

# The Context Report <sup>BETA</sup> | December 29, 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	3729. Neutral below. 3722.50. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Buyers active overnight, breaking out above yday's high to make new all-time highs.</li> <li>- Will likely be a true gap up opening out of balance.</li> <li>- Holidays still, so do not be aggressive.</li> <li>- Will we see a pullback today? Is the market overbought in the short-term?</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- If buyers hold price above the 3738s support zone, buyers still strong and likely new all-time highs will occur but assess real-time price action and momentum to determine if buyers are aggressive. If buyers are not aggressive, then a short can be taken at initial key resistance with idea that the market is overbought in the short-term and needs a liquidation break down.</li> <li>- Expecting buyers first test of initial key support for rotation up. Off this zone, there is potential for balance within the overnight range.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- On strong downside price action and/or sustained downside momentum, expecting sellers to take price below initial key support down to good support at the 3725s. I expect buyers to be active first test. If strong downside price action and/or sustained downside momentum into this zone, do not fade. Below good support, I expect buyers to be active at the 3717s first test, but do not fade a falling knife. Watch for waning selling pressure down here.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Initial key resistance	3747.75-3745.00	
Current price when report is being written		
Support	3738.75-3736.50	
Initial key support	3732.50-3729.00	
Good support	3725.00-3722.50	
Support	3717.00-3713.50	
Support	3701.75-3694.75	
High volume area	3688.00-3686.00	

Volatility Analysis	
Minimum Stop Size	5 points
10-Day Range Analysis	

	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	15	69.25	33.9	16.25
24-Hour Session	19.5	128	47.8	56.25
Overnight Session	17.75	128	38.45	50.5
1st Hour (RTH)	7	45.75	17.025	11.25

Previous Day Reference Areas	
Close (CME)	3727.50
Cash Close (4 PM ET close. Estimated)	3728.5
High	3732.25
Low	3716
VPOC (Estimated)	3727.5

Key Economic Events
Redbook 8:55 AM ET
Case-Shiller House Price Index 9:00 AM ET