

# The Context Report | February 19, 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                               | Bullish-neutral | Bullish above 3937.50. Neutral below 3908.25. |
| Intermediate-term                        | Bullish         |   |
| Long-term                                | Bullish         |   |

| Context and Trading Scenarios  |  |
|--|--|
| Context Summary  |  |
| <ul style="list-style-type: none"> <li>- Above avg overnight range and volume and quite volatile.</li> <li>- Pull-back overnight into yday's range then swift rejection by buyers pushing price above yday's high tagging yday's initial key resistance. Buyers in control going into the open.</li> <li>- It looks like the pull-back is complete with rejection at the lows and we may now see a push higher, but given it's Friday/going into the weekend, range expectations are reduced.</li> </ul> |  |
| Scenario   | Expectation  |
| Upside scenario  | <ul style="list-style-type: none"> <li>- Buyers active after an initial pull-back to yday's high area for push up into initial key resistance where I expect sellers first test. Off here, I expect chop around the 3927s zone and the day's VPOC. I do not expect selling off this zone to push price down by much. Likely we will see an end of day rally and break above initial key resistance.</li> </ul>   |
| Downside scenario  | <ul style="list-style-type: none"> <li>- Sellers active from open for push down to initial key support. Likely there will be a bounce off the 3910s, but it will be met with aggressive selling. I expect buyers to be active at initial key support for a push up to the 3918s and possibly the 3930s zone. Price will likely balance between the 3930s zone and initial key support for the remainder of the session.</li> <li>- I do not expect a break below initial key support to hold.</li> </ul> |

| 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 |      |
| Initial key resistance                     | 3937.50-3934.25 |      |
| Resistance                                 | 3930.00-3927.75 |      |
| Current price when report is being written |                 |      |
| Support                                    | 3918.75         |      |
| Initial key support                        | 3911.50-3908.25 |      |
| Support                                    | 3903.50         |      |
| Support                                    | 3892.50-3890.00 |      |
| Good support                               | 3882.00-3878.50 |      |
| Support                                    | 3875.50-3874.00 |      |
| Support                                    | 3869.00-3866.25 |      |
| Strong support                             | 3862.25-3858.00 |      |

| Volatility Analysis         |       |       |          |              |
|-----------------------------|-------|-------|----------|--------------|
| Minimum Stop Size           |       |       | 5 points |              |
| 10-Day Range Analysis       |       |       |          |              |
|                             | Min   | Max   | Avg      | Previous Day |
| Regular Trading Hours (RTH) | 5.00  | 47.75 | 28.02    | 38.00        |
| 24-Hour Session             | 17.25 | 57.25 | 35.25    | 55.50        |
| Overnight Session           | 15.00 | 26.25 | 21.27    | 42.75        |
| 1st Hour (RTH)              | 3.75  | 35.75 | 15.60    | 24.25        |

| Previous Day Reference Areas          |         |
|---------------------------------------|---------|
| Close (CME)                           | 3909.50 |
| Cash Close (4 PM ET close. Estimated) | 3911.75 |
| High                                  | 3918.50 |
| Low                                   | 3880.50 |
| VPOC (Estimated)                      | 3911.00 |

| Key Economic Events                   |
|---------------------------------------|
| PMI Composite Flash 9:45 AM ET        |
| Existing Home Sales 10:00 AM ET       |
| E-Commerce Retail Sales 10:00 AM ET   |
| Quarterly Services Survey 10:00 AM ET |
| Baker Hughes Rig Count 1:00 PM ET     |