

The Context Report | January 12, 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	3824. bullish above. 3774. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> Balance overnight in yday's session on below average volume. Price is winding up around the current range's VPOC and a larger move could be in the works. I'd suspect that if this morning's trading is directional, that will be the sustained direction for the day. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> Expecting sellers at the 3810s resistance zone first test. On buyer strength, do not fade this zone. On a break above here, potential for strong move up, so watch for strong upside price action and/or sustained upside momentum. On waning buying above the 3810s, I expect sellers to be active at initial key resistance for a reversal down to the 3795s area.
Downside scenario	<ul style="list-style-type: none"> Expecting buyers at the 3785s first test. On seller strength, do not fade this zone. On a break below here, potential for strong move down, so watch for strong downside price action and/or sustained downside momentum. On waning selling below the 3785s, expecting buyers to defend initial key support first test for reversal back to the 3795s.

Key Support and Resistance Zones		
Name	Zone	Note
Initial key resistance	3824.00-3817.25	
Resistance	3810.25-3804.50	
Current price when report is being written		
Volume area	3795.00	
Support	3790.50-3785.50	
Initial key support	3781.00-3774.00	
Support	3766.00-3761.25	
Support	3746.75-3740.25	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	15.5	107.5	43.475	29.5
24-Hour Session	3.5	120.75	52.975	44.25
Overnight Session	3.5	50.5	28.125	44.25
1st Hour (RTH)	7	48.75	22.65	21.75

Previous Day Reference Areas	
Close (CME)	3792.00
Cash Close (4 PM ET close. Estimated)	3789.75
High	3810.5
Low	3781
VPOC (Estimated)	3794.5

Key Economic Events
NFIB Small Business Optimism Index 6:00 AM ET
Redbook 8:55 AM ET
JOLTS 10:00 AM ET