

The Context Report ^{BETA} | December 16, 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	Bullish-neutral	3688.25. Neutral below. 3678. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Breakout overnight above yday's high on below avg volume and mostly long inventory. - FOMC meeting today, so potential for balancing session into 2 PM ET. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Expecting buyers at initial key support first test for push up to initial key resistance. If there is upside momentum to the move, buyers do not have to stop there, and new highs could be made. Sellers are expected to be active at initial key resistance first test and that could lead to rotation down to initial key support.
Downside scenario	<ul style="list-style-type: none"> - If there is downside momentum, then potential to break below initial key support. If momentum continues to the downside, could see break below the 3678s as well and liquidation down to support below, which I will not be fading until there is a momentum shift (3668s is decent support for fade). If momentum wanes below initial key support, expecting buyers at the 3678s for potential push back up above initial key support.

Key Support and Resistance Zones		
Name	Zone	Note
Resistance	3708.00-3705.75	
Initial key resistance	3702.50-3700.50	
Current price when report is being written		
Initial key support	3692.00-3688.25	
Support	3681.25-3678.00	
Support	3671.00-3668.00	
Support	3659.50-3657.50	Key volume area
Support	3654.25-3649.50	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	19.25	54	34.45	36.25
24-Hour Session	26.75	55.25	41.325	52.25
Overnight Session	13.75	46.25	25.475	32.25
1st Hour (RTH)	6.5	31.5	15.525	13.5

Previous Day Reference Areas	
Close (CME)	3687.00
Cash Close (4 PM ET close. Estimated)	3688
High	3688.5
Low	3652.25
VPOC (Estimated)	3659

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
Retail Sales 8:30 AM ET
PMI Composite Flash 9:45 AM ET
Business Inventories 10:00 AM ET
Housing Market Index 10:00 AM ET
Atlanta Fed Business Inflation Expectations 10:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
FOMC Announcement 2:00 PM ET
Fed Chair Press Conference 2:30 PM ET