

# The Context Report | February 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	Bullish-neutral	3885.50. Neutral-bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> <li>- Buyers active overnight making new all-time highs and then balancing above yday's range on below avg volume.</li> <li>- 100% long inventory and will be opening with a true gap up.</li> <li>- Market is quite extended to the upside.</li> <li>- Question for today: are buyers weak up here or still aggressive? If weak, likely a correction is going to occur.</li> </ul>	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> <li>- How buyers treat initial key support is key today. If weak buying off this zone, then expect push lower for pull-back. If strong buying off this zone, expect new all-time highs or continued balancing between initial key resistance and initial key support.</li> <li>- From the open, if there is a lot of selling into the zone, don't expect it to hold as weak long get scared out.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Strong selling takes price below initial key support, down to the 3880s support where I expect balancing to occur. If selling persists, they may take price down to support at the 3858s where I expect larger timeframe buyers to be active for a push up to the 3880s and possibly higher.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Initial key resistance	3900.50-3899.00	
Current price when report is being written		
Initial key support	3888.25-3885.50	
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)	22.25	100.25	52.125	19.75
24-Hour Session	35.75	146.5	79.475	28.25
Overnight Session	23.25	94.75	47.8	26.25

1st Hour (RTH)	13.75	47.25	27.525	17.75
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Previous Day Reference Areas	
Close (CME)	3880.25
Cash Close (4 PM ET close. Estimated)	3880
High	3888.25
Low	3868.5
VPOC (Estimated)	3880.25

Key Economic Events
Investor Movement Index 12:30 PM ET