

The Context Report | February 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	3779.00. Bullish above.
Intermediate-term	Neutral	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Rejection overnight at strong support. Larger timeframe buyers stepped in. - Above avg overnight range and volume. - Market will be opening in Friday's range. - Market is still volatile and prone to whipping action. Both sides expected to be active. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Given the number of longs established overnight, potential for a quick push down to initial key support where I expect buyers to be active for a quick reversal back up. If no impulse down, expecting balancing around initial key resistance for an ultimate rotation up to test the 3779s where I expect sellers first test. After that, if selling is weak, expecting a short squeeze up to eventually the 3806s where I expect the market to balance for the remainder of the session.
Downside scenario	<ul style="list-style-type: none"> - Sellers strong from the open for a quick push down and successfully overcome buyers active at initial key support. Sellers push through initial key support, test the 3682s support zone, push below and selling dries up and fails below the zone for a reversal back up to the 3709s for balance for the remainder of the session.

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	
Good resistance	3824.50-3820.50	
Resistance	3806.25-3801.50	
Resistance	3779.00-3770.25	
Initial key resistance	3748.50-3744.25	
Current price when report is being written		
Initial key support	3709.75-3703.75	
Support	3688.25-3682.50	
Good support	3656.75-3650.75	

Volatility Analysis	
Minimum Stop Size	5 points
10-Day Range Analysis	

	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	8.75	100.25	40.075	84.75
24-Hour Session	23.25	146.5	60.9	94.25
Overnight Session	19.75	71	36.425	58.25
1st Hour (RTH)	5.25	47.25	23.975	35.25

Previous Day Reference Areas	
Close (CME)	3705.25
Cash Close (4 PM ET close. Estimated)	3703.25
High	3770.25
Low	3685.5
VPOC (Estimated)	3704.75

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