

# The Context Report | February 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	Neutral-bearish	Bearish below 3791. Neutral-bullish above 3876.75.
Intermediate-term	Bullish-neutral	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> <li>- Well above avg volume overnight.</li> <li>- Volatile and balanced overnight session in the bottom portion of yday's range.</li> <li>- These are the kind of market conditions to be very selective in. The market is very volatile right now and swinging wildly.</li> </ul>	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> <li>- Market chops from the open and pushes up into the 3858s resistance. Sellers expected there first test for rotation down to the 3830s. If aggressive buying into this zone, expecting push above for test of initial key resistance where I expect sellers to be active first test for push down to the 3830s area or the day's VPOC for balancing for the remainder of the session. I doubt buyers can push above initial key resistance zone, but who knows in these conditions.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Sellers active from resistance zones above or from open for push down through the 3799s good support for test of strong support at the 3791s. There is potential for selling to shut off at the 3799s, but that is unlikely given the numerous tests overnight, but I will be watching for that. I expect larger timeframe buyers to be active off the 3791s strong support zone for reversal up to the 3830s and higher. I do not expect a break below the 3791s zone to be sustained. There may be some slippage through the strong support zone is selling is aggressive.</li> </ul>

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	
Resistance	3937.50-3934.25	
Resistance	3927.50-3922.00	
Good resistance	3909.00-3903.00	
Initial key resistance	3876.75-3869.75	
Resistance	3858.75-3851.75	
Resistance	3830.00	
Current price when report is being written		
Support	3810.50	
Good support	3805.00-3799.00	
Initial key 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	87.50	39.20	111.50
24-Hour Session	17.25	91.25	49.08	124.25
Overnight Session	16.50	56.00	34.75	31.25
1st Hour (RTH)	3.75	45.50	19.10	26.50

Previous Day Reference Areas	
Close (CME)	3828.00
Cash Close (4 PM ET close. Estimated)	3826.50
High	3921.75
Low	3810.25
VPOC (Estimated)	3830.00

Key Economic Events
International Trade in Goods (Advance) 8:30 AM ET
Personal Income and Outlays 8:30 AM ET
Retail Inventories (Advance) 8:30 AM ET
Wholesale Inventories (Advance) 8:30 AM ET
Chicago PMI 9:45 AM ET
Consumer Sentiment 10:00 AM ET
Baker Hughes Rig Count 1:00 PM ET
Farm Prices 3:00 PM ET