

The Context Report ^{BETA} | September 22, 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	3291.5. Bullish above. 3244. Bearish below.
Intermediate-term	Bearish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Pullback overnight to test breakdown area of former larger timeframe range overnight. Sellers active there. This becomes initial key resistance for today. - Buyers overnight held above spike base of yday's end of day rally. This becomes initial key support. - Balanced overnight session on above average volume. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Sellers expected at initial key resistance first test. If strong upside price action into this zone, wait for the back area of the zone for a short. Expecting a decent rotation off this zone first test. If sellers are not strong up here off the zone, possible for a break above. - On break above initial key resistance, want to see a clear break above before going long on a pullback to the zone and an area of intraday confluence. Would want to see strong upside price action and sustained upside momentum. This would be a failed breakdown pattern for a push up to the 3332s good resistance above.
Downside scenario	<ul style="list-style-type: none"> - Choppy downside price action into the 3259 support, expecting buyers there first test for rotation up. If buyers can hold this area, then watch move off here for strength as could push above initial key resistance. - Choppy price action into initial key support, expecting buyers first test for rotation up. - Do not fade strong downside price action at support today. A better long is to wait for selling to shut off at 3259s or 3249s zones for potential rotation up to initial key resistance and possibly above if buyers are active enough.

Key Support and Resistance Zones		
Name	Zone	Note
Good resistance	3332.25-3325.50	
Initial key resistance	3291.50-3283.00	
Current price when report is being written		
Support	3259.50-3254.25	
Initial key support	3249.50-3244.00	
Support	3223.00-3217.00	

Volatility Analysis	
Minimum Stop Size	5 points
10-Day Range Analysis	

	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	30.5	97.25	56.15	58.75
24-Hour Session	42.75	128.5	82.35	108.5
Overnight Session	32	85.25	54.525	79
1st Hour (RTH)	10.75	40.5	27.05	40.5

Previous Day Reference Areas	
Close (CME)	3275.00
Cash Close (4 PM ET close. Estimated)	3271.75
High	3276.5
Low	3217.75
VPOC (Estimated)	3234.5

Key Economic Events
Redbook 8:55 AM ET
Existing Home Sales 10:00 AM ET
Richmond Fed Manufacturing Index 10:00 AM ET