

# The PRECISION REPORT

Precise Market Timing



September 23, 2009

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

**The Precise Take** – Expected strength into FOMC day

**Leaders Analysis:** US Dollar weakness led the day yesterday, allowing gold and equities to gain. We do not yet see gold as leading the charge because strength is not reflected in gold priced in other currencies, such as the Euro, Canadian Dollar and Australian Dollar.

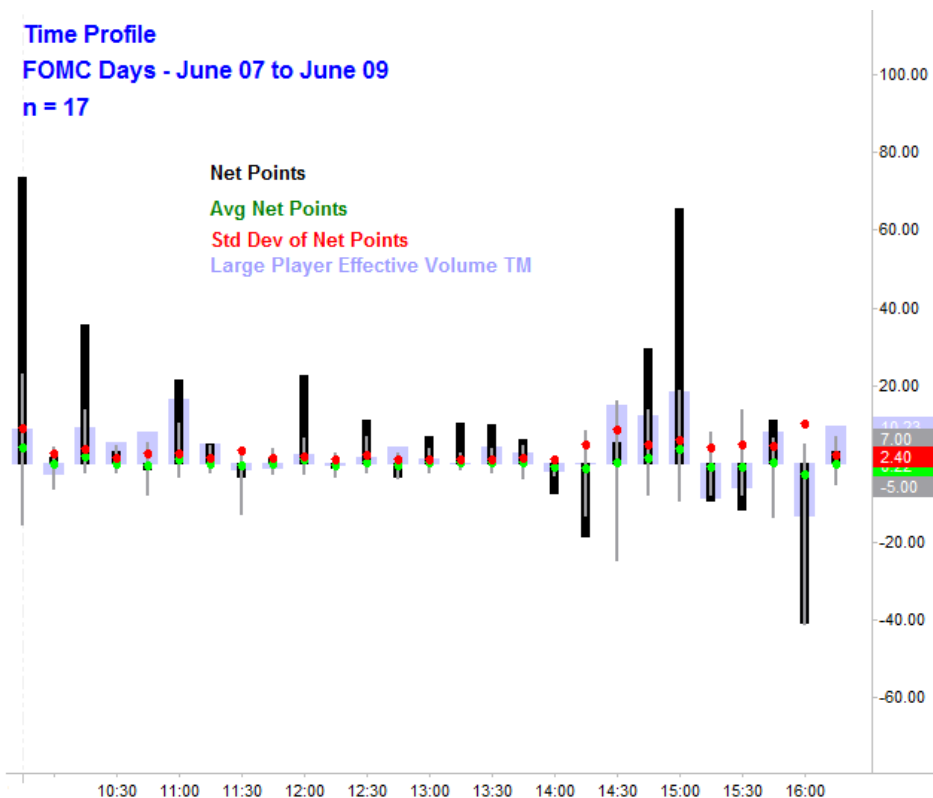
**General Analysis:** This week's auctions have so far been well received, and the 7 Year is on the block today at 1:00 pm, not far from the FOMC Announcement at 2:15 pm. If the markets behave according to their historical norm today, as they did nearly perfectly last month, we should see early strength in equities today followed by another surge on the announcement, with some long covering after 3:00 pm. The Time Profile generator is on the fritz today, so below is the Time Profile for FOMC days reprinted from our August 12 2009 report. We don't expect it has changed materially. Nor do we expect the FOMC to materially alter the language in the Announcement, preferring instead to dribble policy changes surreptitiously through interim press releases.

**Trading Today:** Given our bullish bias today, we'll be looking to buy an early dip in the daily gap/pivot area of 1065.25 to 1067.25 or, on a dip to the highest volume market profile point of control for the ES Dec 09 contract at 1063.00. If price trades below 1063.00, we will likely not trade until after the FOMC Announcement at 2:15 pm, taking the weakness as a sign the historical bullish bias may not be applicable today. Above contract highs at 1071.50 and we become outright intraday bullish, watching the potential reversal area of 1073.75 to 1075.00, which we would be surprised to see exceeded before the Announcement. Beyond, and there is no resistance in our methods until 1079.75 (weekly R1). The daily R3's come in at 1081.50 and 1084.75.

### Time Profile

FOMC Days - June 07 to June 09

n = 17



### Day Trading Guide

#### Daily Gaps

1066.50 (4:00 pm close)  
 1067.25 (4:15 pm settlement)

#### Daily Pivots

1066.00 (day-session-only)  
 1065.25 (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

5 Year Note Auction at 1:00 pm  
 FOMC Announcement at 2:15 pm

#### Minor Market Movers

EIA Petroleum Stats at 10:30 am

### Tomorrow's Scheduled News

#### Major Market Movers

Jobless Claims at 8:30 am  
 Existing Home Sales at 10:00 am

#### Minor Market Movers

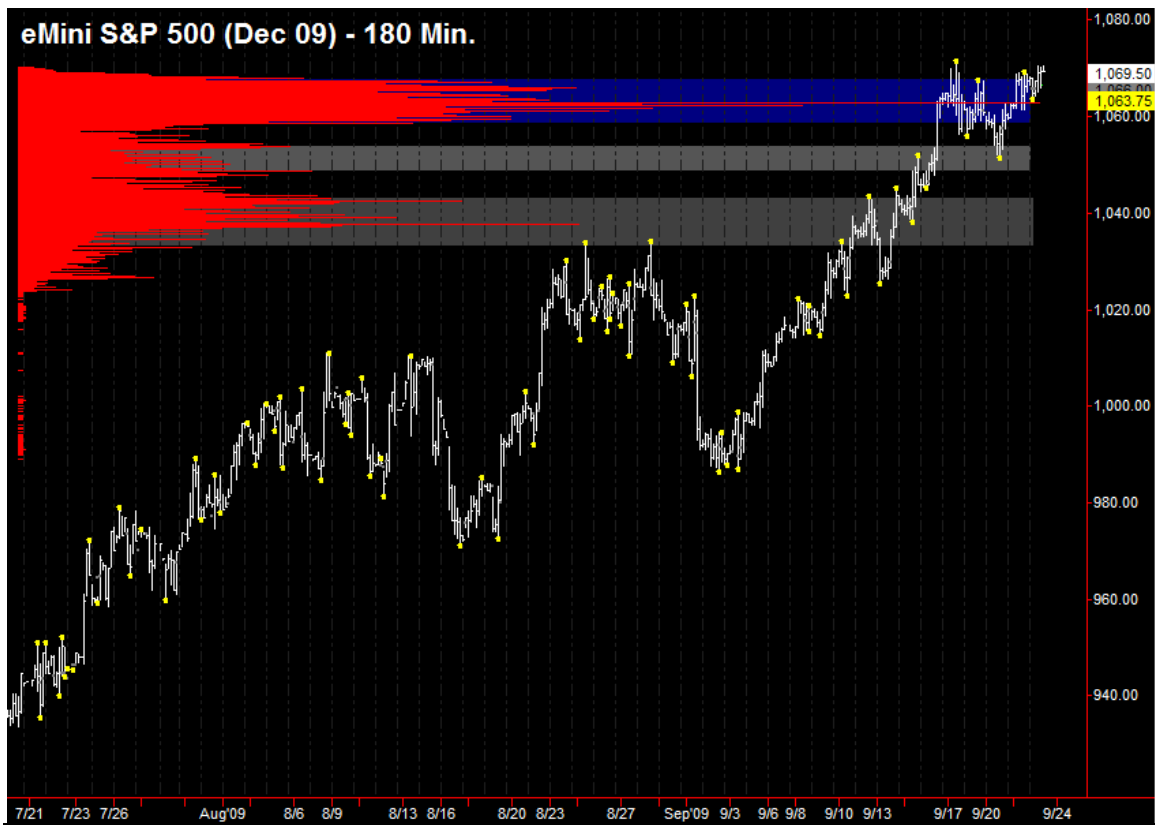
7 Yr Note Auction at 1:00 pm



Free intraday updates at <http://www.precisioncapmgt.com>.

