

The Context Report ^{BETA} | December 28, 2020

Daily Context Analysis and Strategy for the E-Mini S&P500 Futures

Bias / Directional Inclination / Control		
Timeframe	Bias	Line in the Sand
Short-term	Bullish-neutral	3722.75. Bullish above. 3694.75. Bearish-neutral below.
Intermediate-term	Neutral-bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Opening with true gap up, near the high of the larger term balance area. Overnight made new all-time highs, but barely. - Can buyers push and hold new all-time highs above the overnight high to then balance or will we see a pullback today? 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - If buyers hold the 3714s support, likely we will see new all-time highs today. For price to be sustained up at these levels, we would want to see strong upside price action and sustained upside momentum otherwise, can expect sellers to be active and potentially overpower buyers for rotation down.
Downside scenario	<ul style="list-style-type: none"> - On a failure above initial key resistance, expecting sellers to push price down to initial key support and possibly lower on strong downside price action and/or sustained downside momentum. Downside target would be the 3686s volume zone. - Buyers are expected at initial key support first test, for a push up to at least the 3717s, but this is not an area to fade if there is strong selling coming off the highs.

Key Support and Resistance Zones		
Name	Zone	Note
Initial key resistance	3726.75-3722.75	
Current price when report is being written		
Support	3714.50-3710.00	
Initial key support	3701.75-3694.75	
Key volume area	3688.50-3686.00	
Support	3681.25-3676.25	
Support	3668.75-3664.00	
Support	3659.00-3650.75	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	15	69.25	35.7	16.25
24-Hour Session	24.5	128	49.575	19.5

Overnight Session	17.75	128	39.775	18
1st Hour (RTH)	9.75	45.75	19.475	7

Previous Day Reference Areas	
Close (CME)	3695.00
Cash Close (4 PM ET close. Estimated)	3692.75
High	3696
Low	3679.75
VPOC (Estimated)	3688.5

Key Economic Events
Dallas Fed Manufacturing Survey 10:30 AM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET