

# The Context Report | January 13, 2021

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

Bias / Directional Inclination / Control		
Timeframe	Bias	Line in the Sand
Short-term	Neutral	3810.75. Bullish-neutral above. 3764. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Sellers active overnight. Overnight range was contained in yday's range on below avg volume.</li> <li>- Will balance continue today?</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- Buyers active from open off initial key support area (which is really the 3764s to 3776s) for push up to the 3797s resistance zone and then initial key resistance where I expect sellers to be active first test.</li> <li>- We would need to see strong upside price action and/or sustained upside momentum to see a break above initial key resistance.</li> <li>- If buyers cannot test initial key resistance or cannot hold the 3797s, expecting sellers to take price down to initial key support and possibly below depending on real-time action.</li> <li>- Above initial key resistance, there is potential for new all-time highs or balance above initial key resistance as long as buyers can maintain strength.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Expecting buyers at initial key support first test for reversal up to the 3797s area.</li> <li>- To see a break below initial key support, we would need to see strong downside price action and/or sustained downside momentum.</li> <li>- Below initial key support, I would not be looking to fade anything.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs	3824.00-3817.25	
Initial key resistance	3810.75-3802.50	
Resistance	3797.00-3793.75	Volume area of current range
Current price when report is being written		
Initial key support	3772.50-3764.00	
Support	3751.25-3746.75	
Support	3742.50-3740.50	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	15.5	107.5	44.8	35.25

24-Hour Session	3.5	120.75	51.775	38.75
Overnight Session	3.5	49.25	27.5	20.75
1st Hour (RTH)	8.25	48.75	24.125	20.25

Previous Day Reference Areas	
Close (CME)	3794.50
Cash Close (4 PM ET close. Estimated)	3791.75
High	3803.25
Low	3768
VPOC (Estimated)	3793

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
CPI 8:30 AM ET
Atlanta Fed Business Inflation Expectations 10:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
Beige Book 2:00 PM ET
Treasury Statement 2:00 PM ET