

# The Context Report <sup>BETA</sup> | September 3, 2020

## Daily Contextual Analysis for the E-Mini S&P500 Futures

Bias / Directional Inclination / Control			
Timeframe	Bias	Line in the Sand	Note
Right Now / Short-Term	Bearish-neutral	3558	Bullish-neutral above.
Larger / Intermediate	Bullish		
Big Picture	Bullish		

Key Support and Resistance Zones		
Name	Zone	Note
Resistance	3587-3583	
Initial Resistance	3571.5-3567.25	
Initial Support	3552.75-3558	
Support	3538.75-3531	

Context and Scenarios	
Context Summary	
<ul style="list-style-type: none"> <li>- Trend day yday with almost double average range</li> <li>- Above average overnight volume</li> <li>- Overnight, sellers were active in the spike area near the high of yday's session</li> <li>- Opening in yday's range</li> <li>- Likely to be a choppy open, so trade location, as usual, is key</li> </ul>	
Scenarios	Conditions
Upside Scenario 1:	<ul style="list-style-type: none"> <li>- Buyers expected at initial support first test assuming news at 8:30 AM ET does not cause a push below there. Buyers are likely to push price up to initial resistance where I expect a bounce to occur and then ultimately a push above initial resistance if price action is strong to the upside. Price could balance between initial support and initial resistance given yday's larger range.</li> <li>- If buyers push above initial support, I expect a test of yday's close and then the 3583 zone. Sellers are expected to be active at the 3583s zones first test and that area could cap the upside if price action is not strong to the upside and there is no sustained upside momentum and underlying strength. Target down would be initial resistance and I'd expect balance for the remainder of the session.</li> </ul>
Downside Scenario 1:	<ul style="list-style-type: none"> <li>- Weak upside price action to test initial resistance and sellers active first test. Sellers aggressive off here for a push down into initial support and possibly below if price action is strong to the downside, there is sustained downside momentum and underlying weakness.</li> <li>- Below initial support, the target is the 3539s zone. Flipping short the 3539s is only a good opportunity if there is strong downside price action and sustained downside momentum given the larger timeframe bias. The break below there must be convincing enough that sellers are likely to continue pushing lower. At the 3539s, I expect larger timeframe buyers to be active first test for a push up to initial support at least.</li> </ul>

Volatility Analysis	
Minimum Stop Size	5 points

10-Day Range Analysis				
Period	Minimum	Maximum	Average	Previous Day
Regular Trading	20	53.25	31.05	53.25
24-Hour Session	27	61.5	39.05	61.5
Overnight	12.25	36.75	26.5	30.75
1st Hour	7.5	21.75	14.15	15.75

Prior Day	
Close (CME)	3579.25
Cash Close (4 PM ET close. Estimated)	3576.75
VPOC (Estimated)	3539.25

Economic Events
Goods and Services Trade - 8:30 AM ET
Jobless Claims - 8:30 AM ET
Productivity and Costs - 8:30 AM ET
PMI Composite Final - 9:45 AM ET
ISM Services Index - 10:00 AM ET
EIA Natural Gas Report - 10:30 AM ET

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