

The Context Report ^{BETA} | December 09, 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	3715.25. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Overnight balanced on above average volume at yday's high and made new all-time highs. - 100% long inventory overnight, so expect a pullback in the morning. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Buyers active at initial key support for push up to make new all-time highs. If buyers struggle off initial key support, potential for break below initial key support. - Not looking to fade initial key resistance. On a failure above initial key resistance and the underlying momentum is balancing, look for short back down to initial key support and possibly down to the 3687s good support. - On a clear break above initial key resistance with sustained upside momentum, look for a long flip of the zone.
Downside scenario	<ul style="list-style-type: none"> - Buyers expected at initial key support first test. - On strong downside price action into initial key support, wait for back of zone or failure below. Break below initial key support should trigger some liquidation. On clear break below the zone with sustained downside momentum, look for a short flip of the zone, but you will need good r:r as the downside is limited. I will be trying to ride the liquidation break below here. - On break below initial key support, look for a long at the 3687s first test where I expect buyers to be active. On strong downside price action likely cause by liquidation, wait for the back of the zone or failure below.

Key Support and Resistance Zones		
Name	Zone	Note
Initial key resistance	3715.25-3713.25	
Current price when report is being written		
Initial key support	3701.75-3698.00	
Good support	3690.75-3687.25	
Support	3677.00-3674.50	
Good support	3669.00-3662.75	

Volatility Analysis				
Minimum Stop Size				5 points
10-Day Range Analysis				
	Min	Max	Avg	Previous Day

Regular Trading Hours (RTH)	16.5	45.5	28.2	31.5
24-Hour Session	26.75	65	41.475	43.75
Overnight Session	14.5	49.25	29.55	25.75
1st Hour (RTH)	6.5	25.25	14.825	11.25

Previous Day Reference Areas	
Close (CME)	3702.00
Cash Close (4 PM ET close. Estimated)	3702.25
High	3708
Low	3676.5
VPOC (Estimated)	3702

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
JOLTS 10:00 AM ET
Wholesale Inventories [Preliminary] 10:00 AM ET
EIA Petroleum Status Report 10:30 AM ET