

The Context Report ^{BETA} | December 23, 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	3700. Bullish above. 3664.75. Bearish-neutral below.
Intermediate-term	Neutral-bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Above avg range and volume overnight. Could lead to volatility today. - Lots of economic activity today. - Last full trading day of the week. - Opening in range/slightly above and in balance. - Overnight sellers were active from the start and tested below the 3660s volume node. Sellers failed and buyers stepped in and took price up to where we are trading now. - Question today: can buyers continue the up move to break above initial key resistance or will we see more balancing? 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Buyers active from the open or the 3685s-3681s for push up into initial key resistance. On strong price action from the open or on sustained upside momentum, expecting buyers to be able to push above this zone, otherwise expecting sellers to overpower buyers here for rotation down.
Downside scenario	<ul style="list-style-type: none"> - Sellers active at initial key resistance for rotation down to initial key support after some chop around the 3681s-3687s. Buyers expected to be active at initial key support first test for rotation back up to the 3681s-3687s and possibly initial key support.

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs	3723.00-3717.25	
Resistance	3712.75-3706.25	
Initial key resistance	3700.00-3693.00	
Resistance	3686.00	High volume area.
Current price when report is being written		
Support	3681.00	High volume area.
Initial key support	3671.00-3664.75	
Support	3655.25-3650.75	
Support	3627.25-3617.25	
Support	3606.00-3595.75	
Strong support	3591.75-3585.00	
Good support	3581.00-3576.00	
Support	3563.50-3560.50	
Support	3541.50-3535.25	
Support	3529.25-3523.25	
Support	3512.25-3506.25	

Strong support	3499.75-3492.25	
Support	3486.75-3482.50	
Support	3473.50-3469.00	
Good support	3453.00-3444.25	
Good support	3427.50-3416.25	
Good support	3275.75-3264.50	
Strong support	3199.50-3190.75	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis – Having technical issues that will finally be resolved tonight				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)			~32.55	
24-Hour Session			~40.625	
Overnight Session			~26.175	
1st Hour (RTH)			~15.05	

Previous Day Reference Areas	
Close (CME)	3677.25
Cash Close (4 PM ET close. Estimated)	3678
High	3689.25
Low	3665.75
VPOC (Estimated)	3681

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
Durable Goods Orders 8:30 AM ET
Jobless Claims 8:30 AM ET
Personal Income and Outlays 8:30 AM ET
FHFA House Price Index 9:00 AM ET
New Home Sales 10:00 AM ET
Consumer Sentiment 10:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
EIA Natural Gas Report 12:00 PM ET