

# The Context Report <sup>BETA</sup> | January 07, 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	3774.50. Bullish above. 3728.25. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Balanced overnight session in upper portion of yday's large range.</li> <li>- Will we see new all-time highs today or does the market need to digest the move from yesterday? The short-term could be overbought and we may need a pull-back before the rise continues.</li> <li>- Expecting to see two-sided trading today and we may balance in-between initial key resistance and initial key support. Real-time situation is key.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- Buyers expected to push to new all-time highs on any strength, so no fades on strength.</li> <li>- If buyers cannot push and hold above the 3767s, the idea is that the market is overbought, and we will see a pull-back down to initial key support.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Buyers expected at initial key support first test. Expecting rotation up to the 3750s and higher from here.</li> <li>- If buyers can hold the 3740s support zone, buyers are strong and can expect a push up to initial key resistance.</li> <li>- Any push down with sustained downside momentum to initial key support, the zone is likely to break and will be expecting push down to the 3685s support zone as long as selling holds strong.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Initial key resistance	3774.50-3770.50	
Resistance	3767.25-3764.00	
Current price when report is being written		
Support	3746.75-3740.25	
Initial key support	3734.50-3728.25	
Volume area	3709.00	
Support	3695.75-3685.25	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	15.5	107.5	38.7	79
24-Hour Session	3.5	120.75	43.175	89.25

Overnight Session	3.5	50.5	26.475	49.25
1st Hour (RTH)	7	45.75	18.825	48.75

Previous Day Reference Areas	
Close (CME)	3740.50
Cash Close (4 PM ET close. Estimated)	3739.75
High	3774.75
Low	3695.75
VPOC (Estimated)	3740

Key Economic Events
Challenger Job-Cut Report 7:30 AM ET
International Trade in Goods and Services 8:30 AM ET
Jobless Claims 8:30 AM ET
ISM Services Index 10:00 AM ET
EIA Natural Gas Report 10:30 AM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET