

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 10, 2008

Issue 100

Market Overview

Summary of Recent Active Studies (see <http://QuantifiableEdges.blogspot.com> or Letters from listed dates for details)

Study Date	Description	Time span	Bias
July 7, 2008	5 Weeks Lower	1-10 weeks	Bearish
July 7, 2008	Bounce off 100 day support	1-5 days	Bullish
July 2, 2008	CBI=10	1-8 days	Bullish
June 27, 2008	Sharp Drop to 50 low w/ time str	1-10 days	Bullish
June 27, 2008	Stocks over 40ma < 15%	1-10 days	Bullish
June 25, 2008	Advancers Exp MA Ratio Study	1-20 days	Bullish
June 24, 2008	WR7 High Vol Down / NR7	1-18 days	Bullish
June 23, 2008	Gap & Drop At 50-low	1-19 days	Bullish
March 17, 2008	Consumer Sentiment Stretch	1-12 months	Bullish

Short-term Outlook (1-5 days) –bullish – updated 7/10

The good feeling lasted 1 day. The market managed to reverse its entire rally and more on Wednesday. Breadth came in negative by about 2 to 1, which is bad, but not to an extreme. Volume was lower than Tuesday.

The good news is most of the positions in the Subscriber Letter triggered exits either Tuesday or Wednesday morning. The bad news is I decided to give the SPY position another day.

The action of the past few days doesn't provide much in the way of an edge for either direction that I could identify. I looked at bounces of at least 1% following 100-day lows last night. Today the bounce was reversed and all the gains were given back. Of the 50 or so instances examined last night, this only happened 3 times: 8/25/66, 3/14/01, and 10/9/02. In '02 the market dropped about 1% the next day intraday before starting a massive and sharp rally. In '66 and '01 the market fell another 4 - 4.5% over the next few days before bouncing. Can't really read too much into 3 instances, but it shows just how unusual a situation the market is in.

I then looked at the action of the last *two* days to see if anything could be gleaned from it. Some examples below:

S&P rises over 1% yesterday and then gives back all its gains today. Buy on close. Sell "X" days later.									
\$100k per trade. 1960-present. Excludes Crash of '87 instance.									
X Days	Net Profit	Trades	Wins	% Wins	Avg Win	Avg Loss	W/L Ratio	Avg Trade	Profit Factor
20	(\$37,726.48)	46	19	41.30	\$3,926.79	(\$4,160.57)	0.94	(\$820.14)	0.66
15	(\$18,638.27)	48	22	45.83	\$3,890.87	(\$4,009.13)	0.97	(\$388.30)	0.82
10	(\$35,989.06)	50	21	42.00	\$2,807.66	(\$3,274.13)	0.86	(\$719.78)	0.62
9	(\$25,978.27)	50	22	44.00	\$2,591.71	(\$2,964.14)	0.87	(\$519.57)	0.69
8	(\$10,577.67)	51	22	43.14	\$3,267.48	(\$2,843.53)	1.15	(\$207.41)	0.87
7	(\$4,599.09)	53	24	45.28	\$3,047.09	(\$2,680.32)	1.14	(\$86.78)	0.94
6	(\$8,527.51)	54	23	42.59	\$3,248.64	(\$2,685.36)	1.21	(\$157.92)	0.90
5	(\$10,211.71)	54	23	42.59	\$2,684.48	(\$2,321.12)	1.16	(\$189.11)	0.86
4	\$7,031.92	56	26	46.43	\$2,559.40	(\$1,983.75)	1.29	\$125.57	1.12
3	\$6,126.26	56	29	51.79	\$1,896.90	(\$1,810.52)	1.05	\$109.40	1.13
2	(\$7,300.24)	56	23	41.07	\$1,853.82	(\$1,513.27)	1.23	(\$130.36)	0.85
1	(\$10,954.99)	56	29	51.79	\$717.65	(\$1,176.55)	0.61	(\$195.62)	0.66

This setup triggered a few days prior to the Crash of '87. I decided to exclude that instance since it would have skewed the results is incredibly negative. After excluding it, it still appears there is a bit of a downside edge.

Below I changed the requirement from a 1% up day to a 1.5% up day:

S&P rises over 1.5% yesterday and then gives back all its gains today. Buy on close. Sell "X" days later.									
\$100k per trade. 1960-present.									
X Days	Net Profit	Trades	Wins	% Wins	Avg Win	Avg Loss	W/L Ratio	Avg Trade	Profit Factor
20	\$11,784.33	13	8	61.54	\$5,432.93	(\$6,335.82)	0.86	\$906.49	1.37
15	\$17,590.37	13	8	61.54	\$4,839.71	(\$4,225.45)	1.15	\$1,353.11	1.83
10	\$7,467.42	13	6	46.15	\$4,705.22	(\$2,966.27)	1.59	\$574.42	1.36
9	\$14,140.79	13	7	53.85	\$3,978.67	(\$2,284.99)	1.74	\$1,087.75	2.03
8	\$30,475.06	14	8	57.14	\$5,703.79	(\$2,525.88)	2.26	\$2,176.79	3.01
7	\$27,232.89	14	9	64.29	\$4,316.84	(\$2,323.73)	1.86	\$1,945.21	3.34
6	\$21,637.28	14	8	57.14	\$4,537.87	(\$2,444.28)	1.86	\$1,545.52	2.48
5	\$18,686.10	14	8	57.14	\$4,186.84	(\$2,468.11)	1.70	\$1,334.72	2.26
4	\$22,943.52	14	7	50.00	\$4,692.02	(\$1,414.37)	3.32	\$1,638.82	3.32
3	\$15,305.89	14	8	57.14	\$2,708.09	(\$1,059.80)	2.56	\$1,093.28	3.41
2	\$14,906.39	14	9	64.29	\$2,513.41	(\$1,542.86)	1.63	\$1,064.74	2.93
1	\$3,145.42	14	8	57.14	\$1,114.40	(\$961.63)	1.16	\$224.67	1.55

In this case, although the instances are a bit low, the results would suggest a bullish bias. I also looked at how the current volume pattern may affect results and it was negligible. These tests represent the kind of inconsistency I found throughout studying the recent market action, making it difficult to draw any solid conclusions.

Monday night I mentioned the Investors Intelligence survey. The data came in and the ratio of bulls to bears is at its lowest level since 1994. While certain sentiment gauges such as the VIX and Put/Call ratios are short of very extreme levels, others like the Michigan Consumer Sentiment Report and the Investors Intelligence survey are at extremely, extremely low levels. Going back to 1978 with my Consumer Sentiment data and about that far with Investor Intelligence, extreme levels such as these have consistently produced excellent buying opportunities. Several breadth measures also remain oversold to a degree that has produced strong upside edges over the last 20-25 years.

The real issue – the one that has been tearing at me for almost two weeks now, is the problem of persistency. It's something I went over in great detail in the last intermediate-

term update below, so I won't rehash the whole thing here, but the market has still been unable to put together any kind of reasonable bounce. For the last 25 years rallies in downtrends have been especially sharp. So far this downtrend has failed to produce the kind of sharp counter-trend rallies that would be expected. The number of consecutive days the S&P 500 has now closed below its 10-day moving average is 23. This is the longest stretch in over 24 years. While I typically give more weight to the recent past (last 15-20 years) than the distant past when evaluating studies, it's starting to seem unreasonable to do that now. The market is acting substantially different than it has for the last 25 years.

So what are we likely to see from here and what's the best way to handle it? All indications still suggest to me that we are likely to see a substantial oversold bounce soon. Prior to that there may be more pain to endure. How this information is best utilized depends on your approach to trading. At times like this, I tend to be more fearful of missing the move up than having to endure some additional downside. Therefore, I'm more apt to ride out selloffs like this than to step aside. Others are more comfortable stepping aside and looking to enter or re-enter when the market confirms a bounce is in process. Of course there is no assurance that confirmation will hold true.

Much of the decision may rest with the time frame you are trading in as well. Those with full-time jobs who can't trade during the day need to decide whether they're better off being in or out of the market ahead of time. This is pretty much the perspective I take when looking at trade ideas for the Subscriber Letter. It makes the decision process a bit more difficult since I don't have the agility to switch in and out of positions as I might do during the day. Subscribers that are professional traders may have the ability to be more agile in their trading. They can trade a moving picture, whereas the Subscriber Letter is trading from snapshots. This is not to say trading intraday is any easier. It really only provides an advantage to those that are adept at it. It is easy to get whipsawed intraday in environments like this and end up with substantially more losses, missed opportunities, and trading costs. This is all just a long-winded way of saying that I believe the best way to utilize a Subscriber Letter such as this is to take the information received from the nightly snapshots and personally incorporate into your own trading.

