

The Context Report ^{BETA} | December 11, 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	Bearish	3645.75. Neutral above. 3662.25. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Mostly short inventory. Above average ON range. Based on metrics, ES has ~82% chance to break the high/low today. - Sellers were active overnight, testing below strong support. Buyers found at the 3633s volume area of a prior range and rejection occurred into where price is trading now. - Morning trading will be key today with the remainder of the day's bias and pace set in the morning, IMO. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Responsive buyers active from initial key resistance or initial key support for rotation up to yday's VPOC, bounce, and then push and balance in yday's upper range around the 3675s area. Look for a long flip of initial key resistance or a long at initial key support. If buyers cannot push price above the overnight midpoint at around the 3651s, exit long and reassess.
Downside scenario	<ul style="list-style-type: none"> - Buyers not active at initial key resistance and sellers push price down through initial key support on aggressive selling with momentum for test lower. If buyers cannot push above initial key resistance, look for a short. On clear and strong break below initial key support with sustained downside momentum, look for a short. - Nothing to fade below initial key support.

Key Support and Resistance Zones		
Name	Zone	Note
Resistance	3715.25-3713.25	
Resistance	3710.50-3708.75	
Resistance	3702.00-3697.50	
Good resistance	3694.00-3689.25	
Resistance	3681.50-3678.50	
Resistance	3675.00-3668.50	
Resistance	3662.25-3658.00	
Initial key resistance	3645.75-3641.50	
Current price when report is being written		
Initial key support	3633.25-3625.25	
Support	3611.75-3606.75	
Strong support	3599.00-3592.25	

Volatility Analysis	
Minimum Stop Size	5 points

10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	16.5	51	30.525	34.5
24-Hour Session	26.75	59.75	40.25	37.25
Overnight Session	13.75	49.25	27.575	31
1st Hour (RTH)	6.5	32	16.25	32

Previous Day Reference Areas	
Close (CME)	3668.50
Cash Close (4 PM ET close. Estimated)	3668.25
High	3678.5
Low	3644
VPOC (Estimated)	3668.5

Key Economic Events
PPI-Final Demand 8:30 AM ET
Consumer Sentiment 10:00 AM ET
Baker Hughes Rig Count 1:00 PM ET