

The Context Report | February 24, 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-neutral	Bullish above 3899.75. Neutral-bearish below 3851.75.
Intermediate-term	Bullish-neutral	Bullish above 3914.50.
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Above avg overnight volume and range. - Balanced overnight session in upper portion of yday's range and the dip into the bulk of yday's profile and initial key support was rejected. - Given yday's above avg range, potential to balance today. - Larger timeframe pattern in play today is pull-back continuation / failed breakdown. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Buyers hold support at the 3875s for push up to initial key resistance where I expect sellers first test. Likely we will balance below initial key resistance and then ultimately push for the 3914.50s zone above.
Downside scenario	<ul style="list-style-type: none"> - Sellers active form initial key resistance for push down to initial key support. I expect initial key support to hold first test. If sellers are overly aggressive, then we could have a push below initial key support but selling can shut off at the 3851.75s. If so, then expect reversal up to the 3875s. If selling remains strong below initial key support, then expect push down to the 3844s zone where I expect choppy action for the remainder of the day.

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	3931.00-3927.25	
Good resistance	3914.50-3909.00	
Initial key resistance	3899.75-3895.50	
Resistance	3892.25	
Current price when report is being written		
Support	3878.50-3875.25	
Initial key support	3864.25-3858.00	
Support	3851.75	
Support	3844.25-3839.25	
Support	3830.75-3827.50	
Support	3805.00-3799.00	
Strong support	3794.50-3791.00	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	5.00	47.75	29.75	87.50
24-Hour Session	17.25	55.50	39.23	91.25
Overnight Session	16.00	53.25	28.40	56.00
1st Hour (RTH)	3.75	35.75	16.93	45.50

Previous Day Reference Areas	
Close (CME)	3878.00
Cash Close (4 PM ET close. Estimated)	3878.25
High	3892.25
Low	3804.75
VPOC (Estimated)	3844.00

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
New Home Sales 10:00 AM ET
State Street Investor Confidence Index 10:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
Survey of Business Uncertainty 11:00 AM ET