

The Context Report | February 18, 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 above 3937.50. Bearish below 3896.50.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Sellers active overnight from initial key resistance and pushed price down into yday's range where market will likely be opening today. - Above avg volume overnight and inventory is mostly short. - Market is currently in a pull-back and we are watching for signs of rejection to signal that the low is in. Initial key support will be key for that idea today. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Buyers push from initial key support or slightly below for initial key resistance. Expecting sellers at initial key resistance, so there could be churn there. Target up is good resistance at the 3937s where I expect sellers to be active for a smaller rotation down and balance just below that zone.
Downside scenario	<ul style="list-style-type: none"> - Sellers push and hold below initial key support for push down. Likely we will see a break below the 3896s if selling remains aggressive for a test of the 3878s good support zone where I expect buyers to be active and to reverse price for a push up towards initial key support or to balance at the day's VPOC area of the remainder of the session. - On multiple tests of the 3896s zone, watch for selling to shut off. Sellers must remain aggressive here or else we will see buyers take price up to initial key support.

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	Expecting reversal here and balance just below.
Initial key resistance	3930.00-3927.75	
Resistance	3925.00-3924.00	
Current price when report is being written		
Initial key support	3909.75-3908.25	
Support	3899.50-3896.50	
Support	3891.25-3890.00	
Good support	3884.25-3878.50	Expecting reversal here.
Support	3875.50-3874.00	
Support	3869.00-3866.25	
Strong support	3862.25-3858.00	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	5.00	47.75	27.90	33.50
24-Hour Session	17.25	57.25	35.25	35.75
Overnight Session	15.00	26.25	21.10	25.25
1st Hour (RTH)	3.75	35.75	15.53	24.25

Previous Day Reference Areas	
Close (CME)	3928.00
Cash Close (4 PM ET close. Estimated)	3928.00
High	3930.00
Low	3896.50
VPOC (Estimated)	3928.00

Key Economic Events
Housing Starts and Permits 8:30 AM ET
Jobless Claims 8:30 AM ET
Philadelphia Fed Manufacturing Index 8:30 AM ET
Import and Export Prices 8:30 AM ET
EIA Natural Gas Report 10:30 AM ET
EIA Petroleum Status Report 11:00 AM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET