

The Context Report | February 05, 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	3858. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Buyers active overnight, pushing to new all-time highs above yday's high on below avg volume. - Opening with true gap up. - 100% long inventory. 	
Scenario	Expectation
Upside scenario	- Buyers active for further push higher, breaking above initial key resistance and holding.
Downside scenario	<ul style="list-style-type: none"> - Strong selling off the open as overnight buyers liquidate for push down to initial key support. - Weak buying fails above initial key resistance. Sellers expected to enter in for push down to initial key support. Expecting strong selling. - Selling can shut off at the 3866s support zone, in which case, expect rotation up to the day's VPOC. - Buyers expected to be active at initial key support for reversal to the day's VPOC and to balance for the remainder of the session. - I am not expecting a break below here today, but on strong selling that is possible and below initial key support, I would expect a push down to the 3838s. We do not want to see buyers able to swiftly reject prices below initial key support for further downside.

Key Support and Resistance Zones		
Name	Zone	Note
Initial key resistance	3886.50-3884.75	
Current price when report is being written		
Support	3870.00-3866.00	
Initial key support	3862.25-3858.00	
Support	3855.25-3852.75	
Good support	3843.75-3838.50	
Support	3832.00-3829.50	
Support	3821.25-3818.25	
Support	3812.00-3807.75	
Support	3804.25-3799.00	
Good support	3794.50-3791.00	
Support	3780.50-3776.75	
Support	3766.50	
Support	3760.00-3756.50	
Good support	3751.00-3744.25	
Support	3720.75-3715.75	
Support	3706.50-3703.50	

Support	3686.50-3680.50	
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)	17.25	100.25	50.05	38
24-Hour Session	23.25	146.5	76.075	57.25
Overnight Session	19.75	94.75	47.35	24.25
1st Hour (RTH)	13.75	47.25	27.45	16.75

Previous Day Reference Areas	
Close (CME)	3864.50
Cash Close (4 PM ET close. Estimated)	3864.25
High	3868.5
Low	3830.5
VPOC (Estimated)	3855.25

Key Economic Events
Employment Situation 8:30 AM ET
International Trade in Goods and Services 8:30 AM ET
Baker Hughes Rig Count 1:00 PM ET
Consumer Credit 3:00 PM ET