

The Context Report ^{BETA} | October 20, 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-bearish	3411. Bearish below. 3460. Neutral-bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Bouncing off strong support from end of day yday into overnight. Larger timeframe buyers active? - 100% long inventory overnight on above average volume and balanced session. Both sides active here and this could be indicative of a decent move to come today. 	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> - Larger timeframe buyers pushing price up aggressively up into initial key resistance. Potential for a bounce off here, but not expecting much more than that if larger timeframe buyers active. Expecting break above initial key resistance for push higher. Target up is the 3485s. No reason to fade any of the zones to the short side in this scenario except maybe a small trade down to the days VPOC when buying clearly has dried up. - If price is choppy into initial key resistance or the 3460s zone above, will expect sellers to be active first test for a rotation lower to attract buyers. This could be at the 3429s zone or initial key support. If we push above initial key resistance, watch the 3460s closely to see if buying is drying up.
Downside scenario	<ul style="list-style-type: none"> - Expecting buyers to be active at the 3429s zone and initial key support first test. I expect a decent move off these zones. If there is strong downside price action into the 3429s, I would wait for a long at initial key support. - Off initial key support, if buyers cannot push above intraday resistance, there is potential to break below this zone. In that case I would short a flip of the zone and I would not fade anything below there except for maybe at the 3387s zone first test on choppy price action.

Key Support and Resistance Zones		
Name	Zone	Note
Good resistance	3514.00-3508.50	
Resistance	3500.25-3493.75	
Target up and resistance	3485.50-3480.00	
Resistance	3474.50-3469.00	
Resistance	3460.00-3456.25	Yday's half-back and LVN area.
Initial key resistance	3452.75-3448.25	Yday's half-back and LVN area.
Current price when report is being written		
Support	3429.50-3425.25	
Initial key support	3418.50-3411.00	Strong support.
Support	3405.75-3403.00	
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)	20	83	46.925	83
24-Hour Session	33.25	86.25	59.575	85.75
Overnight Session	22.25	54.25	32.1	26.5
1st Hour (RTH)	11.5	26	17.625	25

Previous Day Reference Areas	
Close (CME)	3422.75
Cash Close (4 PM ET close. Estimated)	3422.25
High	3493.75
Low	3410.75
VPOC (Estimated)	3418

Key Economic Events
Housing Starts and Permits 8:30 AM ET
Redbook 8:55 AM ET