

# The Context Report | February 09, 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	3913.50. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> <li>- Balanced session overnight where buyers did not make much progress on well below avg volume.</li> <li>- We will be opening in the lower portion of yday's range.</li> <li>- The market is over-extended to the upside and I expect a liquidation break before the uptrend continues.</li> </ul>	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> <li>- Rotational trading up to all-time highs resistance, with expectation that sellers are active at each resistance zone first test on the way up. I do not expect to see aggressive buyers today.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Liquidation break down. Aggressive selling into support zones below. Potential to reverse the down move at each support zone if selling dries up. Aggressive target down is the 3858s strong support zone where I expect buyers on multiple timeframes to be active.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs resistance	3913.50-3910.25	
Initial key resistance	3905.75-3903.00	
Current price when report is being written		
Support	3898.50-3897.25	High volume area
Initial key support	3889.00-3885.50	
Support	3880.25	
Support	3875.50-3874.00	
Support	3869.00-3866.25	
Strong support	3862.25-3858.00	
Support	3855.25-3852.75	
Good support	3843.75-3838.50	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	19.75	100.25	51.825	22.75
24-Hour Session	28.25	146.5	78.725	24.25
Overnight Session	23.25	94.75	46.85	15
1st Hour (RTH)	15	47.25	27.925	7.75

Previous Day Reference Areas	
Close (CME)	3908.00
Cash Close (4 PM ET close. Estimated)	3909.5
High	3909.75
Low	3887
VPOC (Estimated)	3898.25

Key Economic Events
4-Week Bill Settlement
8-Week Bill Settlement
NFIB Small Business Optimism Index 6:00 AM ET
Redbook 8:55 AM ET
JOLTS 10:00 AM ET