

The Context Report ^{BETA} | October 19, 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-bullish	3508.5. Bullish above. 3480.25. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Friday's end of day sell-off was not maintained overnight. - Below average overnight volume, 100% long inventory. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Strong buying from open for push above the 3500s and up into initial key resistance. Expecting sellers there first test for a bounce down to Friday's VPOC area at the 3496s. If sellers cannot push and hold below there, potential to break above initial key resistance. Above initial key resistance, on choppy price action I expect sellers to be active at each zone above for a rotation down to the day's VPOC if there is no underlying trending conditions (sustained upside momentum, strong and holding AD). A long flip of the 3500s would be ideal for a push into initial key resistance and potentially above. - On choppy price action into the 3500s, I expect sellers to be active for a push down into initial key support and potentially below.
Downside scenario	<ul style="list-style-type: none"> - I expect buyers at initial key support first test. I expect buyers to be able to take price up to initial key resistance from here. If buyers fail to push above the 3500s, then potential to break below initial key support. On strong downside price action into initial key support, look for a long at the back of the zone or wait for failure below. This area is a high-volume area and can be pushed through and then reversed. - On a clear break below initial key support, I would be looking for a short down to Friday's low and potentially lower. At each support zone below on first test and choppy price action, I would expect buyers to be active for short-term reversal to the day's VPOC.

Key Support and Resistance Zones		
Name	Zone	Note
Resistance	3541.50-3539.25	
Resistance	3536.00-3530.50	
Resistance	3525.00-3520.50	
Initial key resistance	3514.00-3508.50	Friday's high area.
Resistance	3500.25-3496.00	
Current price when report is being written		
Initial key support	3485.50-3480.25	
Support	3472.50-3470.25	
Support	3464.25-3460.50	Friday's low area.

Support	3451.50-3447.25	
Support	3440.75-3438.50	
Good support	3434.00-3427.50	
Strong support	3422.75-3414.50	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	20	78	42.575	47.25
24-Hour Session	33.25	86.25	56.35	47.25
Overnight Session	21.25	54.25	31.575	22.25
1st Hour (RTH)	11.5	26	16.925	24.25

Previous Day Reference Areas	
Close (CME)	3462.25
Cash Close (4 PM ET close. Estimated)	3474.75
High	3508.5
Low	3461.25
VPOC (Estimated)	3496

Key Economic Events
Housing Market Index 10:00 AM ET