

The Context Report | February 25, 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 above 3927.50. Bearish below 3892.25.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trading Scenarios	
Context Summary	
<ul style="list-style-type: none"> - Balancing and rotation session overnight on avg volume after yday's up move. - Larger term pattern in play right now is pull-back continuation. 	
Scenario	Expectation
Upside scenario	<ul style="list-style-type: none"> - Buyers active from initial key support (may push slightly below this zone) for push up into initial key resistance. On aggressive buying, will expect a small bounce off initial key resistance and then a push above for higher prices. The 3937.50s resistance zone can bring in sellers but is unlikely to hold on aggressive buying. On weak buying into both zones, expect a rotation down and then balance for the remainder of the session.
Downside scenario	<ul style="list-style-type: none"> - Sellers active from the open for push into initial key support. Buyers expected to defend this area and can expect some choppy action around this zone as a fight ensues. If buyers can't push price above the 3910s off here, expect a push below initial key support for rotational trading around the 3876s.

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	
Initial key resistance	3927.50-3922.00	
Resistance	3910.25	
Current price when report is being written		
Initial key support	3899.75-3892.25	
Support	3876.75	
Good support	3860.75-3852.25	
Support	3851.75	
Support	3844.25-3839.25	
Support	3830.75-3827.50	
Support	3805.00-3799.00	
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	87.50	36.77	72.00
24-Hour Session	17.25	91.25	46.52	75.75
Overnight Session	16.50	56.00	32.40	44.75
1st Hour (RTH)	3.75	45.50	20.23	24.50

Previous Day Reference Areas	
Close (CME)	3922.50
Cash Close (4 PM ET close. Estimated)	3921.50
High	3927.50
Low	3855.50
VPOC (Estimated)	3922.00

Key Economic Events
Durable Goods Orders 8:30 AM ET
GDP 8:30 AM ET
Jobless Claims 8:30 AM ET
Pending Home Sales Index 10:00 AM ET
EIA Natural Gas Report 10:30 AM ET
Kansas City Fed Manufacturing Index 11:00 AM ET
Fed Balance Sheet 4:30 PM ET