

The Context Report ^{BETA} | December 18, 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 | 3699.25. Bearish below. |
| Intermediate-term | Bullish | |
| Long-term | Bullish | |

| Context and Trade Plan | |
|--|---|
| Context Summary | |
| <ul style="list-style-type: none"> - Overnight tested below yday's low and buyers stepped in to make new all-time highs on below avg volume. Inventory is balanced. - Likely going to be opening in yday's range, in short-term balance just below all-time highs. - Seems like the market is getting overbought in the short-term and needs a break before rally can continue. Initial key resistance is key for that idea. - Quadruple witching today, so price action can be wild. | |
| Scenarios | Details and Conditions |
| Upside scenario | <ul style="list-style-type: none"> - If buyers can hold support at the 3711s and initial key support and we see a upside momentum off here, likely to make new all-time highs. - If momentum wanes and price action is not aggressive to upside at initial key resistance, sellers expect to enter first test for push down and possibly liquidation break down to below initial key support. Watch momentum off this zone. |
| Downside scenario | <ul style="list-style-type: none"> - Buyers expected at initial key support first test. If aggressive downside price action and/or sustained downside momentum into this zone, do not fade as will be expecting liquidation break below initial key support. - On a break below initial key support, look for a flip of the zone with downside momentum for a push as far as sellers can take it and then exit. Not looking to fade unless momentum dies off to downside and price action becomes sluggish at a zone. |

| Key Support and Resistance Zones | | |
|--|-----------------|------|
| Name | Zone | Note |
| Initial key resistance | 3723.00-3717.25 | |
| Current price when report is being written | | |
| Support | 3713.00-3711.00 | |
| Initial key support | 3706.25-3699.25 | |
| Support | 3694.25-3691.50 | |
| Support | 3683.00-3676.50 | |
| Support | 3671.00-3668.00 | |

| Volatility Analysis | | | | |
|-----------------------|-----|-----|----------|--------------|
| Minimum Stop Size | | | 5 points | |
| 10-Day Range Analysis | | | | |
| | Min | Max | Avg | Previous Day |

| | | | | |
|-----------------------------|-------|-------|--------|-------|
| Regular Trading Hours (RTH) | 15 | 54 | 32.55 | 15 |
| 24-Hour Session | 24.5 | 55.25 | 40.625 | 25.75 |
| Overnight Session | 13.75 | 46.25 | 26.175 | 25.75 |
| 1st Hour (RTH) | 6.5 | 31.5 | 15.05 | 11.75 |

| Previous Day Reference Areas | |
|---------------------------------------|---------|
| Close (CME) | 3712.75 |
| Cash Close (4 PM ET close. Estimated) | 3713 |
| High | 3717 |
| Low | 3702 |
| VPOC (Estimated) | 3712.75 |

| Key Economic Events |
|-----------------------------------|
| Current Account 8:30 AM ET |
| Leading Indicators 10:00 AM ET |
| Baker Hughes Rig Count 1:00 PM ET |