

The Context Report | January 19, 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	Bullish-neutral	3780. Neutral-bearish below. 3798.25. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Larger up move overnight. Will be opening with true gap up. - Buyers pushed price up to the major resistance area and held. We're balancing just below that area now. - Buyers in control, but can they absorb the selling off initial key resistance, or do we need a pullback below initial key support? 	
Scenarios	Details
Upside scenario	<ul style="list-style-type: none"> - Buyers expected to hold initial key support for rotation up to initial key resistance and likely above. We would need to see strong upside price action and sustained upside momentum to break above initial key resistance for a further push higher otherwise, expecting rotational trading around initial key resistance down to initial key support.
Downside scenario	<ul style="list-style-type: none"> - Buyers fail above the 3792s resistance and/or we see strong selling come in off that zone or initial key resistance for a break below initial key support to test the 3774s and possibly lower support where buyers may be active on first test for short-term reversal back to the day's VPOC and higher. On lack luster selling off initial key resistance or the 3792s, expecting further balancing between initial key support and initial key resistance.

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs	3824.50-3823.50	
Resistance	3820.75	
Resistance	3817.75-3814.50	
Resistance	3805.75-3803.25	
Initial key resistance	3798.25-3795.00	
Resistance	3792.50-3791.00	
Current price when report is being written		
Initial key support	3782.75-3780.00	
Support	3768.00-3765.00	
Support	3760.50-3758.00	
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)	29.5	107.5	48.4	8.75
24-Hour Session	31.5	120.75	58.475	28.5
Overnight Session	13.5	49.25	31.175	26.5
1st Hour (RTH)	9.25	48.75	27.35	5.25

Previous Day Reference Areas	
Close (CME)	3762.25
Cash Close (4 PM ET close. Estimated)	3768.5
High	3769
Low	3760.25
VPOC (Estimated)	3766

Key Economic Events
Treasury International Capital 4:00 PM ET