

The Context Report | March 03, 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	Bullish above 3912. Bearish below 3852.25.
Intermediate-term	Bullish-neutral	Neutral below 3784.75.
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Below avg overnight volume. - Overnight session balanced in yday's range and in the smaller balance area we are currently in. - Do we continue to balance today or test below the balance area? 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Buyers active from support at the 3865s first test for rotation up to the 3896s for balance and chop. Potential for eventual test of initial key resistance where I expect sellers to be active first test for push down to the 3897s. If buyers clearly fail at the 3897s and price is rejected above there, expect a push lower and balance. If there is sustained buying momentum, then expect a break above initial key resistance for a push up to the 3937s good resistance. I expect sellers there first test.
Downside scenario	<ul style="list-style-type: none"> - Sellers push to initial key support on the open triggering some long liquidation into initial key support. I expect buyers to be active at initial key support for reversal up to the 3897s. There will likely be a fight here or a poke below initial key support before a reversal. On a strong push below initial key support, expect further liquidation and for a push down to the 3827s for balance for the remainder of the day. Longs do not want to see price below initial key support.

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	
Initial key resistance	3912.00-3908.50	
Resistance	3903.75-3897.50	
Current price when report is being written		
Support	3868.75-3865.50	
Initial key support	3858.75-3852.25	
Support	3839.75-3834.00	
Support	3827.50-3822.50	
Support	3805.00-3799.00	
Good support	3791.00-3784.75	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	26.25	111.50	55.60	38.00
24-Hour Session	35.75	124.25	69.00	41.00
Overnight Session	21.00	56.00	40.83	40.25
1st Hour (RTH)	12.50	66.75	28.50	25.75

Previous Day Reference Areas	
Close (CME)	3867.50
Cash Close (4 PM ET close. Estimated)	3868.25
High	3903.50
Low	3865.50
VPOC (Estimated)	3895.75

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
ADP Employment Report 8:15 AM ET
PMI Composite Final 9:45 AM ET
ISM Services Index 10:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
Beige Book 2:00 PM ET