

The Context Report ^{BETA} | September 1, 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	Bullish-neutral	3498.25	Neutral below.
Larger / Intermediate	Bullish-neutral	3480.75	Neutral below.
Big Picture	Bullish		

Key Support and Resistance Zones		
Name	Zone	Note
Minor resistance	3522.5-3524.5	
Initial resistance	3519-3513	
Initial support	3498.25-3504.75	
Support	3494.25-3490.25	Below initial support, watch for selling to shut off.
Support	3486.75-3480.75	Below initial support, watch for selling to shut off.
Strong support and Downside extension	3467.75-3462.25	If short-term overextension occurs to downside, this is an area to look to fade that move.

Context and Scenarios	
Context Summary	
- Tested lower overnight to find buyers below yday's low	
- Opening in range after rejection above yday's high	
- Bullish-neutral short-term bias	
Scenarios	Details and Conditions
Upside Scenario 1:	- Buyers active at initial support first test for push up to initial resistance. Bounce off initial resistance and then buyers continue pushing price higher for new all-time highs. Price action should be strong to upside with underlying strength and upside momentum. Long at initial support for push higher. If opens near initial support, may be best to wait for the backside of the zone as the 3504s may chop initially.
Upside Scenario 2:	- Buyers active at initial support first test for push up into initial resistance. Upside capped by initial resistance. Need to see balancing price action with lack of underlying strength and upside momentum for short at initial resistance. Target is initial support and would expect the 3504s area to chop.
Downside Scenario 1:	- Sellers active from the open for push below initial support on strong price action to the downside and underlying weakness and downside momentum. Would need to see excessively strong to the downside price action with underlying weakness and downside momentum to consider flipping initial support for short. Target down would be each support zone below as larger timeframe buyers expected at each support zone below first test which could reverse price with the 3487s zone being the best place for flip to long.
Downside Scenario 2:	- Initial support chops around the 3504s with balancing price action, underlying and momentum. Buyers expected at the 3494s first test for push back up to the 3504s. Buyers expected at the 3486s first test for push back up to the 3504s. Both those zone tests are long opportunities.

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
Period	Minimum	Maximum	Average	Previous Day
Regular Trading	20	40	27.725	23
24-Hour Session	25.5	44.25	34.15	34.5
Overnight	10.5	36.75	23	24
1st Hour	6	23	13.3	8.5

Prior Day	
Close (CME)	3499
Cash Close (4 PM ET close. Estimated)	3491
VPOC (Estimated)	3504

Economic Events
Redbook - 8:55 AM ET
PMI Manufacturing Final - 9:45 AM ET
ISM Manufacturing Index - 10:00 AM ET
Construction Spending - 10:00 AM ET

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