

The Context Report ^{BETA} | September 10, 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	3360.25. Bearish below.
Intermediate-term	Neutral	3384.25. Bullish above. 3360.25. Starts to get more bearish below.
Long-term	Bullish	

Context and Trade Plan	
Context Summary	
<ul style="list-style-type: none"> - Opening in range. - Yday looked to be getting too long near the 3420s (high was poor high) and at end of day long liquidation correction occurred. Overnight buyers were unable to push back above yday's VPOC, so that area becomes initial key resistance for today. - Balanced overnight session with below average range and low to average volume with inventory primarily balanced, so nothing there. - Jobless Claims at 8:30 AM ET could change all this. Watch for acceleration after the event. 	
Scenarios	Details and Conditions
Upside Scenario	<ul style="list-style-type: none"> - If strong upside price action, can expect break above initial key resistance. - On choppy price action into the zone, sellers likely to be able to rotate price off here and target down is initial key support, but watch out for selling to shut off in the 3379s zone. - If buyers can push above initial key resistance, I expect them to be able to push above yday's high area at the 3420s. If buyers start to fail to hold that area, expecting a rotation down below initial key resistance. Above initial key resistance, next key zone is the 3446s. I expect larger timeframe sellers to be active there on first test for a potential short-term reversal or decent bounce.
Downside Scenario	<ul style="list-style-type: none"> - Sellers push price down to initial key support, expecting buyers to defend that area first test. Potential to rotate off there for initial key resistance. - If strong selling into initial key support, look for long at back of zone or after failure below (more probable). - If sellers can cleanly and clearly push below initial key support, expecting some liquidation for a push down to 3327s. Should be seeing downside momentum and underlying weakness for this to play out. Buyers likely to be active first test at the 3327s if sellers dry up and price action becomes choppy, otherwise don't fade as sell-off could occur.

Key Support and Resistance Zones		
Name	Zone	Note
Good resistance	3455.25-3446.75	
Resistance	3436.75-3420.75	
Resistance	3425.75-3421.75	Yday's high area.
Initial key resistance	3413.25-3408	Key area for short-term buyers to break above.
Current price when report is being written		

Support	3379.75-3374	
Initial key support	3367.5-3360.25	This area is a short-term and larger timeframe inflection point. Expect buyers here.
Support	3327.25-3318.25	

Volatility Analysis				
Minimum Stop Size			5 points	
10-Day Range Analysis				
	Min	Max	Avg	Previous Day
Regular Trading Hours (RTH)	23	139	59.1	59
24-Hour Session	28.75	162	80.625	128.5
Overnight Session	22.5	85.25	43.525	82.5
1st Hour (RTH)	7.5	87.5	28.65	32.5

Previous Day Reference Areas	
Close (CME)	3400.25
Cash Close (4 PM ET close. Estimated)	3396.25
High	3424
Low	3365
VPOC (Estimated)	3412.25

Key Economic Events
Jobless Claims - 8:30 AM ET
PPI-Final Demand - 8:30 AM ET
Wholesale Inventories (Preliminary) - 10:00 AM ET
EIA Natural Gas Report - 10:30 AM ET
EIA Petroleum Status Report - 11:00 AM ET