

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

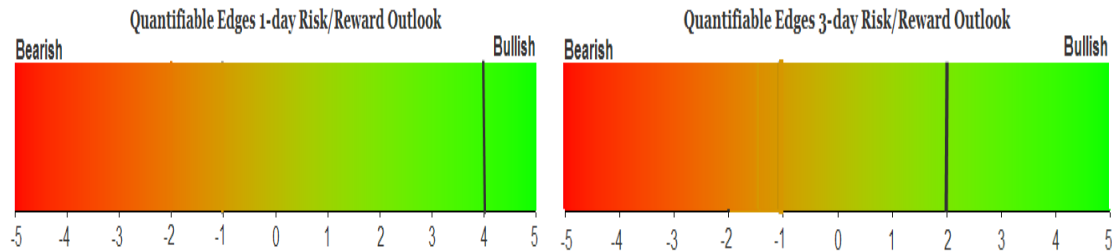
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April 19, 2010

Volume 3 Issue 73

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## Market Overview



## Tonight's Research Points

- High volume selloffs from highs often continue to sell off in subsequent days.
- When the decline is accompanied by especially weak breadth then larger selloffs have a tendency to bounce while mild ones have a tendency to drop further.
- Pullback following persistent upmoves like we've seen lately have a strong tendency to bounce.
- Big drops on Fridays have regularly led to bounces on Mondays over the last 17 years or so.
- The Aggregator System went long at the close.
- The NDX Aggressive Trend Timer went long at the close.

## *Short-term Outlook – updated 4/19*

### *The Bottom Line*

There is some question as to whether the market may have a bit further to fall or whether a bounce will come immediately. Odds seem to favor an immediate bounce. Traders should be aware that instances that failed to bounce immediately often sold off sharply over the next day or two. I'll be looking to play this by entering a partial position immediately and then scaling in further should the market continue to drop.

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

Study Date	Description	Time span	Bias	Avg Max Move	Avg MM - 1/3 Std Dev
<b>Active</b>					
April 19, 2010	High vol sharp drop from 20-high	1-4 days	Bearish	-2.20%	-1.80%
April 19, 2010	Down day after 5 up closes > 200ma	1-10 days	Bullish	2.20%	1.65%
April 15, 2010	Friday Selloff Studies	1 day	Bullish		
April 15, 2010	Nasdaq 90% Up Vol	1-3 days	Bullish	1.60%	1.40%
<b>Active - Long Term</b>					
April 19, 2010	1st drop below 10ma in long time	int. term	Bullish		
April 13, 2010	Til Put/Call 40-low. SPX no 0.5% up.	1-5 weeks	Bearish	-4.90%	-3.30%
April 6, 2010	SPX and TNX hit 50-day closing highs	int. term	Bearish		
February 16, 2010	Nasdaq/S&P RS Indicator Positive	int. term	Bullish		
<b>Dropped Tonight</b>					
<b>April 16, 2010</b>	<b>New high with put/call low</b>	<b>1-2 days</b>	<b>Bearish</b>		
<b>April 16, 2010</b>	<b>SPX up VIX up midweek at 50 high</b>	<b>1-2 days</b>	<b>Bearish</b>	<b>-0.80%</b>	<b>-0.60%</b>
April 15, 2010	Tax Day	1-2 days	Bullish	1.50%	1.00%
April 13, 2010	VIX:VXV hits 100-day low	int. term	Bearish		
February 22, 2010	VIX:VXV Ratio falls below 0.9	int. term	Bearish		

If the avg max move – 1/3 Std Dev is achieved the study will appear in **bold italic blue** and no longer be active.

### The Evidence

After pushing higher and higher and becoming more and more overbought the last couple of weeks the market got whacked on Friday. The S&P led the majors lower with a 1.6% decline. Meanwhile the Nasdaq fell 1.4% and the Russell 2000 dropped 1.3%. Breadth was extremely negative as the NYSE Up Issues % came in at 20% and the Up Vol % was just 7.5%. Total NYSE volume came in at the highest level since December 18<sup>th</sup>.

Strong selloffs from high levels can be viewed a number of different ways. Below is one study from the 5/8/09 Subscriber Letter which appears to have relevance.

Yesterday SPX closed at a 20-day high. Today it closed down over 1% on the highest volume in 20 days. Buy on close. Sell X days later. \$100k/trade. 1980 - present.										
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	-9,103.14	10	4	6	40.00	640.54	-1,944.22	0.33	0.22	-910.31
4	-9,537.85	10	1	9	10.00	1,528.10	-1,229.55	1.24	0.14	-953.79
3	-6,605.51	10	2	8	20.00	1,031.45	-1,083.55	0.95	0.24	-660.55
2	-7,002.18	10	3	7	30.00	616.28	-1,264.43	0.49	0.21	-700.22
1	-2,699.32	10	2	8	20.00	1,443.98	-698.41	2.07	0.52	-269.93
<b>All 10 instances closed below the entry price at some point in the next 4 days.</b>										

Instances are low but results are compelling enough to pay attention to. One issue with using volume in the current scenario is that Friday was option expiration day. This in itself ordinarily causes an increase in volume. While I think even without op-ex we would've likely seen the highest volume in the last 20 days, there no way to tell. I decided run the same test and see how many other instances occurred on op-ex and how they fared. Below are those results.

Yesterday SPX closed at a 20-day high. Today is op-ex Friday and it closed down over 1% on the highest volume in 20 days. Buy on close. Sell X days later. \$100k/trade. 1980 - present.										
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	-6,857.50	3	0	3	0.00	0.00	-2,285.83	0.00	0.00	-2,285.83
4	-5,315.51	3	0	3	0.00	0.00	-1,771.84	0.00	0.00	-1,771.84
3	-4,124.05	3	0	3	0.00	0.00	-1,374.68	0.00	0.00	-1,374.68
2	-4,782.65	3	0	3	0.00	0.00	-1,594.22	0.00	0.00	-1,594.22
1	-632.30	3	1	2	33.33	485.55	-558.93	0.87	0.43	-210.77

Obviously with only 3 instances there isn't much to learn here. What we can take away from it though is that op-ex Friday occurrences appear to be generally in line with the broader study. There doesn't appear to be a quantifiable reason why I should ignore the study simply because Friday was op-ex.

I also tried expanding on the above study. One other way I looked at strong selloffs from highs was in using breadth rather than price and volume. Below is one example of what I saw, which is representative of the series of tests I ran.

Yesterday SPX closes at a 50-day high. Today the Up Vol % < 20%. Buy on close. Sell X days later. \$100k/trade. 1970 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade	All: Max Losing Trade	All: Max Winning Trade
10	-11,077.85	25	15	10	60.00	1,537.85	-3,414.56	0.45	0.68	-443.11	-8,344.70	4,534.69
9	-13,157.44	25	13	12	52.00	1,697.97	-2,935.92	0.58	0.63	-526.30	-7,534.80	3,794.54
8	-13,785.65	26	10	16	38.46	1,975.88	-2,096.53	0.94	0.59	-530.22	-7,170.80	4,327.90
7	-12,780.61	26	14	12	53.85	1,412.37	-2,712.81	0.52	0.61	-491.56	-6,522.88	2,873.59
6	-8,857.56	26	15	11	57.69	1,138.38	-2,357.57	0.48	0.66	-340.68	-6,087.90	3,480.90
5	-8,385.79	26	17	9	65.38	861.27	-2,558.60	0.34	0.64	-322.53	-5,933.20	3,550.60
4	-3,232.83	26	17	9	65.38	884.82	-2,030.53	0.44	0.82	-124.34	-4,904.90	2,138.40
3	-3,522.11	27	14	13	51.85	801.73	-1,134.33	0.71	0.76	-130.45	-4,395.30	2,100.28
2	-7,430.18	27	12	15	44.44	789.68	-1,127.09	0.70	0.56	-275.19	-4,167.80	2,007.46
1	389.49	27	15	12	55.56	702.21	-845.30	0.83	1.04	14.43	-2,957.50	2,002.36

From a predictive standpoint this study does not appear to be very useful. You have a greater number of winners than losers but the losers are substantially larger. While not a great example for making projections there is something to be gleaned here. It is suggesting a short-term bounce appears the more likely scenario. But if that bounce does not arrive...watch out. It could get ugly and fast. Traders may want to keep this in mind when determining their position sizes and risk management approach.

In the 1/13/10 Subscriber Letter I looked at selloffs with strongly negative breadth from 50-day highs and found that those that were accompanied by a sizable price drop stood a good chance of bouncing the next day while those that weren't most often sold off further the following day. Below are some updated results for that study.

SPX closes more than 1% lower. Decliners more than double advancers. Yesterday's close was at a 50-day high.. Today's close > 200ma. Buy on close. Sell X days later. \$100k/trade. 1988 - present										
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
3	2,660.72	15	10	5	66.67	857.80	-1,183.46	0.72	1.45	177.38
2	-644.29	16	9	7	56.25	825.43	-1,153.31	0.72	0.92	-40.27
1	4,620.27	16	12	4	75.00	660.98	-827.88	0.80	2.40	288.77

SPX closes less than 1% lower. Decliners more than double advancers. Yesterday's close was at a 50-day high.. Today's close > 200ma. Buy on close. Sell X days later. \$100k/trade. 1988 - present										
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
3	-12,472.70	15	5	10	33.33	299.64	-1,397.09	0.21	0.11	-831.51
2	-14,976.66	15	4	11	26.67	353.59	-1,490.09	0.24	0.09	-998.44
1	-12,329.96	15	4	11	26.67	470.60	-1,292.03	0.36	0.13	-822.00

With the SPX dropping 1.6% on Friday this suggests Monday may be a bounce back day.

