

The Context Report ^{BETA} | September 21, 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	3291.75. Neutral above.
Intermediate-term	Bearish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Above average overnight volume and range on breakdown of larger timeframe balance. - Expecting a decent move today in either direction. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Larger timeframe responsive buyers active for a push into initial key resistance, where a slight bounce occurs, and then a strong push up above the zone. This creates a larger timeframe failed breakdown pattern and I would expect a decent move up to the 3331s. A clear break of initial key support would create a long opportunity.
Downside scenario	<ul style="list-style-type: none"> - Test of initial key resistance to find sellers active for further push down into initial key support. A slight bounce occurs off initial key support and sellers then push below initial key support for a further sell-off. No area below to fade this move. - If buyers cannot even test initial key resistance before a sell-off, then looking to get in on that sell-off on a pullback to an area with confluence. - If price action is choppy and selling seems to be shutting off at or below initial key support, can look for a long for a test of initial key resistance. This is a riskier trade but could lead to a large move up for a larger timeframe failed breakdown pattern.

Key Support and Resistance Zones		
Name	Zone	Note
Good resistance	3332.25-3325.50	Former short-term range VPOC area.
Initial key resistance	3291.75-3281.00	Larger timeframe breakdown area.
Current price when report is being written		
Initial key support	3251.00-3243.25	Overnight low area with confluence from pas.

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	30.5	129.5	63.225	76.5
24-Hour Session	42.75	128.5	77.325	82.25
Overnight Session	32	85.25	51.175	32
1st Hour (RTH)	10.75	87.5	31.75	25

Previous Day Reference Areas	
Close (CME)	3316.25
Cash Close (4 PM ET close. Estimated)	3308.75
High	3357.25
Low	3280.75
VPOC (Estimated)	3337.75

Key Economic Events
Chicago Fed National Activity Index 8:30 AM ET