

# The Context Report <sup>BETA</sup> | October 27, 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	Neutral-bearish	3416.25. Bullish above. 3385.25. Bearish-neutral below. 3370.25. Bearish below.
Intermediate-term	Bullish-neutral	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>Buyers active overnight, pushing into yday's breakdown area. Sellers could not push into yday's profile's main volume area.</li> <li>100% long inventory overnight.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>Expecting sellers to be active at initial key resistance first test. I expect a rotation off here for initial key support.</li> <li>On strong upside price action, potential to break above initial key resistance, so either fade at the back of the zone to go short or wait for failure above. Initial key resistance is an area where I expect sellers to defend until it clearly breaks.</li> <li>On a clean break above initial key resistance, would flip the zone long for push up to the 3436s and then the 3349s, where churn is likely. If buyers dry up and price action gets choppy at the 3436s, I expect sellers to be active there for rotation down to the day's VPOC.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>Expecting buyers first test of initial key support for test of initial key resistance.</li> <li>On strong downside price action, expecting break below initial key support for push down to zones below.</li> <li>On choppy price action below initial key support, I'd expect buyers to be active at the support zones for rotation at least up to the day's VPOC, otherwise target down is the 3339s. I will ideally get short on a flip of initial key support for that potential rotation.</li> <li>I expect larger timeframe buyers to be active at the 3339s for reversal. On first test this reversal should be swift.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Strong resistance	3514.00-3508.50	
Good resistance	3500.25-3493.75	
Resistance	3485.50-3480.00	
Good resistance	3474.50-3469.00	
Resistance	3462.50-3458.50	
Good resistance	3449.00-3441.75	
Good resistance	3436.50-3428.25	
Initial key resistance	3416.25-3408.50	

Current price when report is being written		
Initial key support	3393.25-3385.25	
Support	3374.00-3370.25	
Support	3361.25-3356.00	
Strong support	3339.00-3330.75	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	29	83	48.625	74
24-Hour Session	31	90.25	54	90.25
Overnight Session	22.25	52.75	31.575	34.25
1st Hour (RTH)	14.75	26	21.35	14.75

Previous Day Reference Areas	
Close (CME)	3393.50
Cash Close (4 PM ET close. Estimated)	3395
High	3430
Low	3356
VPOC (Estimated)	3385.25

Key Economic Events
Durable Goods Orders 8:30 AM ET
Redbook 8:55 AM ET
Case-Shiller House Price Index 9:00 AM ET
FHFA House Price Index 9:00 AM ET
Consumer Confidence 10:00 AM ET
Richmond Fed Manufacturing Index 10:00 AM ET