

The PRECISION REPORT

Precise Market Timing



September 9, 2009

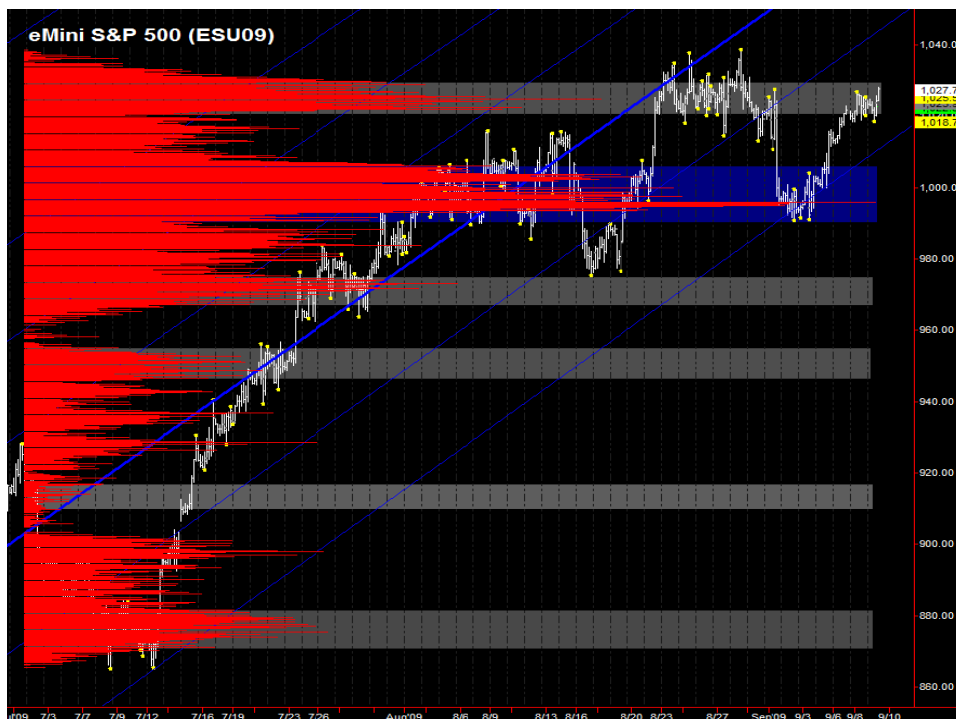
COMMENTARY FOR THE eMINI S&P 500 SEP 2009 CONTRACT (the "ES")

The Precise Take – ES continues to accept value near highs

Treasury & Overall Analysis: Yesterday's 3 Year auction went well, with markets relatively unimpressed, either looking ahead to the 10 Year today and 30 Year tomorrow, or already pricing in strong demand. A poor auction today (1:00 pm) could boost equities; however a good to great auction will likely not be a market mover again. 30 Year T-Bond futures hit the 50% retracement from August lows overnight and, therefore, have entered the zone in which we would expect to see a potential reversal in both equities and Treasuries, should one occur. This zone extends from 118 6/32 to 117 4/32. After watching yesterday's price action and taking into consideration tomorrow's heavy economic calendar, the time horizon for a potential reversal is extended to tomorrow. Should it not come, we would expect to see a test of the next upside price target in the ES of 1053.50 into next week, where there is a much greater chance of reversal after having squeezed out the new shorts. This target could also possibly be reached today or tomorrow, but that is unlikely.

Gold: Gold has not yet confirmed the breakout when priced in other currencies, with yesterday being a down day in all but gold in the USD.

Trading Today: As we write, the ES has broken yesterday's combined session range to the upside, as well as day-session-only R1. Key in early trading after the open will be to watch yesterday's market profile point of control in confluence with long term point of control at 1024.50 to 1024.75. The ES has committed to building strength at higher value levels, and a failure to make new highs and drop below 1024.50 is bearish. We will not take shorts unless and until this level fails and the ES trades below the day-session-only daily pivot at 1023.25. We will however, watch closely the potential reversal areas of 1030.00 to 1031.00, 1,033.00, 1036.25 to 1036.75 and contract highs at 1038.75. To the downside, 1018.75 to 1021.50 is a large potential long reversal area, as is 1015.75 to 1016.50, and 1011.25 to 1012.25. We will not fade long these areas as a directional down day could develop if the ES reverses from the current area. The 10 Year at 1:00 pm and the Fed's release of the Beige Book today at 2:00 pm could be a market movers.



Day Trading Guide

Daily Gap

1024.50 (4:00 pm close)
1025.00 (4:15 pm settlement)

Daily Pivot

1023.25 (day-session-only)
1021.50 (day & overnight sessions)

Unfilled Gaps

903.50 to 912.50 (price)
955.00 to 962.50 (volume)

Upside Targets

1053.50, 1066.00, 1126.25

Downside Targets

973.25, 948.75, 922.25, 913.00,
854.75, 846.00, 828.00, 811.75,
777.25

Countertrend Longs*

917.75, 933.25, 940.75, 945.25,
963.25, 1001.75

Countertrend Shorts*

None

* 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

10 Yr Note Auction at 1:00 pm
FR Beige Book at 2:00 pm

Minor Market Movers

Quarterly Svcs Survey at 10:00 am

Tomorrow's Scheduled News

Major Market Movers

Int'l Trade at 8:30 am
Jobless Claims at 8:30 am
EIA Petroleum Stats at 10:30 am
30 Yr Bond Auction at 1:00 pm

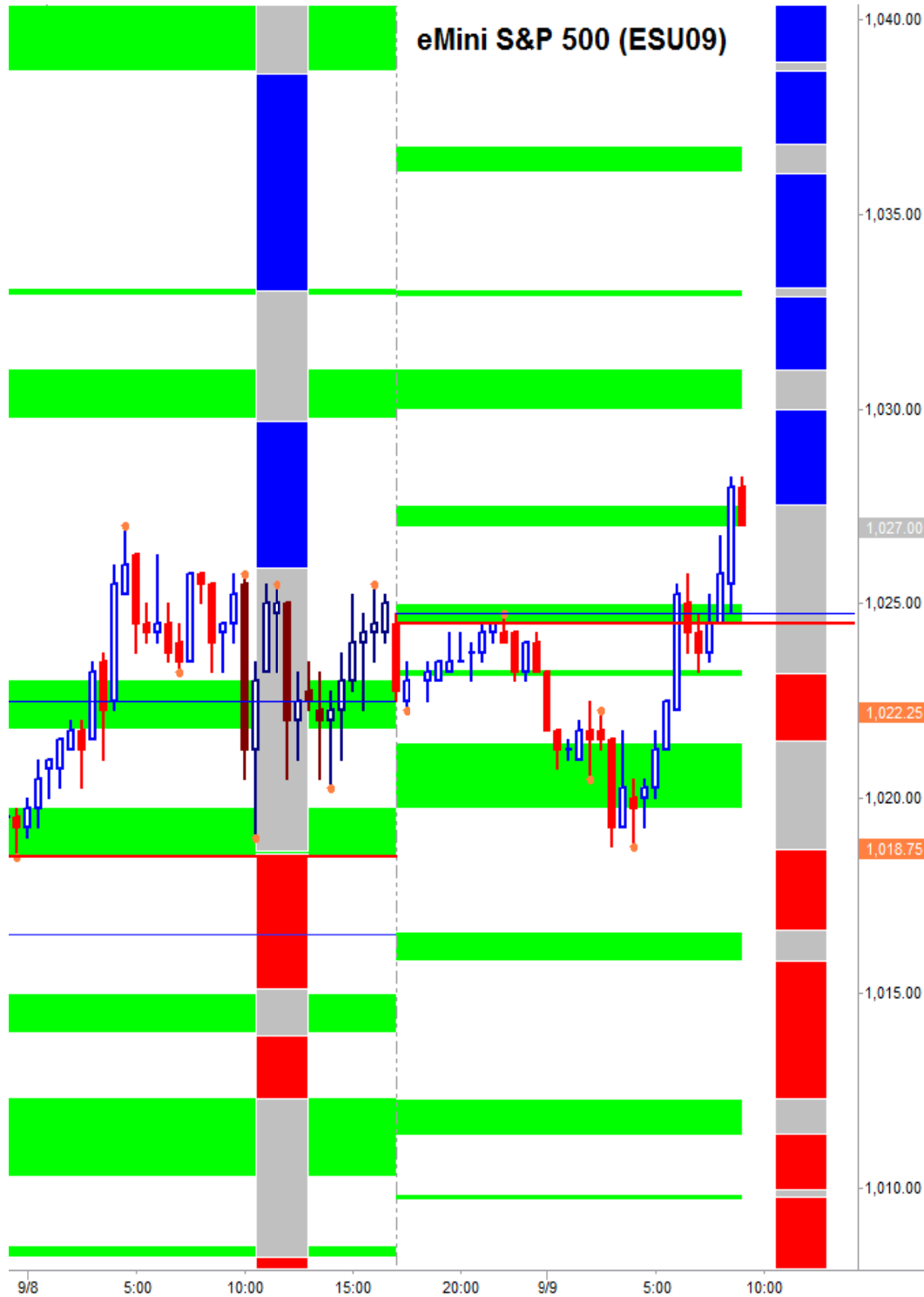
Minor Market Movers

BOE Announcement at 7:00 am
Bank of Canada Announcement at 9:00 am
RBC CASH Index at 9:00 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. They areas are drawn as shaded green boxes. Previously drawn areas have not been adjusted retroactively.

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