

# The Context Report | January 27, 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	Bearish-neutral	3788.25. Bearish below. 3823.50. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> <li>- FOMC today. Expect range to compress after 11:30 am.</li> <li>- Liquidation overnight after buyers could not hold price above the key volume area around the 3846s.</li> <li>- Above avg range and volume overnight and we will be opening with substantial true gap down.</li> <li>- Do buyers step in now at these lower prices for push up or do we need to see more selling to attract them?</li> </ul>	
Scenario	Expectation
Upside scenario	- Strong buying off initial key support for rotation up through resistance zones with minor pullbacks. Initial key support has already been tested overnight, so we may not test it again in the RTH session.
Downside scenario	- After an initial bounce off initial key support, buying is lack-luster and we see a break below initial key support for test of support zones below.

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs	3862.25-3857.25	
Resistance	3854.75-3851.50	
Resistance	3846.25	
Resistance	3840.00	
Resistance	3834.50-3831.00	
Resistance	3823.50-3821.50	
Initial key resistance	3816.25-3812.75	
Resistance	3806.50	
Current price when report is being written		
Initial key support	3793.75-3788.25	
Support	3775.00-3772.25	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	8.75	63.5	31.3	22.25
24-Hour Session	23.25	64.75	40.9	40.75
Overnight Session	13.5	35.75	25.625	37.75
1st Hour (RTH)	5.25	39	17.325	20

Previous Day Reference Areas	
Close (CME)	3842.50
Cash Close (4 PM ET close. Estimated)	3841.75
High	3862.25
Low	3840
VPOC (Estimated)	3850.25

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
Durable Goods Orders 8:30 AM ET
State Street Investor Confidence Index 10:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
Survey of Business Uncertainty 11:00 AM ET
FOMC Announcement 2:00 PM ET
Fed Chair Press Conference 2:30 PM ET