I currently believe potential upside reward outweighs downside risk based on tonight's snapshot. I will therefore keep the SPY trades as is. Should support levels get broken tomorrow, traders could consider trading out of and around their positions. If this was a chat room, I may consider doing that as well. As a newsletter, I'll stick it out, because I believe there is going to be a bear-scaring rally soon.

What might ignite that rally I can't say. I keep waiting for a large gap, and will personally be ready to trade very aggressively should we get one. I am surprised with all the volatility we haven't seen one recently. Subscribers may recall my research on large gaps indicated that during downtrends [large gaps down](#) many times are a washout that leads to a rally and [large gaps up](#) can beget scared and furious short-covering rallies.

Intermediate-term Outlook (1 week – 2 months) -neutral – updated 7/7

The preliminary Michigan Consumer Sentiment Survey is set to come out on Friday the 11th. In [March I posted a study on the blog](#) that looked at the steep drop in consumer confidence. The study suggested that the market has historically produced greater than average gains when consumer confidence gets stretched too far to the downside. To measure stretch I threw 10% moving average envelopes around a 10-month moving average of the consumer confidence number. This is the 1st time in the 30 years that number has been tracked on a monthly basis where it has closed below its lower 10% envelope without bouncing for 5 months in a row. Negative reactions this extreme do tend to be overreactions, so even though we're in uncharted territory I'd still consider this extreme reading a long-term positive. It will be interesting to see whether Friday's release signals a bounce from 56.40 or whether the number will get even more extreme.

The biggest and most prevalent concern I have right now with the market is the persistency of the recent selloff. On Wednesday night I discussed the fact that the S&P and Dow were close to closing below their 10-day moving averages for the 20th day in a row. They accomplished that feat on Thursday. As I showed, this was not uncommon in the 60's, 70's and even early 80's. Since the Crash of '87, though, the S&P 500 has only managed this once. Below again are all the instances ordered by the amount of time each occurrence lasted:

20th Day Below	Total # of Days Below
April 17, 1962	20
February 6, 1970	20
February 9, 1973	20
April 15, 1974	20
January 29, 1962	21
August 9, 1971	21
June 14, 1965	22
March 15, 1966	22
May 27, 1971	22
February 12, 2003	22
January 10, 1969	23
February 13, 1968	24
December 11, 1969	24
November 8, 1967	25
November 27, 1973	27
June 16, 1969	28
February 9, 1984	29
March 14, 1980	30
January 31, 1977	31
May 1, 1970	38
May 22, 1962	45

The May '62 and May '70 occurrences were also the worst in terms of selling from the 20th day forward. In 1962 the market sold off and additional 16% before bouncing. In 1970 it dropped another 14%. The 1980 occurrence saw an additional drop of over 7% before rebounding above the 10ma. All of the other instances dropped less than 4% further before bouncing, with 11 of them never closing below their close on the 20th day.

In many cases the selloff ended with a quick acceleration to the downside. A few ways I looked at the acceleration included a 3-period RSI dropping below 15 or a stretch below the 10-period ma greater than any previous stretch. Nearly every instance saw the 3-period RSI drop and many the 10-ma stretch. The S&P did drop sharply on Wednesday with the 3-day RSI closing at 13, and it's possible that was the acceleration needed to provide a bounce. It's not completely clear, though.

Another example of the selling persistence is one I mentioned in Thursday's blog. Two regional bank ETF's, KBE and RKH have now both closed below their 10-day moving averages for 41 days in a row. I was unable to find any other ETF that has ever done this. Of course most of them have a limited history. I did look back to 1920 to see if the Dow had ever done it and the longest it went below its 10-day moving average was 36 days. The persistence is certainly worrisome.

So the big question is: Is the market environment reverting back to the way it acted prior to 1987 or will the extreme breadth and time readings provide enough energy to force a bounce that will stick?

