

The PRECISION REPORT

Precise Market Timing



September 30, 2009

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

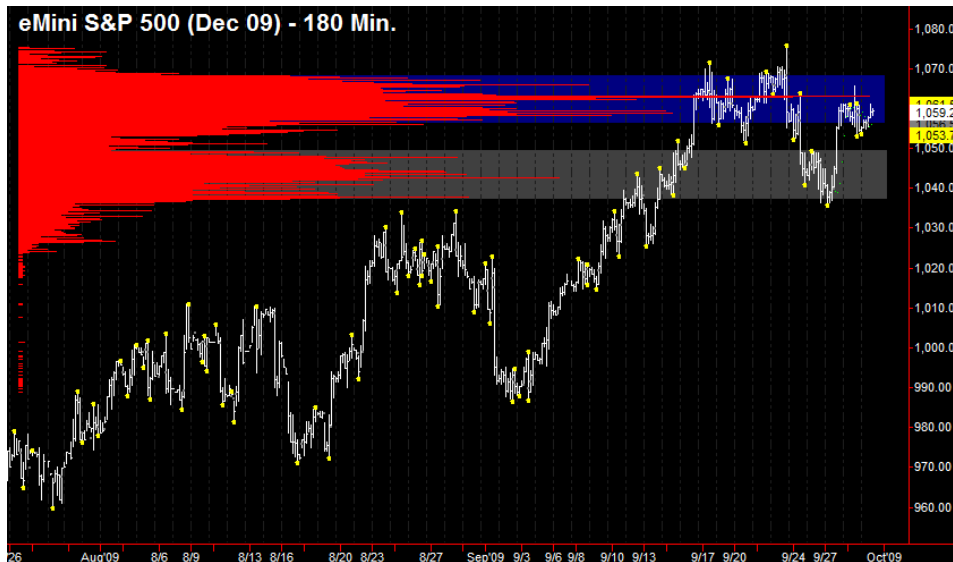
The Precise Take – ES maintaining strength as quarter ends

Leaders Analysis: The USD finally broke again overnight and gold is up proportionately, back over 1000. 30 Year T-Bond futures are still hanging around highs, which equity longs will want to see rejected to allow an easy pass to new highs. If 122 is materially broken to the upside in T-Bonds, there will likely be significant short covering that will draw money into Treasuries and compete more seriously with stocks.

Medium Term Analysis: Tomorrow (Thursday) is a monster news day, with a good potential for disappointment in one or more of the four major market moving reports. It may take a fancifully rosy Employment Situation report on Friday to boost equities to new highs. If the current value area is rejected and the ES returns to the lower value area centered around 1042.50, we would expect it to be supported at least into Friday's Employment report.

Trading Today: As we write, yesterday's market profile point of control of 1056.00 served as support after a slightly negative ADP Employment Report and Q2 GDP was subsequently revised to be less negative, which has given the ES a boost. However, the 1063.00 market profile point of control is still being rejected. Longs need to break above yesterday's high of 1065.75 (monthly R1) to have a chance at testing or exceeding highs before Friday. If the 1063.00 to 1065.75 area is rejected again today in the first hour, there is a greater chance of a selloff to the 1043.00 to 1045.00 area. We have revised our support and resistance chart on page 2, slightly, now coloring the potential reversal areas in magenta. The gray area is intended to capture a non-trending day's range. We prefer to fade a retest of the 1062.00 to 1063.25 area after Chicago PMI at 9:45 am, unless it is very bullish, which we then won't fight. We would also buy an early test of the 1053.25 to 1054.50 area.

Today's volume profile:



Day Trading Guide

Daily Gaps
1055.50 (4:00 pm close)
1054.50 (4:15 pm settlement)

Daily Pivots
1057.75 (day-session-only)
1057.75 (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*

1064.50, 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

Chicago PMI at 9:45 am
EIA Petroleum Stats at 10:30 am

Tomorrow's Scheduled News

Major Market Movers

Personal Income/Outlays at 8:30 am
Jobless Claims at 8:30 am
ISM Mfg Index at 10:00 am
Pending Home Sales at 10:00 am

Minor Market Movers

Challenger Job-Cut Report at
7:30 am
Construction Spending 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.

Today's Support and Resistance:



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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