

The Context Report ^{BETA} | October 26, 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	3429.50. Neutral above. 3449. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Rejection above key areas overnight. - Both sides are active on larger time frames. Lots of mixed signals. Potential to continue this way until after the election. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - On strong upside price action into both initial key resistance and the 3449s, I expect some churn. I would wait for a failure above one of these zones for a short down to initial key support. Off the 3449s, I would expect sellers to be able to push below initial key resistance with ease or else potential to push above the 3449s or churn the area. ON a strong push above the 3449s, short-term is bullish and I expect test of the 3462s and higher. I would consider a long on a flip of the 3449s but underlying should be strong as well given recent swinging action. - On choppy price action into either of these zones, I would look for a short with same targets as above scenario. I would not want to see these zones stuck to otherwise potential to just churn the area between the 3449s and the 3436s.
Downside scenario	<ul style="list-style-type: none"> - Expecting buyers to be active first test of initial key support for a rotation up to initial key resistance. If buyers struggle with intraday resistance off these zones, then potential to break below initial key support. - On strong downside price action into initial key support, I would wait for the back of the zone or for failure below to go long. To flip short the zone on a break below, I would like to see underlying weakness given the recent swinging action. - Below initial key support, the initial target is the 3387s then the 3339s. I expect buyers at support zones below initial key support on choppy price action for a short-term reversal to the day's VPOC.

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	
Initial key resistance	3436.50-3429.50	

Current price when report is being written		
Initial key support	3407.50-3402.25	
Support	3399.00-3394.75	
Good support	3387.00-3380.75	
Support	3365.25-3359.75	
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	46.2	29
24-Hour Session	31	85.75	52.65	31
Overnight Session	22.25	52.75	31.725	25.5
1st Hour (RTH)	11.5	26	21.025	16

Previous Day Reference Areas	
Close (CME)	3451.75
Cash Close (4 PM ET close. Estimated)	3457
High	3460.5
Low	3431.5
VPOC (Estimated)	3449

Key Economic Events
Chicago Fed National Activity Index 8:30 AM ET
New Home Sales 10:00 AM ET
Dallas Fed Manufacturing Survey 10:30 AM ET