

The Context Report | January 11, 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. 3770.75. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - New highs made above Friday's high and then sellers stepped in and pushed price down to the 3794s area of high volume of the latest range. Sellers in control in the short-term, but short-term bias is neutral. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Expecting sellers at initial key resistance first test. To see a break and hold above here, would need to see strong upside price action and/or sustained upside momentum. - On a push and hold above initial key resistance expecting a test of resistance zones above and there I expect sellers to be active first test and would need to again see strong buying action for a break to new all-time highs.
Downside scenario	<ul style="list-style-type: none"> - Can expect chop at the 3790s support zone given both sides expected to be active here. - Below the 3790s, expecting buyers at initial key support on first test for a reversal back up to the 3790s and possibly above. Will not be fading strong downside price action and/or sustained downside momentum into this zone. - Below initial key support, breakout from previous larger range is invalidated and will be expecting continued push down as larger timeframe sellers enter. - If there is a lack of selling pressure into the 3782s, can also expect buyers to be active there first test for reversal up, but the lack of selling must be pronounced. Buyers should be able to push and hold above the 3790s off here, otherwise will be expecting push down.

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs	3824.50-3822.75	
Resistance	3820.75-3816.25	
Initial key resistance	3810.25-3804.50	
Current price when report is being written		
Support	3794.50-3790.00	
Support	3785.75-3782.25	
Initial key support	3777.50-3770.75	
Support	3766.00-3761.25	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	15.5	107.5	41.375	48.25
24-Hour Session	3.5	120.75	50.1	48.25
Overnight Session	3.5	50.5	27.425	25
1st Hour (RTH)	7	48.75	21.275	23.5

Previous Day Reference Areas	
Close (CME)	3817.50
Cash Close (4 PM ET close. Estimated)	3817.25
High	3823.25
Low	3775
VPOC (Estimated)	3809.75

Key Economic Events