I go back to the Crash of '87 for a few reasons. First, it was the last time that strong negative breadth readings, such as the % below 40ma and the 10-day Advance/Decline EMA led to further selling, and in a big way. Second, it led to changes in the way the market is governed and monitored. Some changes, such as the implementation of [trading curbs](#), are well documented. Others, such as the [President's Working Group](#), are clouded in mystery. Whatever the reason, breadth extremes as we've seen recently have consistently marked buying opportunities over the last 20+ years. I'm am not yet convinced that the market is likely to revert to a 60's or 70's type of environment.

Even without such bugaboos as government intervention, there are real reasons why bear market rallies tend to be extremely sharp. When the market gets stretched enough to attract bottom fishers and begins to bounce, this will many times lead to short-covering rallies. The bear market of 2000-2003 was littered with these and we've already seen a few this year. Some times these short-covering rallies will lead to something more and sometimes they will quickly peter out. In either case they tend to be extremely sharp. We're at a point in time where more people are able to short the market than ever before. Abolishment of the uptick rule last summer has received a lot of press, but inverse etf's are a new breed of investment that has changed the landscape as well. With inverse etf's many people are able to short the market in their retirement account that were never able to do so before. The more shorts, the more potentially furious the short covering. We saw this in January and March when the CBI and other measures became stretched and then rebounded with ferocity that has rarely been seen.

Of course the January and March rallies were ignited by the Fed intervention –seemingly as a reaction to a huge drop in the futures. While it seems unlikely that we'll get that kind of intervention this time, it should be recalled that both those “Fed moves” were quickly retraced before the rallies fully launched. This suggests that the rallies may have

taken place even if the Fed had not moved exactly when it did. The market perhaps was ready to rally and the rates cuts were used as an excuse to do so.

Enough theory, though. Back to some hard evidence. Below is one last example of why the persistent downtrend has me worried:

S&P 500 closes lower 5 weeks in a row. Buy at close. Sell "X" weeks later. \$100,000 per trade.													
X Weeks	Net Profit	Gross Profit	Gross Loss	Trades	Wins	% Winners	Max Win	Max Loss	Avg Win	Avg Loss	W/L Ratio	Profit Factor	
20	(\$32,429.11)	\$4,311.39	(\$36,740.50)	8	3	37.50	\$1,672.62	(\$15,842.36)	\$1,437.13	(\$7,348.10)	0.20	(\$4,053.64)	0.12
19	(\$30,561.90)	\$5,961.81	(\$36,523.71)	8	3	37.50	\$3,046.29	(\$17,128.50)	\$1,987.27	(\$7,304.74)	0.27	(\$3,820.24)	0.16
18	(\$19,575.78)	\$7,226.73	(\$26,802.51)	8	2	25.00	\$5,521.20	(\$13,510.48)	\$3,613.37	(\$4,467.09)	0.81	(\$2,446.97)	0.27
17	(\$12,993.99)	\$7,012.38	(\$20,006.37)	8	2	25.00	\$6,497.04	(\$9,904.48)	\$3,506.19	(\$3,334.40)	1.05	(\$1,624.25)	0.35
16	(\$12,998.81)	\$6,279.53	(\$19,278.34)	8	2	25.00	\$4,914.51	(\$11,142.54)	\$3,139.77	(\$3,213.06)	0.98	(\$1,624.85)	0.33
15	(\$22,048.81)	\$8,672.48	(\$30,721.29)	8	2	25.00	\$5,213.04	(\$15,662.06)	\$4,336.24	(\$5,120.22)	0.85	(\$2,756.10)	0.28
14	(\$12,318.68)	\$9,569.25	(\$21,887.93)	8	4	50.00	\$3,434.70	(\$13,065.74)	\$2,392.31	(\$5,471.98)	0.44	(\$1,539.84)	0.44
13	(\$18,405.42)	\$4,637.79	(\$23,043.21)	8	4	50.00	\$2,144.07	(\$14,436.02)	\$1,159.45	(\$5,760.80)	0.20	(\$2,300.68)	0.20
12	(\$28,583.38)	\$7,671.21	(\$36,254.59)	8	3	37.50	\$3,539.70	(\$25,013.62)	\$2,557.07	(\$7,250.92)	0.35	(\$3,572.92)	0.21
11	(\$23,814.06)	\$10,463.07	(\$34,277.13)	8	3	37.50	\$5,072.70	(\$21,888.42)	\$3,487.69	(\$6,855.43)	0.51	(\$2,976.76)	0.31
10	(\$28,458.04)	\$8,960.97	(\$37,419.01)	8	3	37.50	\$7,924.38	(\$15,638.02)	\$2,986.99	(\$7,483.80)	0.40	(\$3,557.26)	0.24
9	(\$31,029.36)	\$11,892.36	(\$42,921.72)	8	2	25.00	\$9,267.96	(\$21,575.90)	\$5,946.18	(\$7,153.62)	0.83	(\$3,878.67)	0.28
8	(\$19,067.00)	\$9,033.31	(\$28,100.31)	8	4	50.00	\$6,498.54	(\$14,099.46)	\$2,258.33	(\$7,025.08)	0.32	(\$2,383.38)	0.32
7	(\$20,347.82)	\$9,207.33	(\$29,555.15)	8	2	25.00	\$8,500.20	(\$13,222.00)	\$4,603.67	(\$4,925.86)	0.93	(\$2,543.48)	0.31
6	(\$24,913.98)	\$6,827.58	(\$31,741.56)	8	1	12.50	\$6,827.58	(\$13,943.20)	\$6,827.58	(\$4,534.51)	1.51	(\$3,114.25)	0.22
5	(\$16,387.24)	\$9,850.21	(\$26,237.45)	8	3	37.50	\$6,297.46	(\$8,990.96)	\$3,283.40	(\$5,247.49)	0.63	(\$2,048.41)	0.38

