

The Context Report | March 02, 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	Bullish above the 3908.50. Bearish below 3852.25.
Intermediate-term	Bullish-neutral	Bullish above 3908.50.
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Below avg overnight volume and mostly balanced session chopping around in yday's range. - Yday's breakout and up move may need to be digested today. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Chop around the 3897s for test of initial key resistance. I expect sellers to be active there first test. If sellers are weak off that zone, expect ultimate push above initial key resistance. Will need to see sustained upside momentum for that move to be successful. Target above initial key resistance is the 3937.50s good resistance zone where I expect sellers to be active for reversal down and balance for the remainder of the session.
Downside scenario	<ul style="list-style-type: none"> - Sellers active at initial key resistance for push down to the 3871s support zone. A strong push down after a failure to test initial key resistance is also something to look for. If selling shuts off at the 3866s support zone, likely to reverse for the 3897s. Otherwise expect a test of initial key support where I expect buyers to be active and for the downside to be capped for reversal up to the 3897s. If somehow market break below initial key support on strong selling, expecting liquidation push down to the 3827s.

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	Target up
Resistance	3927.50-3922.00	
Initial key resistance	3912.00-3908.50	
Current price when report is being written		
Support	3876.25	
Support	3871.25-3866.00	
Initial key support	3858.75-3852.25	Target down
Support	3839.75-3834.00	
Support	3827.50-3822.50	
Support	3805.00-3799.00	
Good support	3791.00-3784.75	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	5.00	111.50	50.70	54.00
24-Hour Session	17.25	124.25	60.77	99.50
Overnight Session	16.50	56.00	37.83	46.50
1st Hour (RTH)	3.75	66.75	26.02	28.50

Previous Day Reference Areas	
Close (CME)	3898.75
Cash Close (4 PM ET close. Estimated)	3896.75
High	3912.00
Low	3858.00
VPOC (Estimated)	3897.75

Key Economic Events	
Motor Vehicle Sales	
Redbook 8:55 AM ET	