

The Context Report ^{BETA} | September 18, 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 | 3367.75. Bullish above. |
| Intermediate-term | Bearish | |
| Long-term | Bullish | |

| Context and Trade Plan | |
|---|--|
| Context Summary | |
| <ul style="list-style-type: none"> - Signs of short-term overbought AND oversold conditions, making me think we will balance today. - Responsive buyers active overnight at the 3334s area, so that become initial key support. | |
| Scenarios | Details and Conditions |
| Upside scenario | <ul style="list-style-type: none"> - Strong upside price action and sustained upside momentum would be required for break above initial key resistance. If that occurs, would look to flip long initial key resistance for push up into the 3386s zone. If price action is choppy up into that zone on first test, expecting sellers first test to reverse price down and that would be a short opportunity. On strong upside price action into this zone, not expecting more than a bounce and buyers are likely to push above here for the 3400s zone, which is just a target zone. - Watch the open for strong buying into initial key resistance. That would not be something I will fade. - Expecting sellers to be active at initial key resistance first test for a rotation down. If we are to balance today, which I think is highly likely, price will not break above initial key resistance. Watch for a failed breakout above initial key resistance for a good r:r short. |
| Downside scenario | <ul style="list-style-type: none"> - Sellers active at initial key resistance first test or failed breakout above initial key resistance for push down to the 3342s zone, then ultimately initial key support, where I expect buyers first test. - If strong downside price action into initial key support, do not fade. Want to see choppy price action into this zone for quick rejection. If 1st hour low is around here, watch for inability of sellers to push below there for a long trade possibly up into initial key resistance. - Below initial key support, expecting selling to shut off at the 3318s zone and I expect buyers to be active there first test for reversal up above initial key support. Would want buyers to be able to hold price above initial key support off the 3318s, otherwise would not be interested in holding onto a long. - On strong downside price action and sustained downside momentum for a clean and clear push below initial key support, would look to flip short initial key support for push down into the 3318s and possibly below. If it looks like there is exceptional selling into the 3318s, do not fade here. - Below the 3318s, expecting larger timeframe buyers to be active at the 3293s for a reversal up. Ideally the day's VPOC is not below the 3318s zone or else price could balance below the 3318s and upside is limited. |

| Key Support and Resistance Zones | | |
|--|-----------------|------|
| Name | Zone | Note |
| Key resistance | 3400.00-3405.00 | |
| Resistance | 3394.50-3386.00 | |
| Initial key resistance | 3367.75-3361.25 | |
| Current price when report is being written | | |
| Support | 3342.50-3340.75 | |
| Initial key support | 3334.50-3328.25 | |
| Good support | 3318.25-3310.50 | |
| Strong support | 3293.00-3285.00 | |

| Volatility Analysis | | | | |
|-----------------------------|-------|-------|----------|--------------|
| Minimum Stop Size | | | 5 points | |
| 10-Day Range Analysis | | | | |
| | Min | Max | Avg | Previous Day |
| Regular Trading Hours (RTH) | 30.5 | 139 | 69.475 | 47.5 |
| 24-Hour Session | 42.75 | 136.5 | 82.75 | 76.25 |
| Overnight Session | 33 | 85.25 | 53.75 | 76.25 |
| 1st Hour (RTH) | 10.75 | 87.5 | 33.675 | 36.75 |

| Previous Day Reference Areas | |
|---------------------------------------|---------|
| Close (CME) | 3351 |
| Cash Close (4 PM ET close. Estimated) | 3347.5 |
| High | 3365.25 |
| Low | 3317.75 |
| VPOC (Estimated) | 3333.5 |

| Key Economic Events |
|-------------------------------------|
| Current Account - 8:30 AM ET |
| Consumer Sentiment - 10:00 AM ET |
| Leading Indicators - 10:00 AM ET |
| Baker-Hughes Rig Count - 1:00 PM ET |