

# The Context Report <sup>BETA</sup> | September 29, 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	3312.75. Bearish below. 3365.50. Bullish above.
Intermediate-term	Neutral	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Buyers active overnight from yday's close to take price up into initial key resistance. Sellers were active there quite aggressively.</li> <li>- Lots of poor structure below. Expecting some liquidation.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- Expecting sellers first test at initial key resistance. Expecting rotation off here for initial key support.</li> <li>- If buyers fail to hold above yday's high (3353s zone) or price action is very sluggish into this area, expecting sellers to be active here. This could spark a liquidation break.</li> <li>- If price action is strong and there is sustained upside momentum, not looking to fade at initial key resistance.</li> <li>- On a strong and clear push above initial key resistance, will look for a pull-back to go long for a test of the resistance zones above, ultimately targeting the 3405s. If price action is choppy into zones above initial key resistance, will look for a short fade down to the day's VPOC.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- On strong downside price action, not looking to fade until possibly around the 3292s. Will look to get short on a failure above yday's high or a clear break below initial key support for liquidation. Targets down are the 3272s and the 3261s zones where a long can be taken if price is short-term overextended into those zones.</li> <li>- If price action is choppy, expecting buyers at initial key support first test and off here would want to see buyers easily able to push above the 3338.50s, otherwise, I would get out of a long as there would be potential to break below initial key support. Above the 3338.50s, target would be initial key resistance.</li> <li>- Expecting buyers at each support zone below initial key support first test if price action is choppy into the zone.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Strong resistance	3419.75-3414.00	
Target up	3405.00-3400.00	
Resistance	3394.50-3386.00	
Initial key resistance	3365.50-3357.75	
Resistance	3353.00-3349.00	Yday's high area
Key area	3338.50	VPOC of larger range

Current price when report is being written		
Support	3334.25-3329.25	
Initial key support	3322.00-3312.75	
Support	3296.50	
Support	3292.00-3282.00	
Good support	3272.75-3267.00	
Good support	3261.50-3255.50	
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	58.075	29
24-Hour Session	42.75	108.5	73.05	63.25
Overnight Session	28.25	79	46.3	49.5
1st Hour (RTH)	10.75	48.5	26.925	24.75

Previous Day Reference Areas	
Close (CME)	3346.00
Cash Close (4 PM ET close. Estimated)	3342.75
High	3350.75
Low	3321.75
VPOC (Estimated)	3340

Key Economic Events
Goods Trade (Advance) 8:30 AM ET
Retail Inventories (Advance) 8:30 AM ET
Wholesale Inventories (Advance) 8:30 AM ET
Redbook 8:55 AM ET
Case-Shiller House Price Index 9:00 AM ET
Consumer Confidence 10:00 AM ET