

The Context Report | January 26, 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	3860. Bullish above. 3837.75. Neutral-bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Neutral overnight session, having sold off and then buyers reversed price and pushed up to make new overnight high this morning. - Above avg overnight range and volume. - We will be opening near the top of yday's profile and near the high of the current balance area. - Was that sell-off enough to clear buyers' anxiety and now we will push to new highs? Buyers must show us they are active and interested today. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Buyers active from open for push up to make new all-time highs. Could rotate down to initial key support first before buyers reverse price and push to new all-time highs. - Watch for strong sell response off initial key resistance as that could be indicative of reversal down to initial key support. - Sellers unable to push and hold below initial key support is indicative of strength.
Downside scenario	<ul style="list-style-type: none"> - Strong push down from the open to initial key support and market churns this area for ultimate push to test the 3816s. If momentum dies off below initial key support, can expect this area to act as a magnet for reversal up from zones below.

Key Support and Resistance Zones		
Name	Zone	Note
Initial key resistance	3860.00-3857.50	
Resistance	3853.75-3851.50	
Current price when report is being written		
Initial key support	3841.00-3837.75	
Support	3831.75-3828.50	
Support	3823.50-3821.50	
Good support	3816.25-3812.75	
Support	3806.50	
Good support	3793.75-3788.25	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	8.75	41.25	27.9	63.5
24-Hour Session	23.25	64	38.85	64.75

Overnight Session	13.5	44.25	27.725	23.25
1st Hour (RTH)	5.25	39	18	15

Previous Day Reference Areas	
Close (CME)	3848.50
Cash Close (4 PM ET close. Estimated)	3850
High	3852
Low	3788.5
VPOC (Estimated)	3848.25

Key Economic Events
FOMC Meeting Begins
Redbook 8:55 AM ET
Case-Shiller Home Price Index 9:00 AM ET
FHFA House Price Index 9:00 AM ET
Consumer Confidence 10:00 AM ET
Richmond Fed Manufacturing Index 10:00 AM ET