

# The Context Report <sup>BETA</sup> | October 21, 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	3460.50. Bullish above. 3411. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Above average range and volume overnight.</li> <li>- Wide ranging balance right now, so do not be messing around in the middle around the 3434s as you will likely be chopped.</li> <li>- Buyers have been unable to hold price above the 3460s. That becomes initial key resistance.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- Expecting sellers first test at initial key resistance. On strong upside price action into that zone, not looking to fade. Will flip the zone long for push up to target up at the 3485s zone. On a failure above initial key resistance, potential for swift move down to initial key. On choppy price action into each zone above initial key resistance, there is potential for short-term reversal to the day's VPOC.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Sellers can push price down into initial key support. I expect buyers to be active there first test. The push off this zone is key. Is price failing at intraday resistance off initial key support? If so, potential to break below initial key support. Would want to see strong downside price action and a clear break below here for a short flip down. Watch for sluggish price action after a break below for a potential failure below, in which case there could be a decent move up. I expect buyers at each support zone below first test on choppy price action for a short-term reversal to the day's VPOC. Targets down would be the 3387s zone then the 3339s strong support zone.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Good resistance	3514.00-3508.50	
Resistance	3500.25-3493.75	
Target up and resistance	3485.50-3480.00	
Resistance	3474.50-3469.00	
Initial key resistance	3460.50-3453.75	Buyers could not hold price above here.
Resistance	3443.25-3438.75	
Current price when report is being written		
Initial key support	3418.50-3411.00	Strong support.
Support	3405.75-3403.00	
Support	3399.00-3394.75	
Good support	3387.00-3380.75	
Support	3365.25-3359.75	

Strong support	3339.00-3330.75	
----------------	-----------------	--

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	20	83	43.425	43
24-Hour Session	33.25	86.25	56.25	44.75
Overnight Session	22.25	54.25	32.5	26.75
1st Hour (RTH)	11.5	26	18.45	23.25

Previous Day Reference Areas	
Close (CME)	3432.25
Cash Close (4 PM ET close. Estimated)	3433.25
High	3469.75
Low	3426.75
VPOC (Estimated)	3435

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
EIA Petroleum Status Report 10:30 AM ET
20-Yr Bond Auction 1:00 PM ET
Beige Book 2:00 PM ET