

# The Context Report | January 28, 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	3765.25. Neutral above. 3685.25. Bearish below.
Intermediate-term	Neutral	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> <li>- Sellers remained in control overnight, but buyers are active, and we have a wide ranged balanced overnight session on substantially above avg volume.</li> <li>- Lots of economic releases today to fuel more volatility.</li> <li>- Was yday's selling real, confident new selling or just long liquidation?</li> </ul>	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> <li>- Expecting buyers to be able to test initial key resistance. I expect sellers there first test for rotation off the zone. How strong are sellers off this zone? If weak and sellers cannot push and hold below the 3746s zone, then expect break above initial key resistance. If strong, expect rotation down to the 3726s support and lower.</li> <li>- Above initial key resistance, target is the 3793.75 good resistance zone where I expect sellers to be active first test for rotation down and likely balance between initial key resistance and the 3793s zone.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Sellers break below the 373.75 support zone, causing some weak hands to liquidate their longs for a push into initial key support where I expect buyers to be able to absorb the selling and reverse price up to the 3726s zone and higher.</li> <li>- If buyers cannot hold initial key support, then expect continued drive lower with volatile swings.</li> </ul>

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	3824.50-3820.50	
Resistance	3808.00-3803.00	
Good resistance	3793.75-3788.25	
Initial key resistance	3765.25-3759.50	
Resistance	3751.25-3746.75	
Current price when report is being written		
Support	3726.00	
Support	3708.00-3703.75	
Initial key support	3695.75-3685.25	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	8.75	63.5	30	100.25
24-Hour Session	23.25	64.75	41.1	146.5
Overnight Session	13.5	37.75	27.325	62
1st Hour (RTH)	5.25	39	17.3	47.25

Previous Day Reference Areas	
Close (CME)	3744.25
Cash Close (4 PM ET close. Estimated)	3751
High	3806.75
Low	3706.5
VPOC (Estimated)	3778.75

Key Economic Events
GDP 8:30 AM ET
International Trade in Goods (Advance) 8:30 AM ET
Jobless Claims 8:30 AM ET
Retail Inventories (Advance) 8:30 AM ET
Wholesale Inventories (Advance) 8:30 AM ET
New Home Sales 10:00 AM ET
Leading Indicators 10:00 AM ET
EIA Natural Gas Report 10:30 AM ET
Kansas City Fed Manufacturing Index 11:00 AM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET