

# The Context Report | January 20, 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	3786.25. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Buyers active overnight, holding above the 3794s area.</li> <li>- 100% long inventory, so we might get an initial surge down around the open, and if that does not happen, expect a push up.</li> </ul>	
Scenarios	Details
Upside scenario	<ul style="list-style-type: none"> <li>- Buyers continue to push higher potentially making new all-time highs. Resistance zones will be areas to flip on strong upside price action and sustained upside momentum.</li> <li>- On a break above initial key resistance, if buyers fail to hold the zone, expecting push down to the 3794s and initial key support.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Sellers active off initial key resistance for a push down to initial key support where I expect buyers for a short-term reversal on first test. If sellers fail to push and hold below the 3797s/3794s, then expect a push back up to initial key resistance and likely a break above.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs	3824.50-3823.50	
Resistance	3820.75	
Resistance	3817.75-3814.50	
Initial key resistance	3809.25-3804.25	
Current price when report is being written		
Support	3797.25	
Support	3794.00	Key volume area
Initial key support	3791.50-3786.25	
Support	3775.00-3772.25	
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)	8.75	79	38.525	24.75

24-Hour Session	28.5	89.25	49.25	29.25
Overnight Session	13.5	49.25	30.325	28.5
1st Hour (RTH)	5.25	48.75	24.5	17.5

Previous Day Reference Areas	
Close (CME)	3790.50
Cash Close (4 PM ET close. Estimated)	3790.5
High	3797
Low	3772.25
VPOC (Estimated)	3793

Key Economic Events
Presidential inauguration
MBA Mortgage Applications 7:00 AM ET
Redbook 8:55 AM ET
Housing Market Index 10:00 AM ET