



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

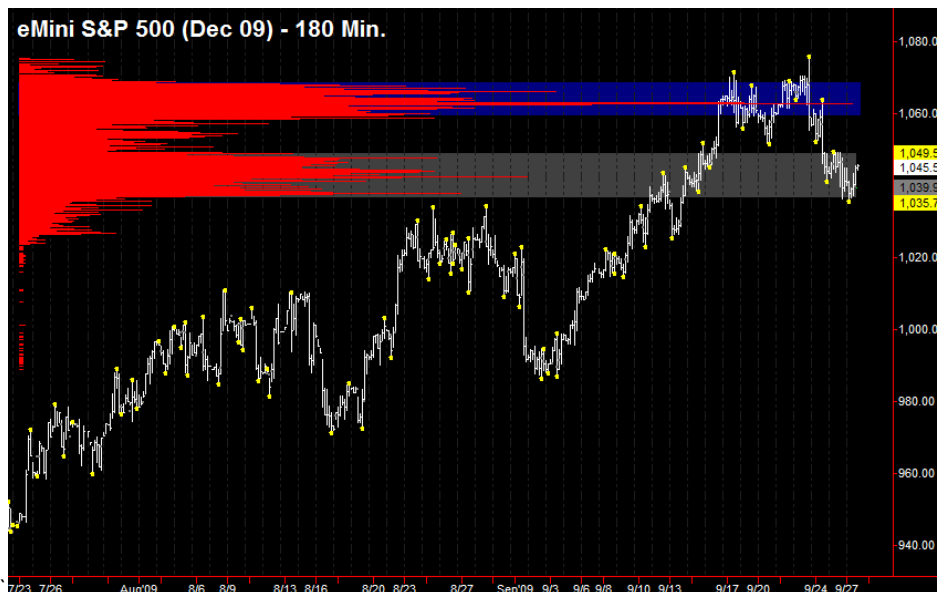
The Precise Take – ES maintaining support into end of quarter

Leaders Analysis: The EuroYen forex cross bounced off its 200 day moving average overnight with equities following as we would expect. 30 Year T-Bond futures (continuous futures contract) are at very strong resistance at the 121 to 122 area. Accordingly, if we are to see a reversal in the markets, with equities ending the correction and resuming higher, and with T-Bonds reversing down from resistance, we expect it this week, possibly as late as Friday on the Employment Situation Report, which has generated great strength in the 2009 rally. If T-Bonds were to close above 122 or the EuroYen below its 200 day moving average, we would expect this to weigh on equities and see a longer correction.

End of Quarter: No major news items today, and we are closing the quarter as of tomorrow. The previous two quarters also ended on Tuesday. March 30 (Monday) was a large distribution day and June 29 (Monday) was a small range net up day. March 31 was a net up day that closed in the middle of its range and June 30 was a small range net down day. All in all, it looks like end of quarter paint taping is a bit less likely than end of quarter profit taking, so we will be cautious with longs until Wednesday.

Trading Today: After slightly breaking Friday's low, which was the bottom of the current market profile value area (see shaded gray box in chart below), the ES has recovered overnight. The new long term point of control after Friday is the 1042.50 area, which we will watch closely today. If the ES trades below 1033.00 (strong Fib support), we will likely see new material lows with the ES rejecting the current value area and setting up a lower one. We are willing to buy the 1033.00 to 1036.25 area today, but won't fade long if price trades below. We are willing to fade short the 1048.00 to 1051.00 (daily R1's & weekly pivot) resistance area, but will only look for longs above, as it will signal a rejection of the current value area with a likely return to the higher one, centered around the 1062.75 point of control. We would also buy a return to the daily gap/pivot area of 1041.00 to 1042.25 in the first 30 minutes.

