

The Context Report ^{BETA} | September 23, 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-neutral	3281.75. Bearish below.
Intermediate-term	Bearish-neutral	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> Buyers broke price above yday's high, could not hold it and price is now rotating down, still in the upper range of yday's session Mostly long inventory, so expecting a liquidation pull-back around open 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> Push up into initial key resistance. Expecting sellers there first test. If strong upside price action into initial key resistance, not looking to fade given the larger timeframe failed breakdown pattern. Would want to see a failure above here/at the 3337.75s to consider a short. I do expect a bounce off this zone, but not a reversal. Looking to go long on failure below yday's high or flip of the overnight high if there is strong upside price action and sustained upside momentum.
Downside scenario	<ul style="list-style-type: none"> Expecting buyers at initial key support first test. Expecting larger timeframe buyers to be active here. The area is quite large down to yday's vpo, so if there is strong downside price action, consider going long at back of initial key support or at the 84s zone. This area is key to the larger timeframe failed breakdown pattern. If sellers are strong enough to push below the the 81s, and downside price action is strong and there is sustained downside momentum, look to short the flip of the 81s with intraday confluence. If price action gets choppy around the 72s or 59s or 49s, looking to fade those zones first test. Otherwise, not looking to fade them.

Key Support and Resistance Zones		
Name	Zone	Note
Resistance	3337.75	Naked VPOC
Initial key resistance	3332.25-3325.50	
Resistance	3319.75-3317.50	Overnight high area
Resistance	3309.50	Yday's high
Current price when report is being written		
Initial key support	3295.00-3289.00	
Support	3284.50-3281.75	
Support	3272.00-3269.00	
Support	3259.50-3254.25	Yday's low area
Good support	3249.50-3244.00	
Good support	3223.00-3217.00	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	30.5	97.25	56.025	50.75
24-Hour Session	42.75	128.5	75.7	53
Overnight Session	32	82.5	49.3	33
1st Hour (RTH)	10.75	40.5	25.425	21.5

Previous Day Reference Areas	
Close (CME)	3299.25
Cash Close (4 PM ET close. Estimated)	3303.5
High	3309.5
Low	3258.75
VPOC (Estimated)	3283.75

Key Economic Events
MBA Mortgage Applications 7:00 AM ET
FHFA House Price Index 9:00 AM ET
PMI Composite Flash 9:45 AM ET
EIA Petroleum Status Report 10:30 AM ET