

The Context Report ^{BETA} | October 14, 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-bearish	3490.50. Bearish below. 3514.25. Neutral above. 3520.50. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> Buyers active overnight to push above the 3514s key area. Sellers rejected above there at yday's high area. The 3514s is key today and I will be watching how buyers and sellers interact there. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> I expect sellers at initial key resistance first test. Off there, I expect a push below the 3514s and lower, otherwise potential for buyers to ultimately push above initial key resistance. Will be watching for a failure above the 3514s for a potential push below initial key support. Above initial key resistance, I expect sellers to be active first test at each zone. If upside price action is strong, I would not be fading at either zone and would wait for a test of resistance above the 3541s for a short expecting a reversal to the day's VPOC. On a clear break above initial key resistance, I'd look for a long on a flip of the zone.
Downside scenario	<ul style="list-style-type: none"> If strong downside price action into initial key support, not looking to fade. I would wait for a clean break below for a short flip down to the support zones below with the 3465s being better support. If selling dries up and there is a failure below initial key support, I would exit any short and look for a long back up to the 3514s. Below initial key support, I would get long at any zone if tested on choppy price action for reversal back up to the day's VPOC and possibly higher.

Key Support and Resistance Zones		
Name	Zone	Note
Strong resistance	3577.75-3574.00	
Good resistance	3560.00-3552.25	
Resistance	3541.50-3539.25	
Resistance	3536.00-3530.50	
Initial key resistance	3525.00-3520.50	Yday's high area.
Key resistance	3514.25	Key resistance area.
Resistance	3509.50-3505.50	
Current price when report is being written		
Initial key support	3496.50-3490.50	Yday's low area.
Support	3479.75-3473.50	
Good support	3465.75-3459.75	

Good support	3449.50-3443.75	
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Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	20	78	42.1	33.25
24-Hour Session	33.25	92.75	63.05	44.25
Overnight Session	21.25	75.25	40.6	25.75
1st Hour (RTH)	11.5	42	20.65	17.5

Previous Day Reference Areas	
Close (CME)	3504.75
Cash Close (4 PM ET close. Estimated)	3502
High	3524.75
Low	3491.5
VPOC (Estimated)	3514

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
PPI-Final Demand 8:30 AM ET
Atlanta Fed Business Inflation Expectations 10:00 AM ET
Treasury Statement 2:00 PM ET