

The Context Report | March 04, 2021

Daily Context Analysis, Zones, and Strategy for the E-Mini S&P500 Futures (CME: ES and MES)

Bias / Directional Inclination / Control		
Timeframe	Bias	Line in the Sand
Short-term	Neutral-bearish	Neutral-bullish above 3820. Bearish below 3784.75.
Intermediate-term	Bullish-neutral	Neutral-bullish below 3776.75.
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Above avg overnight volume on a test below initial key support. Buyers were active there and market is now balancing just below yday's low. - Larger timeframe pattern is failed breakdown, so expect larger timeframe buying pressure today. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Buyers active from open for push above initial key resistance and sustained push up to test the 3836s area where I expect some churn and balancing.
Downside scenario	<ul style="list-style-type: none"> - Sellers active from initial key resistance for push down to initial key support. I expect buyers to be aggressive there for rejection and push up to initial key resistance and eventually higher. On strong selling into initial key support, there may be a poke below and selling can still shut off at the 3776s support area. On aggressive selling at the 3776s area, expecting liquidation break below and price action is likely to get very whippy and volatile and we may see a push down to the 3744s good support where buyers may come in and price may balance / reverse to the day's VPOC for balance.

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs resistance	3959.50-3958.00	
Resistance	3955.75-3954.00	
Resistance	3946.50-3945.00	
Good resistance	3937.50-3934.25	
Resistance	3927.50-3922.00	
Good resistance	3912.00-3908.50	
Resistance	3903.75-3897.50	
Resistance	3895.50	
Good resistance	3870.50-3865.50	
Resistance	3860.75-3857.75	
Resistance	3848.50-3845.25	
Resistance	3836.00-3832.50	
Resistance	3827.50-3824.25	
Initial key resistance	3820.00-3813.50	
Current price when report is being written		
Initial key support	3791.00-3784.75	
Support	3780.50-3776.75	
Support	3760.00-3756.50	
Good support	3751.00-3744.25	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	29.25	111.50	56.77	57.00
24-Hour Session	35.75	124.25	69.05	84.50
Overnight Session	25.25	56.00	42.75	44.75
1st Hour (RTH)	12.50	66.75	29.73	37.25

Previous Day Reference Areas	
Close (CME)	3816.75
Cash Close (4 PM ET close. Estimated)	3816.50
High	3870.50
Low	3813.50
VPOC (Estimated)	3836.00

Key Economic Events
Challenger Job-Cut Report 7:30 AM ET
Jobless Claims 8:30 AM ET
Productivity and Costs 8:30 AM ET
Factory Orders 10:00 AM ET
EIA Natural Gas Report 10:30 AM ET
Fed Balance Sheet 4:30 PM ET