

The Context Report | March 01, 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 3858.75. Neutral-bearish below 3822.50.
Intermediate-term	Bullish-neutral	Need new all-time highs to be bullish. Neutral below 3784.75.
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Avg volume overnight session. - 100% long inventory. - Overnight was contained in Friday's range. - Market is trading at the low of the current larger term balance area, so buying pressure expected. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Initial push down to initial key support from open and initial key resistance. For further upside, I expect buyers to be active at initial key support possibly after a test below for an eventual push above initial key resistance. Will need to see upside momentum for that to occur. Buyers then expected to take price up towards the 3909s good resistance zone. The 3867s good resistance zone is unlikely to hold on a momentum breakout above initial key resistance. If the breakout above initial key resistance is weak, can expect sellers to defend the 3876s first test.
Downside scenario	<ul style="list-style-type: none"> - Sellers active from initial key resistance down to initial key support. The market chops and churns there and then ultimately push lower for a test of the 3799s support or good support at the 3784s. I expect selling to shut off at either zone and reverse up to 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	
Resistance	3937.50-3934.25	
Resistance	3927.50-3922.00	
Good resistance	3909.00-3903.00	Target up
Good resistance	3876.75-3869.75	
Initial key resistance	3858.75-3851.75	
Current price when report is being written		
Support	3839.75-3834.00	
Initial key support	3827.50-3822.50	
Support	3805.00-3799.00	
Good support	3791.00-3784.75	Target down

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	5.00	111.50	46.75	73.50
24-Hour Session	17.25	124.25	57.90	73.50
Overnight Session	16.50	56.00	35.52	46.75
1st Hour (RTH)	3.75	45.50	20.35	66.75

Previous Day Reference Areas	
Close (CME)	3809.25
Cash Close (4 PM ET close. Estimated)	3796.25
High	3858.50
Low	3785.00
VPOC (Estimated)	3840.00

Key Economic Events	
PMI Manufacturing Final 9:45 AM ET	
ISM Manufacturing Index 10:00 AM ET	
Construction Spending 10:00 AM ET	