This test was run from 1960-present. Again, only 8 occurrences makes it difficult to draw any solid conclusions. Still, these numbers are terrible. The maximum gain 20 weeks later is only 1.7%! The average loss is over 7% and the average trade lost over 4%. There were only three occurrences since 1988, but none of them were positive. They were 8/24/90, 10/13/00 and 3/2/01. Downside persistence like we're seeing has historically been bearish

To sum up what I'm looking at:

- 1) Breadth is extremely oversold by several measures. Using any of these would have provided traders a long-side edge over the last 20 years. Previous to that, it did not provide an upside edge. Evidence of this can be seen in the [Adv/Decl EMA study](#), which looked back farther than any of the other breadth studies.
- 2) Sentiment from traditional market measures such as Put/Call Ratios and VIX readings is not yet stretched. Many bottoms occur when it is but it is not always necessary. This was shown in the [CBI vs. VXO study](#) and [the Put/Call Study](#). Sentiment from a consumer survey measure is as stretched as it has ever been.
- 3) The persistency of the current move down is troubling and something that has rarely been seen in the last 20 years. Should we be moving into an environment reminiscent of earlier periods, many of the studies that seem to be providing upside edges may be inaccurate. I am not yet convinced this is the case.

I am now neutral on the market from an intermediate-term perspective. It certainly appears a bounce is likely in the near-term. The power and action of that bounce may tell a lot about the intermediate-term. Rather than make intermediate or long-term bets in a precarious environment, I'll defer to the short-term analysis as my best guide.

Catapult and Capitulative Breadth Statistics

(Catapult Presentation Part 1) (Catapult Presentation Part 2)

Open Catapult Trades

NYX – bought 1/3 position @ \$49.51
NYX – bought 1/3 position @ \$47.72
UNH – bought 1/3 position @ \$22.71
NYX – bought 1/3 position @ \$47.07
CBS – bought 1/3 position @ \$17.59

New Catapult Triggers

EP – buy 1/3 position @ \$18.91

Open Big 50 Trades

None

Catapult for ETF's Trades

MDY –bought @ \$141.67

Broad Market Large Cap CBI – 6/4 (NYX-3, UNH, CBS, EP)

Sector CBI Breakdown (% of stocks with active catapult triggers within each sector.)

Index	ETF	CBI %	Index	ETF	CBI %
DJ US Broker Dealers	IAI	13.79	DJ US Energy	IYE	12.79
DJ US Insurance Index	IAK	6.76	DJ US Financial	IYF	9.59
DJ US Regional Banks	IAT	10.00	DJ US Financial Services	IYG	8.39
DJ US Utilities	IDU	0.00	DJ US Healthcare	IYH	2.11
DJ US Oil&Gas Expl & Prod	IEO	3.45	DJ US Industrial Sector	IYJ	5.75
DJ US Oil Equip & Svcs	IEZ	17.31	DJ US Consumer Goods	IYK	5.44
DJ US Pharmaceuticals	IHE	0.00	DJ US Basic Materials	IYM	6.76
DJ US Healthcare Providers	IHF	6.12	DJ US Real Estate	IYR	10.98
DJ US Medical Devices	IHI	0.00	DJ US Transportation	IYT	0.00
DJ US Aerospace & Defense	ITA	0.00	DJ US Technology Sector	IYW	5.53
DJ US Home Construction	ITB	9.52	DJ US Telecommunications	IYZ	5.26
DJ US Consumer Svcs	IYC	9.21	Nasdaq 100	QQQQ	5.00

Additional New Trade Ideas

Just the EP Catapult trade tonight.

