

The Context Report ^{BETA} | October 16, 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	3460.50. Neutral below. 3447.25. Bearish below.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
- Balanced overnight above yday's end of day spike up. Buyers in control overnight.	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Expecting sellers at initial key resistance first test. If price action into this zone is strong to the upside, I will be looking for a fade at the back of the zone or wait for a failure above. If strong upside price action off the open, wait for failure above. Off this zone, I would expect sellers to be able to push below 3481s down to initial key support. If sellers cannot push below the 3481s, I would expect buyers to push price above initial key resistance. - On a clear break above initial key resistance, I'd look to get long on a flip of the zone for a push up to the 3514s and then the 3525s. I expect sellers to be active at the 3525s zone first test for a short-term reversal down to the day's VPOC at least. This zone has the potential to cap the upside. If price action is choppy into the 3514s, I expect sellers to be active there for a short-term reversal down to the day's VPOC.
Downside scenario	<ul style="list-style-type: none"> - I expect buyers at initial key support and the 3464s first test. If there is strong downside price action into initial key support, wait for failure below for a long. If there is strong downside price action on a break below initial key support, do not fade at the 3464s zone. Only fade at the 3464s zone on choppy price action. On a clear break of initial key support, I would look for a flip of the zone short to ride a break down to yday's VPOC area. - Below the 3464s zone, I would look to get long at any zone below first test on choppy price action for reversal up to the day's VPOC at least or higher, riding the momentum of the move.

Key Support and Resistance Zones		
Name	Zone	Note
Resistance	3541.50-3539.25	
Resistance	3536.00-3530.50	
Resistance	3525.00-3520.50	
Resistance	3514.00-3510.25	
Initial key resistance	3496.50-3490.50	
Current price when report is being written		
Support	3481.00	
Initial key support	3472.50-3470.25	
Support	3464.25-3460.50	
Support	3451.50-3447.25	

Support	3440.75-3438.50	
Good support	3434.00-3427.50	
Strong support	3422.75-3414.50	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	20	78	42.65	49.5
24-Hour Session	33.25	86.25	59.15	55
Overnight Session	21.25	75.25	36.875	52.75
1st Hour (RTH)	11.5	42	18.7	26

Previous Day Reference Areas	
Close (CME)	3475.50
Cash Close (4 PM ET close. Estimated)	3476.5
High	3481
Low	3431.5
VPOC (Estimated)	3455

Key Economic Events
Retail Sales 8:30 AM ET
Industrial Production 9:15 AM ET
Business Inventories 10:00 AM ET
Consumer Sentiment 10:00 AM ET
Baker Hughes Rig Count 1:00 PM ET
Treasury Statement 2:00 PM ET
Treasury International Capital 4:00 PM ET