

The Context Report ^{BETA} | September 28, 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	3312.75. Bearish-neutral below.
Intermediate-term	Neutral	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Large rise since Friday morning that continued overnight. - 100% long inventory overnight. Expecting some sort of pullback near the open. - Average overnight range, below average overnight volume. Seems the rise is primarily due to a lack of sellers. - Extremely poor structured rise, so if there is a pause, expecting liquidation to cause a pull-back and potentially that pull-back overextends itself down in the short-term into a support zone marked. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Buyers continue to hold price up and are active. Expecting buyers to hold initial key support first test. - I do not want to fade a sell off from the open at initial key support, but instead will wait for clear failure below. - Holding initial key support, I expect buyers to take price up to initial key resistance, where I expect sellers to be active, but mostly profit taking. Will expect a decent bounce off here. Do not want to fade strong upside price action here but will wait for the back of the zone or failure above the zone. Longs are getting over extended and it is good r:r to fade for a liquidation break. - Above initial key resistance, if buyers can push price up to there, expecting test of the 3405s zone. Above initial key resistance, not really looking to fade except for at the 3405s is price gets over-extended (very sharp move up with little to no pull-backs) to upside.
Downside scenario	<ul style="list-style-type: none"> - Below initial key support, if buyers unable to push price up above initial key support or even intraday resistance levels, then expecting a further liquidation break down. Targets would be the 3272s and 3261s zones below. - Only looking to fade to long side at support if price action is choppy into it for a decent bounce up to the day's VPOC. Selling should shut off. - Only looking to fade the liquidation break down on short-term overextension (very sharp move down with little to no pull-backs) into the 3272s or 3261s. If the move down is structured, then not looking to fade.

Key Support and Resistance Zones		
Name	Zone	Note
Strong resistance	3419.75-3414.00	
Target up	3405.00-3400.00	Upside extension area.
Resistance	3394.50-3386.00	
Initial key resistance	3365.50-3357.75	

Current price when report is being written		
Initial key support	3320.50-3312.75	
Support	3296.50	
Support	3289.25-3282.00	
Good support	3272.75-3267.00	Downside extension area.
Good support	3261.50-3255.50	Downside extension area.
Support	3243.25-3241.75	
Support	3221.75-3216.00	
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)	30.5	91.5	58.6	80.25
24-Hour Session	42.75	108.5	72.35	89.75
Overnight Session	28.25	79	45.225	52.25
1st Hour (RTH)	10.75	48.5	27.875	26.75

Previous Day Reference Areas	
Close (CME)	3287.25
Cash Close (4 PM ET close. Estimated)	3287.5
High	3296.25
Low	3216
VPOC (Estimated)	3288.75

Key Economic Events
Dallas Fed Manufacturing Survey 10:30 AM ET