Today's volume profile:



Day Trading Guide

Daily Gaps
 1046.00 (4:00 pm close)
 1041.00 (4:15 pm settlement)

Daily Pivots
 1042.00 (day-session-only)
 1042.25 (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*

None

Countertrend Shorts*

1071.25

* 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

S&P Case Shiller at 9:00 am
 Consumer Confidence at 10:00 am

Minor Market Movers

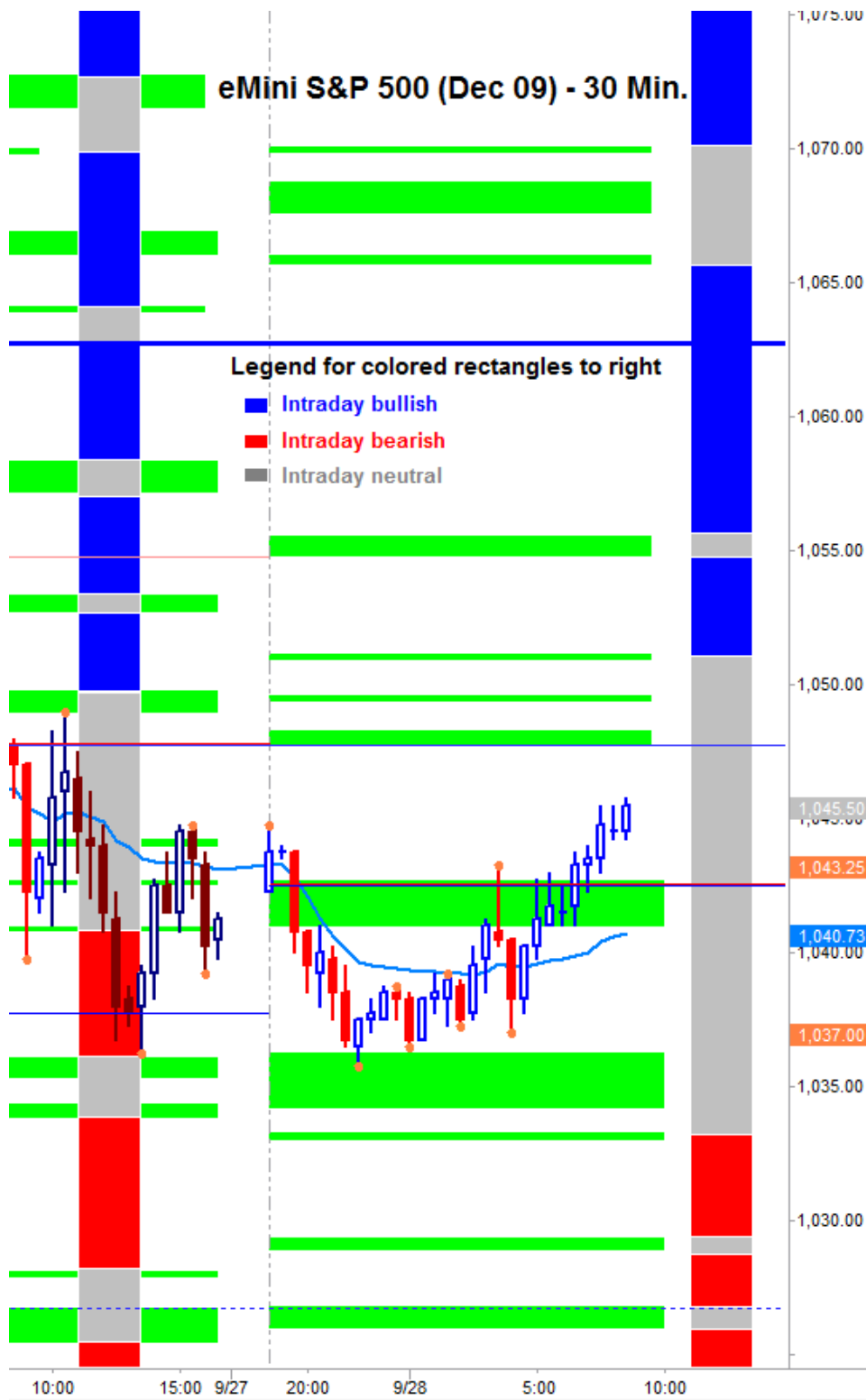
ICSC-Goldman Store Sales at 7:45 am
 State St. Investor Confidence Index at 10:00 am



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. These areas are drawn as shaded green boxes. Previously drawn areas have not been adjusted retroactively.

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