

# The Context Report | February 23, 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	Bearish	Neutral-bullish above 3876.50.
Intermediate-term	Bullish-neutral	Bullish above 3914.50.
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> <li>- Breakdown overnight in line with the overnight downside scenario.</li> <li>- Above avg overnight volume and range.</li> <li>- Overnight low is at good support. Expecting that area to attract buyers again today.</li> </ul>	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> <li>- Buyers active from the open for a push through initial key resistance to fill the true gap at yday's low. Buyers push into the 3876s resistance zone and I expect sellers to be active there first test for a push down and the day will balance between this zone and initial key resistance with potential to push below initial key resistance.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Sellers active from initial key resistance for push down into initial key support where I expect buyers first test for reversal up. If sellers are overly aggressive and retest the initial key support zone, likely it will break and expecting a test of the 3829s support zone, where buyers are likely to reject and we will see a quick reversal. At this zone, watch for selling to dry up. If sellers are still overly aggressive into the 3829s, best to stand aside and let liquidation happen. Below the 3829s is the 3807s good support zone where I expect buyers to scoop up price as a deal.</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	
Good resistance	3937.50-3934.25	
Resistance	3931.00-3927.25	
Good resistance	3914.50-3909.00	
Resistance	3899.75-3895.50	
Resistance	3876.50-3873.00	
Resistance	3870.00	
Initial key resistance	3862.25-3858.00	
Current price when report is being written		
Initial key support	3843.75-3838.50	
Support	3832.00-3829.50	
Support	3821.25-3818.25	
Good support	3812.00-3807.75	
Support	3804.25-3799.00	
Strong 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	47.75	29.10	29.25
24-Hour Session	17.25	55.50	36.33	53.25
Overnight Session	15.00	42.75	24.57	53.25
1st Hour (RTH)	3.75	35.75	15.82	18.75

Previous Day Reference Areas	
Close (CME)	3873.50
Cash Close (4 PM ET close. Estimated)	3874.00
High	3899.25
Low	3870.00
VPOC (Estimated)	3876.25

Key Economic Events
Redbook 8:55 AM ET
Case-Shiller Home Price Index 9:00 AM ET
FHFA House Price Index 9:00 AM ET
Consumer Confidence 10:00 AM ET
Richmond Fed Manufacturing Index 10:00 AM ET
Money Supply 1:00 PM ET