a bit dangerous at these levels and we would prefer to go long at 1063.00, if it is reached within the first hour. Above contract highs at 1071.50, and we are outright intraday bullish, watching 1080.00 to 1080.75 as a potential reversal area, but not willing to fade short. Below 1058.25 and we are outright intraday bearish, watching 1051.50 to 1054.50 (which includes yesterday's low) as a potential reversal area, also not willing to fade long as a directional move will have likely formed if it is reached.

### Day Trading Guide

#### Daily Gaps

1060.00 (4:00 pm close)  
1060.50 (4:15 pm settlement)

#### Daily Pivots

1058.50 (day-session-only)  
1058.25 (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

2 Year Note Auction at 1:00 pm

#### Minor Market Movers

Redbook at 8:55 am

### Tomorrow's Scheduled News

#### Major Market Movers

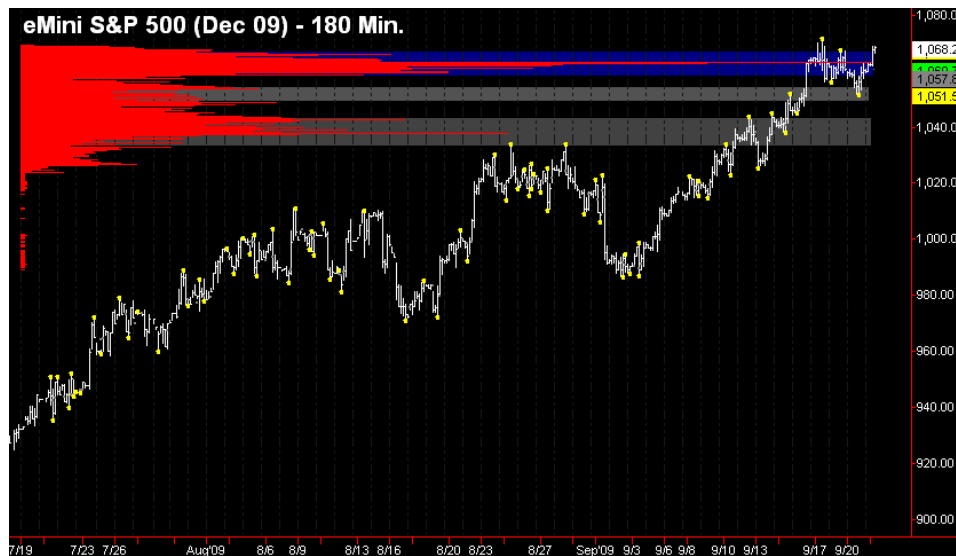
5 Year Note Auction at 1:00 pm

FOMC Announcement at 2:15 pm

#### Minor Market Movers

MBA Purchase Apps at 7:00 am

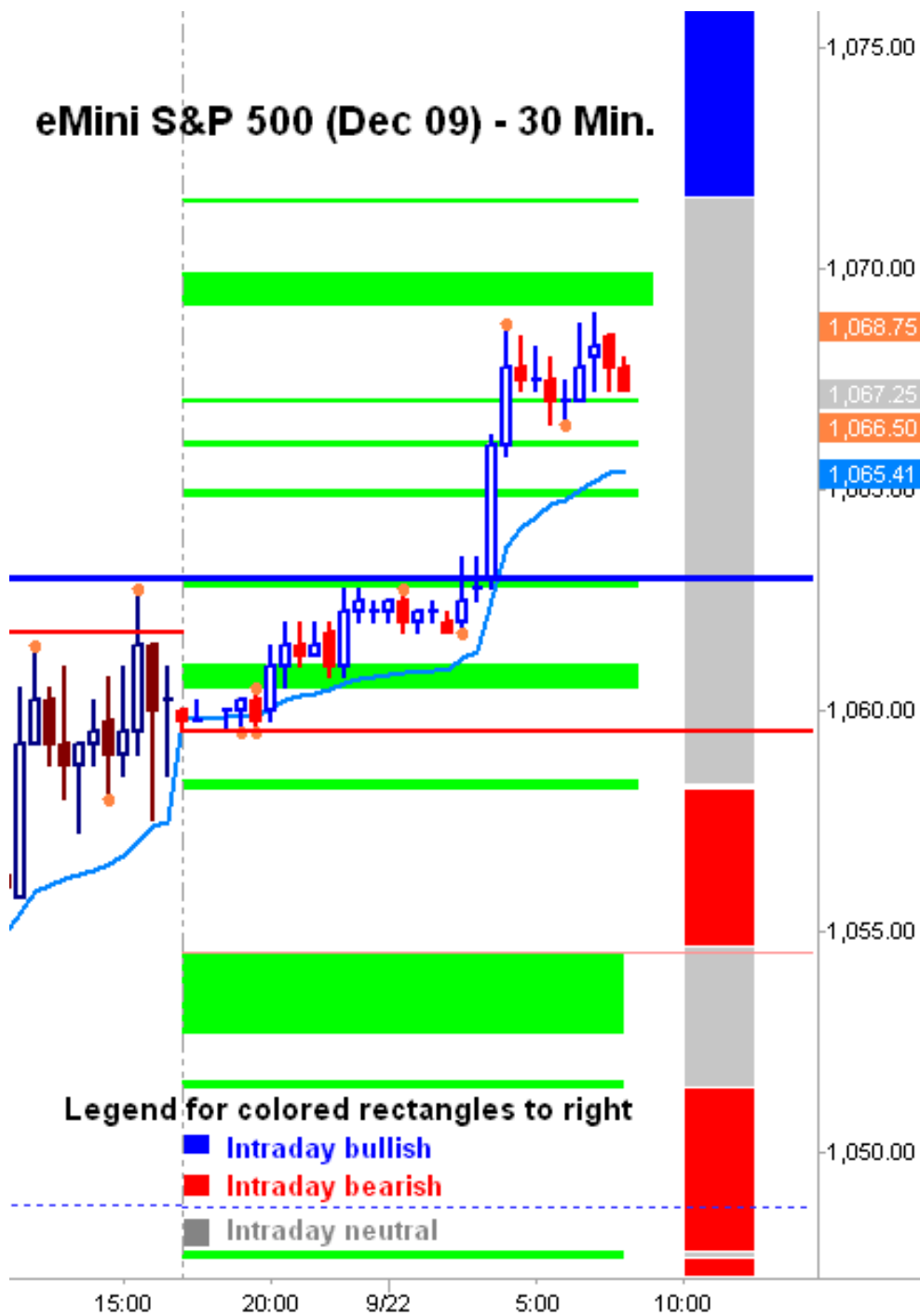
EIA Petroleum Stats at 10:30 am



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.