

The Context Report ^{BETA} | October 13, 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-bullish	3509.75. Bearish below. 3541.50. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Large up trend day yday that ended with a poor high. - Overnight balance on avg volume in upper portion of day's range. - Potentially market is getting too long in short-term and correction is needed. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Choppy price action up into initial key resistance. Expecting sellers to be active here first test for a rotation down to initial key support and possibly lower if liquidation occurs. This zone is key for the idea that the short-term is too long right now. - Strong buying from open for push above initial key resistance into the 3541s resistance zone. Only expecting that zone to hold if price action is choppy and the target down will be for ultimately initial key support, but I'd first want to see sellers able to push below initial key resistance otherwise potential to break above the 3541s. Will otherwise wait for clear rejection above there the 3541s for a short. Will look for a flip long of the 3541s if price action is strong on a clear break above this zone for a push up to the resistance zones above. - I expect sellers first test at resistance zones above the 3541s for a short-term reversal down to the day's VPOC and possibly lower.
Downside scenario	<ul style="list-style-type: none"> - Expecting buyers first test at initial key support if price action is choppy. How strong buyers are off this zone is indicative of short-term buyer strength and whether the market is too long. If off this zone, buyers struggle with intraday resistance such as the mid-point, then I would expect a break below initial key support possibly for a liquidation break. - On strong downside price action into initial key support, not looking to fade, but will flip short the zone targeting the 3494s and possibly lower. - If price action is choppy below initial key support and liquidation break does not occur, I expect buyers first test at each zone below for short-term reversal up to the day's VPOC and possibly higher.

Key Support and Resistance Zones		
Name	Zone	Note
Strong resistance	3577.75-3574.00	
Good resistance	3560.00-3552.25	
Resistance	3541.50-3539.25	Yday's high area.
Initial key resistance	3536.00-3530.50	
Current price when report is being written		

Initial key support	3515.25-3509.75	
Support	3502.75-3500.00	
Support	3494.25-3490.50	Yday's low area. First target down below initial key support.
Support	3479.75-3473.50	
Good support	3465.75-3459.75	
Good support	3449.50-3443.75	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	20	78	41.95	49.75
24-Hour Session	33.25	92.75	63.275	76.75
Overnight Session	21.25	75.25	41.125	35.75
1st Hour (RTH)	11.5	42	20.225	11.5

Previous Day Reference Areas	
Close (CME)	3532.75
Cash Close (4 PM ET close. Estimated)	3524.25
High	3541
Low	3491.25
VPOC (Estimated)	3525

Key Economic Events
NFIB Small Business Optimism Index 6:00 AM ET
CPI 8:30 AM ET
Redbook 8:55 AM ET
Treasury Statement 2:00 PM ET