

# The Context Report | January 22, 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	Bearish-neutral	3832.25. Bullish above. 3811.25. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Sellers active overnight on above avg volume.</li> <li>- Opening with a gap down and the breakout area of the previous balance area is being challenged. The onus is on buyers to be active, otherwise the breakout failed, and I expect selling to drive price down today.</li> </ul>	
Scenarios	Details
Upside scenario	<ul style="list-style-type: none"> <li>- Strong buyers come in from initial key support and push and hold above initial key resistance for continued push up.</li> <li>- Any failure to break and hold initial key resistance is not good for buyers.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Buyers cannot push above initial key resistance off initial key support and market sells off below initial key support.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs	3860.00-3857.50	
Resistance	3853.75	
Resistance	3849.25-3845.50	
Resistance	3840.25-3836.50	
Initial key resistance	3831.25-3824.50	
Current price when report is being written		
Initial key support	3817.75-3811.25	
Support	3804.00-3801.50	
Good support	3793.75-3788.25	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	8.75	48.25	32.75	17.25
24-Hour Session	28.5	64	43.975	23.25
Overnight Session	13.5	44.25	27.8	19.75
1st Hour (RTH)	5.25	39	20.725	16

Previous Day Reference Areas	
Close (CME)	3846.00

Cash Close (4 PM ET close. Estimated)	3846
High	3853.75
Low	3836.5
VPOC (Estimated)	3845.25

Key Economic Events
PMI Composite Flash 9:45 AM ET
Existing Home Sales 10:00 AM ET
EIA Natural Gas Report 10:30 AM ET
EIA Petroleum Status Report 11:00 AM ET
Baker Hughes Rig Count 1:00 PM ET