

# The Context Report <sup>BETA</sup> | October 29, 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	Bearish	3288.50. Neutral above. 3314.5. Bullish above
Intermediate-term	Bearish	
Long-term	Bullish-neutral	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Pullback overnight and then continued selling into this morning.</li> <li>- Above average overnight volume and range.</li> <li>- Elongated structure down to this point with few pullbacks.</li> <li>- Question is: is the market getting too short in the short-term timeframe? Watching the 3256s and 3288s closely.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- Responsive buyers active for push up to initial key resistance and above. Target up would be the 3361s or 3373s zones.</li> <li>- On choppy price action into a resistance zone, I expect short-term reversal to the day's VPOC and possibly even more of a reversal.</li> <li>- If there is strong upside price action into initial key resistance, wait for clear failure above for a short as this area can be churned.</li> <li>- On a clean break above initial key resistance, underlying needs to be strong to go long on flip of the zone.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Choppy price action into initial key support (little signs of confident selling), expecting buyers at initial key support for rotation up to initial key resistance and possibly above as the market is too short. The best long would be near initial key support.</li> <li>- On strong downside price action into initial key support, expecting break for push lower down to the 3238s. I expect swift rejection there for reversal up. Would want to see push above initial key support off the 3228s or else likely to break below the 3238s for the strong support zone at 3206s where I expect buyers to be active first test. To flip short initial key support, the break must be VERY CLEAR because the idea is that the market is possibly getting too short in short-term.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Resistance	3462.50-3458.50	
Good resistance	3449.00-3441.75	
Good resistance	3436.50-3428.25	
Strong resistance	3416.25-3408.50	
Resistance	3401.75-3398.00	
Resistance	3382.75-3378.75	
Resistance	3373.25-3368.50	
Good resistance	3361.25-3356.00	

Resistance	3336.50-3327.00	
Support	3314.50-3301.00	
Initial key resistance	3288.50-3281.00	
Current price when report is being written		
Initial key support	3262.00-3256.00	
Good support	3238.50-3233.75	
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)	25.25	83	49.75	67.5
24-Hour Session	31	119	59.65	119
Overnight Session	20	66.5	34.625	66.5
1st Hour (RTH)	14.75	46.5	24.35	46.5

Previous Day Reference Areas	
Close (CME)	3263.50
Cash Close (4 PM ET close. Estimated)	3266
High	3328.25
Low	3260.75
VPOC (Estimated)	3284

Key Economic Events
GDP 8:30 AM ET
Jobless Claims 8:30 AM ET
Pending Home Sales Index 10:00 AM ET
EIA Natural Gas Report 10:30 AM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET