

# The Context Report <sup>BETA</sup> | October 02, 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	Bearish	3333.75. Bullish-neutral above.
Intermediate-term	Neutral	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Sell-off overnight on POTUS news.</li> <li>- Above average overnight range, volume, and 100% short inventory.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- Price action chops up into initial key resistance. Expecting sellers here first test. How aggressive sellers are off this area is key information for if we can expect further downside. If not overly aggressive, not expecting much further downside below the overnight low.</li> <li>- Aggressive responsive buyers active from the open with strong price action up into initial key resistance and potential to either chop initial key resistance or clearly break it for a strong push back up into yday's range.</li> <li>- If clear rejection/failure above initial key resistance, that is an indication of lower prices to come.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- If price chops into the 3304s zone, expecting responsive buyers to be active there first test for push up into initial key resistance.</li> <li>- If strong downside price action from the open, expecting test of initial key support, where I expect larger timeframe buyers to be active first test. If strong price action into this zone, ideally look for a long at the back of the zone or wait for failure below.</li> <li>- If there is a clear break below initial key support, a short would be a good trade on a flip of this zone for the 3268s and lower.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Good resistance	3394.50-3386.00	
Resistance	3377.00-3372.00	
Resistance	3366.00-3362.75	
Resistance	3357.25-3350.00	
Initial key resistance	3340.25-3333.75	
Current price when report is being written		
Support	3304.50-3300.00	Overnight low area.
Initial key support	3296.00-3286.50	
Good support	3268.00-3258.00	
Strong support	3206.75-3198.00	

## Volatility Analysis

Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	29	91.5	58.1	37.5
24-Hour Session	46.5	108.5	75.825	53.25
Overnight Session	28.25	79	46.5	53.25
1st Hour (RTH)	13.25	48.5	28.775	31.75

Previous Day Reference Areas	
Close (CME)	3367.75
Cash Close (4 PM ET close. Estimated)	3369.5
High	3387.5
Low	3350
VPOC (Estimated)	3371

Key Economic Events
Motor Vehicle Sales
Employment Situation 8:30 AM ET
Consumer Sentiment 10:00 AM ET
Factory Orders 10:00 AM ET
Baker Hughes Rig Count 1:00 PM ET