

# The Context Report <sup>BETA</sup> | October 09, 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	3433.50. Bearish below.
Intermediate-term	Bullish	3433.50. Bullish-neutral below.
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>Buyers active overnight. 100% long inventory on above average volume.</li> <li>Larger timeframe breakout pattern in play still.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>Buyers active for push up above 3460s to test initial key resistance at the 75s. I expect sellers to be active there first test. I would fade short there for a reversal possibly down to initial key support. Off this zone, sellers should be able to push and hold below the 3460s. If not able to do that, potential to break above initial key resistance or test the back of the zone. I expect sellers at the 3484s zone first test for at least a push down to the day's VPOC.</li> <li>If price action is choppy into the 3460s resistance zone, potentially the short-term is overbought and a liquidation break down to initial key support is required.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>If price action is choppy into the 3447s support zone, I expect buyers to be active for a push up into initial key resistance. Buyers should be able to push and hold above the 3451s easily in this case.</li> <li>Expecting buyers to be active at initial key support first test. I expect a short-term reversal from here. If buyers are not very strong off here first test, potential to test the 3430s, where I expect swift rejection. I would get long at both zones. If downside price action is very strong and there is sustained downside momentum, best to wait for the 3430s.</li> <li>If sellers can push and hold below initial key support and there is sustained downside momentum and underlying weakness and the buy response of the 3430s is not indicative of rejection, then there is potential to test the 3422s strong support where I expect buyers first test for a short-term reversal.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Resistance	3494.25-3490.50	
Strong resistance	3484.25-3481.50	
Initial key resistance	3475.00-3467.00	
Resistance	3460.25-3456.50	
Current price when report is being written		
Support	3447.00-3443.75	
Initial key support	3439.00-3433.50	

Support	3430.00-3428.00	
Strong support	3422.75-3414.50	
Support	3405.75-3403.00	
Support	3399.00-3394.75	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	20	80.25	45.45	20
24-Hour Session	33.25	92.75	67.175	33.25
Overnight Session	21.25	75.25	45.4	27.5
1st Hour (RTH)	12	42	23.025	12

Previous Day Reference Areas	
Close (CME)	3437.50
Cash Close (4 PM ET close. Estimated)	3436.5
High	3438.75
Low	3418.75
VPOC (Estimated)	3433.75

Key Economic Events
Wholesale Inventories (Preliminary) 10:00 AM ET
Baker Hughes Rig Count 1:00 PM ET