Active Trades Table

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
BAC	6/24/2008	\$25.88	\$22.06	-14.76%		sell on open
SPY	6/24/2008	\$131.05	\$124.79	-4.78%		
SPY	6/27/2008	\$128.28	\$124.79	-2.72%		
AIG	6/30/2008	\$27.51	\$27.40	-0.40%		sold on open
FDX	6/30/2008	\$77.04	\$77.73	0.90%		sold on open
DIA	6/30/2008	\$113.46	\$113.87	0.36%		sell on open
F	7/1/2008	\$4.71	\$4.95	5.10%		sold on open
AIG	7/1/2008	\$26.09	\$27.40	5.02%		sold on open
C	7/1/2008	\$16.57	\$17.46	5.37%		sold on open
SPY	7/1/2008	\$126.52	\$124.79	-1.37%		
F	7/2/2008	\$4.71	\$4.95	5.10%		sold on open
NYX	7/2/2008	\$49.51	\$44.87	-9.37%		Catapult
NYX	7/3/2008	\$47.72	\$44.87	-5.97%		Catapult
F	7/3/2008	\$4.36	\$4.95	13.53%		sold on open
BAC	7/3/2008	\$22.54	\$22.06	-2.13%		Sell on open
NYX	7/7/2008	\$47.07	\$44.87	-4.67%		Catapult
UNH	7/7/2008	\$22.71	\$22.93	0.97%		Catapult
BAC	7/7/2008	\$22.40	\$22.06	-1.52%		Sell on open
CBS	7/8/2008	\$17.59	\$17.63	0.23%		Catapult
MDY	7/8/2008	\$141.67	\$143.15	1.04%		Catapult

See notes at bottom discussing the intraday target prices.

Stocks and ETF's on my Radar

There are a few "Big 50" trades triggering. If you're looking for possible bounce candidates these could be playable. I won't be officially tracking them as I'd prefer to be extra conservative and just focus on standard Catapults at the moment. Possible trade candidates include:

NVDA
ATI
VLO

Notable S&P 500 stocks outside my "tradable" radar

None

Note on intraday target prices for Catapult trades

I sometimes get asked about the intraday target prices on the Catapult trades and the "best" way to take profits using them. Historically the target price being hit has not normally been the end of the move. In many cases the stock will continue to rally throughout the end of the day or into the next morning. This is especially true when the market undergoes a substantial rally. Over the last six months or so this has not been the case.

For purposes of tracking the trade ideas I normally just say that the trade idea will be closed at the next days open, no matter what time the target is hit. I prefer to do this for the Subscriber Letter, since it would more accurately depict how a subscriber might perform if they didn't have access to the market during the day when I was sending updates. After all, it's a letter, not a chat room, and I can't expect everyone to be sitting in front of their email waiting for me to send a message out.

That said, my personal preference for using the targets is as follows: 1) Once a target is hit I will normally look for a further spike to sell part of the position into $(1/3 - 1/2)$. An exception where I might take the partial exit more quickly would be if it occurred at the beginning of the day due to a gap up. I'd rather sell some than see the gap fill on me. 2) When an intraday target is hit I will normally start to trail a stop. Frequently I may use a level such as, the current low of the day as my stop. This prevents trades like GM, UNH, or today's example BAC from turning from nice winners into big losers. 3) If I am not stopped out, I may take another portion of the position at the end of the day, and then the remaining the next morning. Taking profits the next morning rather than in the afternoon has provided a small edge over time, but nothing terribly substantial. Sometimes I'm all too glad to just get out.

Hopefully by doing things such as trailing stops and taking partial exits on positions traders could perform better than just exiting the next morning. For purposes of trade idea tracking though, I'll normally just use the next morning exit.

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