

The Context Report ^{BETA} | October 08, 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	3413. Bearish-neutral below.
Intermediate-term	Bullish	3413. Neutral below.
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Breakout overnight above strong resistance on below average volume. - Multiple timeframes aligning on this breakout. - The open action will be key for today. - Pay particular attention to how yday's at the 3416s is treated. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Initiative buyers active on breakout and push price higher. I would be looking to get long in initial key support zone. I expect sellers at initial key resistance first test. On strong upside price action, best to wait for failure above initial key resistance for a fade. Target would be a deeper test of initial key support, where I would be expecting buyers to be active. - On choppy price action, if buyers cannot even push price above the 3432s, expecting sellers to be active there for push down into initial key support and possibly below. This could lead to a failed breakout. - Above initial key resistance I would look long for a flip of the zone on a clear break above. I expect sellers first test at the 3475s strong resistance zone above. Target off here would be initial key resistance.
Downside scenario	<ul style="list-style-type: none"> - Expecting buyers to be active at initial key support first test. Pay attention to the 3416s area on first test, which is yday's high area. That area was rejected multiple times overnight. - Strong selling enters, pushing price below initial key support for a failed breakout pattern. Would look to flip short initial key support on a clear break below. Target down would ultimately be the 3387s, but if there is weak selling and price is choppy any of the support zones below could bring in buyers first test for rotation up to the day's VPOC.

Key Support and Resistance Zones		
Name	Zone	Note
Strong resistance	3475.00-3467.00	
Initial key resistance	3444.00-3435.00	
Resistance	3433.00-3430.75	
Current price when report is being written		
Initial key support	3421.75-3413.00	
Support	3405.75-3403.00	
Support	3399.00-3394.75	
Support	3387.00-3380.75	
Support	3365.25-3359.75	

Key support	3339.00-3330.75	
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Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	29	80.25	50.475	35.75
24-Hour Session	46.5	92.75	70.875	86.25
Overnight Session	21.25	75.25	46.625	54.25
1st Hour (RTH)	13.25	48.5	26.675	14.25

Previous Day Reference Areas	
Close (CME)	3406.75
Cash Close (4 PM ET close. Estimated)	3406
High	3416.75
Low	3381
VPOC (Estimated)	3394.5

Key Economic Events
Jobless Claims 8:30 AM ET
EIA Natural Gas Report 10:30 AM ET
30-Yr Bond Auction 1:00 PM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET