

# The Context Report <sup>BETA</sup> | October 15, 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	3463.25. Neutral above. 3476.5. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Sellers active overnight. Was this confident selling or long liquidation? Will larger timeframe responsive buyers enter at these lower prices?</li> <li>- Above average overnight range and volume with 100% short inventory.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- If this strong push up off the open, best to wait for failure above initial key resistance as the market may have gotten too short and larger timeframe responsive buyers may be entering at these lower prices.</li> <li>- On choppy price action into initial key resistance, I expect sellers to be active there for a push lower into initial key support. Judge seller interest off this zone. If sellers are weak, likely to break above initial key resistance.</li> <li>- I expect sellers at each resistance zone above for a short-term reversal to the day's VPOC at least. Gauge selling strength and interest off each zone.</li> <li>- If buyers can clearly break above initial key resistance, there is potential to test the 3476s. I would look for a long flip of initial key resistance. I expect sellers to be active at that zone for short-term reversal down to the day's VPOC at least.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Sellers aggressive at these lower prices still and on strong downside price action push price below initial key support. Below initial key support, I would expect a test of strong support at the 3422s. I expect larger timeframe buyers to be active there. Below initial key support watch for choppy price action at the 3430s as rejection off there could occur for a push back above initial key support, which could end this short-term down trend. On a clear break below initial key support, I would look for a flip short down to strong support. I expect a reversal to upside off strong support.</li> <li>- On choppy price action into initial key support or a failure below or rejection at the 3430s, selling may be over-done in short-term and I expect buyers to be active here for a push up into initial key resistance and likely for a break above.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Good resistance	3496.50-3490.50	
Resistance	3486.75-3484.50	
Good resistance	3476.50-3472.00	
Good resistance	3463.25-3458.75	

Initial key resistance	3451.75-3447.25	
Current price when report is being written		
Initial key support	3438.75-3433.50	
Support	3430.00-3428.00	
Strong support	3422.75-3414.50	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	20	78	41.45	48.25
24-Hour Session	33.25	86.25	58.975	52
Overnight Session	21.25	75.25	36.925	30.25
1st Hour (RTH)	11.5	42	19.275	18.75

Previous Day Reference Areas	
Close (CME)	3481.00
Cash Close (4 PM ET close. Estimated)	3480
High	3520.25
Low	3472
VPOC (Estimated)	3479.75

Key Economic Events
Jobless Claims 8:30 AM ET
Philadelphia Fed Manufacturing Index 8:30 AM ET
Empire State Manufacturing Index 8:30 AM ET
Import and Export Prices 8:30 AM ET
EIA Natural Gas Report 10:30 AM ET
EIA Petroleum Status Report 11:00 AM ET
Treasury Statement 2:00 PM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET