

The Context Report | February 10, 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	3906.50. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Non-stop buying. Breakout overnight on well below avg volume. 100% long inventory overnight. - Market is due for a pull-back, but if buyers remain aggressive, we will continue to see higher prices or at least balancing. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Buyers active at initial key support and overcome sellers for a choppy push up and ultimately a short squeeze against initial key resistance. If buyers hold the 3915s zone, then market is strong and expect new all-time highs.
Downside scenario	<ul style="list-style-type: none"> - Strong break below initial key support and I expect an overly aggressive liquidation break that would be unwise to fade. Ensure you don't see absorption/selling shut off at the 3906.50 support otherwise expect reversal.

Key Support and Resistance Zones		
Name	Zone	Note
Initial key resistance	3924.50-3921.75	
Current price when report is being written		
Support	3916.50-3915.50	
Initial key support	3913.25-3909.00	
Support	3906.50	
Support	3902.50	
Support	3897.25-3894.75	
Good support	3889.00-3885.50	
Support	3880.25	
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)	19.75	100.25	47.75	17.25
24-Hour Session	24.25	146.5	74.675	18.25
Overnight Session	15	94.75	46.025	16
1st Hour (RTH)	7.75	47.25	27.2	12.5

Previous Day Reference Areas	
Close (CME)	3905.50
Cash Close (4 PM ET close. Estimated)	3906.5
High	3912.25
Low	3895
VPOC (Estimated)	3906.5

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
CPI 8:30 AM ET
Atlanta Fed Business Inflation Expectations 10:00 AM ET
Wholesale Inventories (Preliminary) 10:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
Treasury Statement 2:00 PM ET