

The Context Report ^{BETA} | October 05, 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-neutral	3367.75. Bullish above. 3333.25. Bearish below.
Intermediate-term	Neutral	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Overnight balanced in upper portion of Friday's session - Low overnight volume and range - Short-term is looking like it is getting overly long and a liquidation could occur, potentially setting up a dip down in price to attract larger timeframe buyers. That idea is valid until buyers can push and hold above the 3367.25s. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Buyers strong from the open for a push up into and through initial key resistance. If this is the case, potential to test strong resistance at the 3394s above where I expect larger timeframe sellers to be active first test for a reversal down. Would look for a flip long of initial key resistance on a clear break above with sustained upside momentum. - If price action is choppy into initial key resistance or resistance at the 3377s, I expect sellers to step in for a reversal down.
Downside scenario	<ul style="list-style-type: none"> - If price action is choppy into the 3350s, I expect buyers to be active there first test for a potential test of initial key resistance. - Below the 3350s, I expect larger timeframe buyers to be active at initial key support first test for a reversal. If selling is strong for a clear push below the 3350s and there is sustained downside momentum, looking for a short flip of the zone down to initial key support and potentially lower. - If there is strong downside price action into initial key support, look for a long at the back of the zone or wait for a failure below. It would require a lot strong selling to push and hold below the 3333.25s. - Below initial key support, would look to go long at the support zones below first test if it is clear selling is backing off or over-extended to the downside.

Key Support and Resistance Zones		
Name	Zone	Note
Strong resistance	3394.50-3386.00	
Resistance	3377.25-3372.00	
Initial key resistance	3367.75-3365.50	
Current price when report is being written		
Support	3359.50	
Support	3350.00-3346.50	Friday's high area.
Initial key support	3339.00-3333.25	
Support	3322.25-3319.75	

Support	3311.50	Friday's low area.
Support	3305.50-3300.00	
Strong support	3296.00-3286.50	
Strong support	3206.75-3198.00	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	29	91.5	55.25	48
24-Hour Session	46.5	108.5	75.125	75.25
Overnight Session	28.25	79	50.825	75.25
1st Hour (RTH)	13.25	48.5	30.475	42

Previous Day Reference Areas	
Close (CME)	3339.25
Cash Close (4 PM ET close. Estimated)	3338.75
High	3359.5
Low	3311.5
VPOC (Estimated)	3350

Key Economic Events
PMI Composite Final 9:45 AM ET
ISM Services Index 10:00 AM ET
Investor Movement Index 12:30 PM ET