

# The Context Report <sup>BETA</sup> | October 22, 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	3411. Bearish below. 3443.50. Bullish above.
Intermediate-term	Bullish	
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> <li>- Larger term failed breakout pattern possible now since breakdown occurred overnight and sellers dried up below strong support and responsive buyers stepped in to push back above this zone.</li> <li>- Above average overnight volume. Neutral overnight session given we will be opening close to where the overnight session opened.</li> </ul>	
Scenarios	Details and Conditions
Upside scenario	<ul style="list-style-type: none"> <li>- Larger timeframe responsive buyers active and push price up above initial key resistance, up to the 3460s, where I expect a short-term reversal, and then possibly for a break above this zone. I would look for a flip long of initial key resistance.</li> <li>- If buyers fail to hold above initial key resistance or there is clear rejection there, then I would look for a short down to initial key support. I'd need a good r:r setup for this trade to be worth it as I expect a reversal at initial key support.</li> </ul>
Downside scenario	<ul style="list-style-type: none"> <li>- Expecting larger timeframe buyers to be active at initial key support for a push higher. Strength of buyers will be judged off this zone. If buyers fail to push above initial key resistance or fail above there, then potential to break below initial key support. I will look for a short on clear break below initial key support, with targets down being 3387s and then the 3339s (but unlikely to get there today). I expect buyers to be active at support zones below on choppy price action for reversal to the day's VPOC as long as the r:r is there.</li> </ul>

Key Support and Resistance Zones		
Name	Zone	Note
Good resistance	3514.00-3508.50	
Resistance	3500.25-3493.75	
Resistance	3485.50-3480.00	
Resistance	3474.50-3469.00	
Good resistance	3460.50-3453.75	
Resistance	3443.50	Key volume area to larger term range.
Initial key resistance	3435.00-3432.00	Key volume area to larger term range.
Current price when report is being written		
Support	3424.50	Yday's low area.
Initial key support	3418.50-3411.00	
Support	3405.75-3402.25	
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	43.125	32.75
24-Hour Session	33.25	85.75	51.55	39.25
Overnight Session	22.25	52.75	31	39.25
1st Hour (RTH)	11.5	26	19.575	25.5

Previous Day Reference Areas	
Close (CME)	3432.50
Cash Close (4 PM ET close. Estimated)	3427.75
High	3457.25
Low	3424.5
VPOC (Estimated)	3432

Key Economic Events
Jobless Claims 8:30 AM ET
Existing Home Sales 10:00 AM ET
Leading Indicators 10:00 AM ET
EIA Natural Gas Report 10:30 AM ET
Kansas City Fed Manufacturing Index 11:00 AM ET
Fed Balance Sheet 4:30 PM ET
Money Supply 4:30 PM ET