

# The Context Report <sup>BETA</sup> | December 30, 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	3741. Neutral-bullish above. 3712.75. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Buyers active overnight and they pushed up into yday's middle portion around the VPOC.</li> <li>- Do we balance for the next two sessions into the new year?</li> <li>- For today's action, given short-term is neutral, let price action and underlying reveal which side is dominant.</li> <li>- Be selective with entries due to holiday trading. Be skeptical of breakouts.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- If buyers hold support at the 3724s, there is potential to push to the all-time highs zone, but we would need to see sustained upside momentum for a break and hold above initial key resistance.</li> <li>- I expect sellers at initial key resistance first test for rotation down to the 3724s zone and possibly initial key support.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Sellers active from initial key resistance for push down to the 3724s zone where I expect some chop and there is potential for a push down to initial key support from this zone.</li> <li>- I expect buyers at initial key support first test. If downside price action is strong and/or there is sustained downside momentum, do not fade this zone as it is likely to break and the target below is the 3701s, but selling does not have to stop there is the market is in liquidation mode.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
All-time highs	3747.75-3745.50	
Initial key resistance	3741.00-3736.75	
Current price when report is being written		
Support	3729.50-3724.50	
Initial key support	3718.00-3712.75	
Support	3701.75-3694.75	
Volume area	3688.00-3686.00	

Volatility Analysis				
Minimum Stop Size				5 points
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	15	69.25	32.2	31.75
24-Hour Session	19.5	128	48.8	33.25
Overnight Session	17.75	128	38.875	18.75

1st Hour (RTH)	7	45.75	16.45	22
----------------	---	-------	-------	----

Previous Day Reference Areas	
Close (CME)	3720.00
Cash Close (4 PM ET close. Estimated)	3722.5
High	3746.25
Low	3714.5
VPOC (Estimated)	3732.5

Key Economic Events
International Trade in Goods [Advance] 8:30 AM ET
Retail Inventories (Advance) 8:30 AM ET
Wholesale Inventories (Advance) 8:30 AM ET
Chicago PMI 9:45 AM ET
Pending Home Sales Index 10:00 AM ET
State Street Investor Confidence Index 10:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
Survey of Business Uncertainty 11:00 AM ET
Farm Prices 3:00 PM ET