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Today's volume profile:

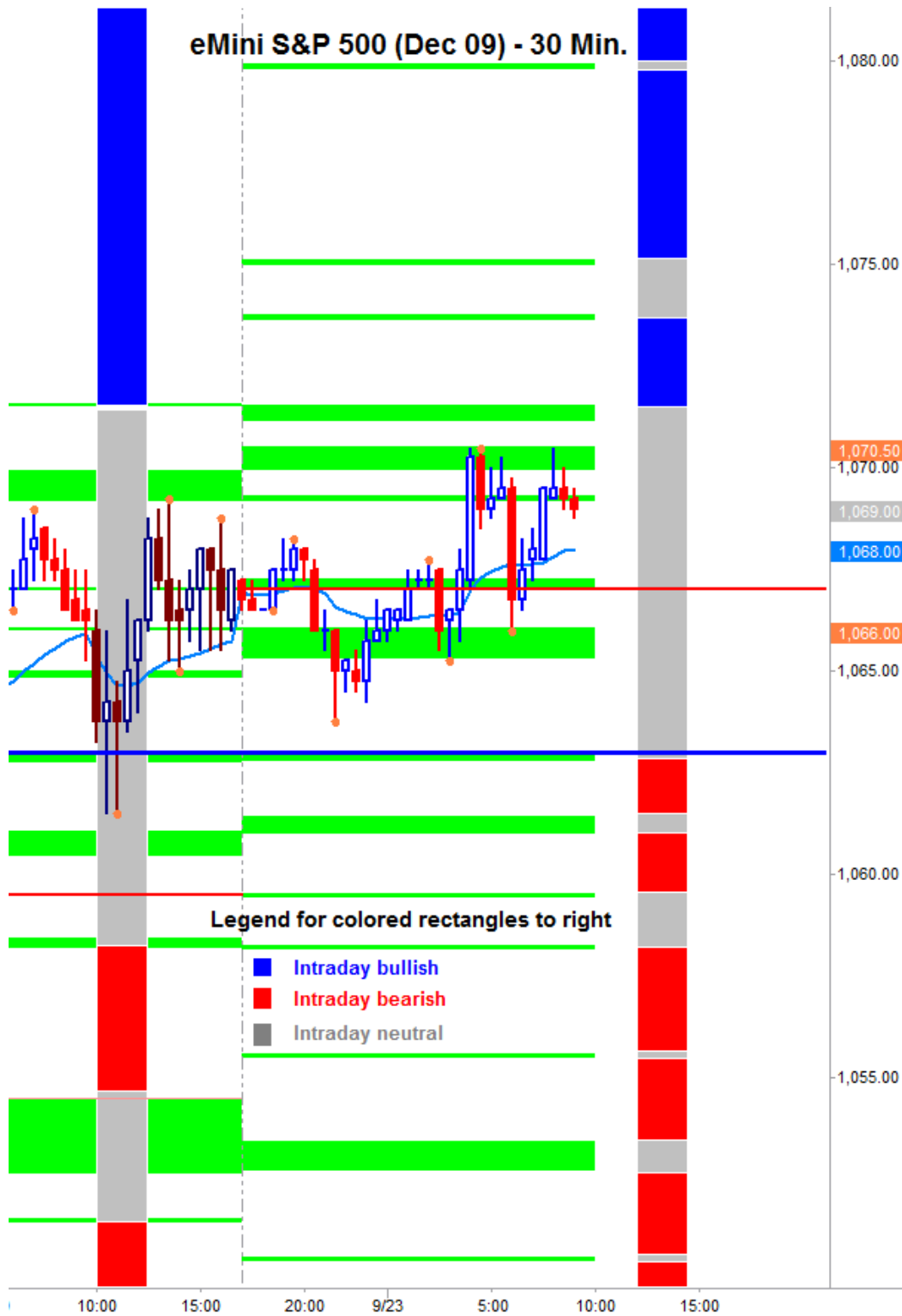


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Support and resistance is as follows:



**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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