

The Context Report | March 08, 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-neutral above 3842. Bearish below 3777.50.
Intermediate-term	Bullish-neutral	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Above avg overnight volume and range. - Overnight digested the large up move from Friday. - Do buyers step in now or does price need to pull-back further to attract buyers? Buyers do not want to see price below the 3777.50s. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Downside is complete overnight, and we see buyers active from the open for push up to initial key resistance where price chops and balances. Ultimately buyers continue the push up to the 3870s where I expect sellers to be active first test, but if buyers are strong, expect a break above there. For more range potential above the 38780s, we would need to see above avg volume and then the target would be the 3895s-3897s area and possibly the 3912s.
Downside scenario	<ul style="list-style-type: none"> - Balancing occurs at the open with both sides active and we see push down to initial key support where I expect buyers to be active for reversal up to initial key resistance where I expect sellers first test and then ultimately, I expect chop around there. If sellers are strong into initial key support and can push price below and hold below the 3795s, expecting test of the 3775s area where I expect rejection to occur. Max downside for this rejection to occur is at the 3766s zone if the market is volatile.

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	
Good resistance	3937.50-3934.25	
Resistance	3927.50-3922.00	
Good resistance	3912.00-3908.50	
Resistance	3903.75-3897.50	
Resistance	3895.50	
Resistance	3870.50-3864.75	
Resistance	3850.00	
Initial key resistance	3842.00-3835.25	
Current price when report is being written		
Support	3815.25-3809.75	
Initial key support	3801.50-3795.50	
Good support	3782.50-3777.50	

Support	3772.00-3766.75	
Support	3733.50-3728.25	
Good support	3720.75-3715.75	
Support	3706.50-3703.50	
Good 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)	29.25	121.75	67.50	121.50
24-Hour Session	40.75	124.25	80.55	121.50
Overnight Session	31.25	56.00	44.88	83.25
1st Hour (RTH)	12.50	66.75	33.38	48.25

Previous Day Reference Areas	
Close (CME)	3839.00
Cash Close (4 PM ET close. Estimated)	3837.75
High	3850.00
Low	3728.50
VPOC (Estimated)	3840.00

Key Economic Events
Wholesale Inventories (Preliminary) 10:00 AM ET
Investor Movement Index 12:30 PM ET