

The Context Report ^{BETA} | November 05, 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	Bullish	3469.50. Neutral below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Buyers active overnight to continue this swift uptrend. - 100% long inventory, above avg overnight range and on below avg volume. Tells me there is little resistance thus far in this rally and potential for decent pull-back. - Will pullback happen today or will the rally continue on? Pullback is more likely due to FOMC. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Expecting sellers at initial key resistance first test for pullback down to at least initial key support. On a strong open into this zone, will wait for a failure above the zone for a short. - On a push above initial key resistance, a flip long would not make sense to me right now given the up move overnight and the fact that there is a lot of good resistance above this area and today is FOMC day. On choppy price action into the resistance zones above initial key resistance, I expect sellers to step in for a rotation down with target being initial key support ideally.
Downside scenario	<ul style="list-style-type: none"> - Expecting buyers at initial key support first test, but if downside price action is strong, I will not be fading at this zone and will look for a flip short of the zone down to the 3460s and possibly lower for a test of the 3434s, where I expect buyers first test for reversal. - At the 3434s on first test or if sellers are having a hard time pushing and holding below the 3460s, then I expect buyers to step in and push price back above initial key support possibly for test of initial key resistance.

Key Support and Resistance Zones		
Name	Zone	Note
Strong resistance	3541.50-3539.25	
Good resistance	3536.00-3530.50	
Good resistance	3525.00-3520.50	
Initial key resistance	3514.00-3506.50	
Resistance	3498.25-3496.50	Overnight VPOC area.
Current price when report is being written		
Initial key support	3480.25-3469.50	
Support	3460.25-3451.50	
Good resistance	3434.75-3423.50	
Support	3400.75-3395.75	
Good support	3363.00-3356.00	
Strong support	3332.00-3318.75	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	25.25	84.25	58.375	84.25
24-Hour Session	31	161	80.6	161
Overnight Session	20	113.25	54.875	113.25
1st Hour (RTH)	14.75	69.25	36.075	69.25

Previous Day Reference Areas	
Close (CME)	3435.00
Cash Close (4 PM ET close. Estimated)	3436.25
High	3480
Low	3395.75
VPOC (Estimated)	3461

Key Economic Events
Motor Vehicle Sales
Challenger Job-Cut Report 7:30 AM ET
Jobless Claims 8:30 AM ET
Productivity and Costs 8:30 AM ET
EIA Natural Gas Report 10:30 AM ET
FOMC Announcement 2:00 PM ET
Fed Chair Press Conference 2:30 PM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET