

The Context Report | January 14, 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	Neutral	3820.75. Bullish above. 3793.75. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Balanced overnight session in the upper part of yday's range on below avg volume. - We are trading at the upper end of the current range and just below new all-time highs. - Will we see new all-time highs today or a pullback? 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - I expect sellers at initial key resistance on first test. On strong upside price action and/or sustained upside momentum, expecting buyers to break above and hold initial key resistance for new all-time highs. - Off initial key resistance, expecting sellers to be able to push down to initial key support. If sellers cannot push below the 3803s support, potential for break above initial key resistance.
Downside scenario	<ul style="list-style-type: none"> - If buyers hold the 3803s, that is a sign of strength and we are likely to test initial key resistance and possibly above. - I expect buyers first test at initial key support, but if strong downside price action and/or sustained downside momentum into this zone, do not fade as this area can chop given it is an area of high volume.

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs	3824.50-3823.50	
Initial key resistance	3820.75-3816.25	
Current price when report is being written		
Support	3806.25-3803.25	
Initial key support	3795.75-3790.00	
Support	3782.75	
Support	3779.75-3774.25	
Good support	3768.25-3763.75	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	15.5	107.5	46.7	30.75
24-Hour Session	3.5	120.75	52.325	37
Overnight Session	3.5	49.25	27.7	28.5
1st Hour (RTH)	8.25	48.75	25.025	15

Previous Day Reference Areas	
Close (CME)	3803.75
Cash Close (4 PM ET close. Estimated)	3802
High	3813.5
Low	3782.75
VPOC (Estimated)	3805

Key Economic Events
Jobless Claims 8:30 AM ET
Import and Export Prices 8:30 AM ET
EIA Natural Gas Report 10:30 AM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET