

The Context Report ^{BETA} | December 08, 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	Neutral	3662.75. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Push down overnight to test key support area around 3668s. - 100% short inventory, above average overnight range, and volume. - Off the 3668s, expectation is for a continued push higher. If that does not occur, potential for sellers to enter and push price down below the 3668s for test of the 3657s, 3646s. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Buyers active at initial key support first test for push up to initial key resistance. If buyers fail to push and hold above the 3679s zone, potential for break below initial key support on strong downside price action. Since initial key support has been tested overnight, if this failure occurs before first test in RTH and strong downside price action occurs into initial key support, look to fade at the back of the zone or wait for failure below. - Expecting sellers at initial key resistance first test. If strong upside price action, potential for balance here or continued push higher. On strong upside price action, wait for failure above back of zone. Off initial key resistance, targets should be nimble if market is balancing. - No long on flip of the 3679s zone unless momentum is clearly sustained to the upside as this area could just balance and churn.
Downside scenario	<ul style="list-style-type: none"> - If strong downside price action into initial key support, look for long at the back of the zone or wait for failure below. On a clear break below with momentum, then look for a flip of the zone down to support below (3657s and then 3646s). At either of the zones, buyers can reverse the short-term direction, but the 3646s is better support.

Key Support and Resistance Zones		
Name	Zone	Note
Resistance	3705.00-3700.00	
Initial key resistance	3693.00-3687.50	
Resistance	3679.75-3674.50	
Current price when report is being written		
Initial key support	3669.00-3662.75	
Support	3657.75-3655.00	
Strong support	3646.50-3640.00	

Volatility Analysis	
Minimum Stop Size	5 points

10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	16.5	45.5	28.975	19.25
24-Hour Session	26.75	65	41.35	32.75
Overnight Session	14.5	49.25	30.425	32.75
1st Hour (RTH)	6.5	27.75	16.475	6.5

Previous Day Reference Areas	
Close (CME)	3690.75
Cash Close (4 PM ET close. Estimated)	3692
High	3696.5
Low	3677.25
VPOC (Estimated)	3694

Key Economic Events
NFIB Small Business Optimism Index 6:00 AM ET
Productivity and Costs 8:30 AM ET
Redbook 8:55 AM ET