

The Context Report ^{BETA} | October 07, 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-neutral	3388. Bullish above. 3356. Bearish-neutral below.
Intermediate-term	Neutral	3421.75. Bullish above.
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Responsive buyers active overnight for 100% long inventory on above average volume. Will this continue into today's session? - Buyers overnight were active at key support at the 3339s. A strong push off there, and there is potential to break above the 3421s resistance area. That could be the pattern in play right now in the larger timeframe. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Responsive buyers continue to be active for a push above initial key resistance, yday's VPOC, and then eventually up to the 3421s zone. - On strong price action into initial key resistance, do not fade. Wait for a clear failure above for a short. On a clear break above with strong price action, then look for a long flip of the zone for a potential test of the 3421s. - On choppy price action into initial key resistance, can expect some liquidation here due to 100% long overnight inventory. Would expect to see initial key support off this zone. If the open is in this zone, then wait for a test of the back of the zone first or a failure above. - I expect sellers to be active at the 3421s again first test. This area is good until broken. Watch how price approaches this zone. Is it sluggishly moving up into the zone? If so, buying is drying up and potential for lots of selling to come in here again.
Downside scenario	<ul style="list-style-type: none"> - Expecting buyers at initial key support first test for a push up into initial key resistance. Do not fade this zone as there is very strong downside price action. - Below initial key support, I expect a test of the 3339s key support area. I expect buyers there first test and would like to see this area rejected swiftly, otherwise likely to churn here. If strong downside price action into this zone, look for the back of the zone or for a failure below. A short flip on a clear break below initial key support would be a good opportunity to watch for. - Below the 3339s zone, no fade is a good long until the 3296s strong support, where I expect buyers to be active. Selling would have to be clearly dominant and there should be sustained downside momentum and broad market weakness to flip short the 3339s zone on a clear break below.

Key Support and Resistance Zones		
Name	Zone	Note

Strong resistance	3475.00-3467.00	
Strong resistance	3444.00-3435.00	
Very strong resistance	3421.75-3414.00	
Initial key resistance	3388.00-3380.25	
Current price when report is being written		
Initial key support	3362.75-3356.25	
Key support	3339.00-3330.75	
Support	3322.25-3319.75	
Support	3311.50	
Support	3305.50-3300.00	
Strong support	3296.00-3286.50	
Strong support	3206.75-3198.00	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	29	91.5	56.05	78
24-Hour Session	46.5	98.75	72.125	78
Overnight Session	21.25	75.25	44.025	22.75
1st Hour (RTH)	13.25	48.5	27.575	15

Previous Day Reference Areas	
Close (CME)	3353.25
Cash Close (4 PM ET close. Estimated)	3350.25
High	3421.75
Low	3343.75
VPOC (Estimated)	3396.5

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
FOMC Minutes 2:00 PM ET
Consumer Credit 3:00 PM ET