Sometimes it can be worth not only considering the position of the market and the intensity of the drop, but also how the market reached that position. From a price action standpoint there has been no hint of a top prior to Friday. The market had been moving steadily higher when considering both short and intermediate-term measures. Let's examine the march higher that occurred prior to Friday a few different ways. I'll show two examples of the persistence here and another in the intermediate-term section.

It had been about 2 ½ weeks since the last time the SPY closed at a 5-day low. That's a fairly long time to go without a pullback. In the 10/22/09 Subscriber Letter I looked at other occurrences of SPY going at least 2 weeks without making a 5-day low and how the market performed afterwards. I've updated those results below.

SPY closes at a 5-day low after not having done so for at least 10 days. Buy on close. sell X days later. \$100k/trade. 1993 - present.										
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
10	72,793.25	102	67	35	65.69	2,182.87	-2,098.83	1.04	1.99	713.66
9	62,460.54	102	66	36	64.71	2,005.28	-1,941.34	1.03	1.89	612.36
8	57,695.13	102	65	37	63.73	1,960.93	-1,885.55	1.04	1.83	565.64
7	48,753.20	102	66	36	64.71	1,860.82	-2,057.25	0.90	1.66	477.97
6	37,152.67	102	63	39	61.76	1,718.94	-1,824.12	0.94	1.52	364.24
5	33,907.56	102	63	38	61.76	1,581.36	-1,729.42	0.91	1.52	332.43
4	45,634.86	102	65	37	63.73	1,487.47	-1,379.75	1.08	1.89	447.40
3	31,065.36	102	62	40	60.78	1,347.18	-1,311.50	1.03	1.59	304.56
2	19,511.12	102	57	44	55.88	1,107.99	-991.92	1.12	1.45	191.29
1	10,757.83	102	58	44	56.86	848.11	-873.46	0.97	1.28	105.47

Not hugely overpowering but there is a solid suggestion of an upside edge here. I also decided this weekend to add some additional filters to this study that more closely represented the current market setup. I required the market to have closed above its 200ma and to have closed at a 20-day high yesterday. Those results are below.

SPY closes at a 5-day low after not having done so for at least 10 days. Yesterday closed at a 20-day high. Close > 200ma. Buy on close. sell X days later. \$100k/trade. 1993 - present.

X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
12	22,100.48	18	15	3	83.33	1,551.91	-392.71	3.95	19.76	1,227.80
11	23,868.49	18	16	2	88.89	1,556.85	-520.56	2.99	23.93	1,326.03
10	18,911.23	18	15	3	83.33	1,500.00	-1,196.26	1.25	6.27	1,050.62
9	15,940.50	18	15	3	83.33	1,272.14	-1,047.20	1.21	6.07	885.58
8	14,457.47	18	13	5	72.22	1,370.07	-670.69	2.04	5.31	803.19
7	14,020.39	18	14	4	77.78	1,498.81	-1,740.73	0.86	3.01	778.91
6	9,546.00	18	13	5	72.22	1,194.94	-1,197.65	1.00	2.59	530.33
5	8,969.25	18	11	7	61.11	1,399.26	-917.51	1.53	2.40	498.29
4	9,782.53	18	12	6	66.67	992.18	-353.94	2.80	5.61	543.47
3	-1,359.94	18	11	7	61.11	876.36	-1,571.41	0.56	0.88	-75.55
2	-2,908.02	18	10	8	55.56	902.48	-1,491.60	0.61	0.76	-161.56
1	-3,122.46	18	11	7	61.11	615.29	-1,412.95	0.44	0.68	-173.47

**17 of 18 instances (94%) closed above the entry price at some point in the next week.**

The first few days are a bit of a crapshoot. While more instances bounced initially, those that didn't got hit pretty hard. Recall the breadth study from above. We are seeing a similar message here in the short-term. Likely to bounce but watch out if it doesn't. Once you get out past the first couple of days though this study is strongly suggestive of an upside edge. 94% of instances posting at least 1 positive close in the next week is impressive. And look at the winning trades column with the green arrow. It rises steadily. When you look out about 2 weeks odds are very strongly suggestive of upside.

Another way to consider the persistence of the move prior to Friday's drop is to note that the SPX had closed higher 6 days in a row as of Thursday. The 10/14/09 Subscriber Letter looked at other instances where the SPX managed to close higher for at least 5 days in a row during an uptrend before pulling back. I've updated that study below.

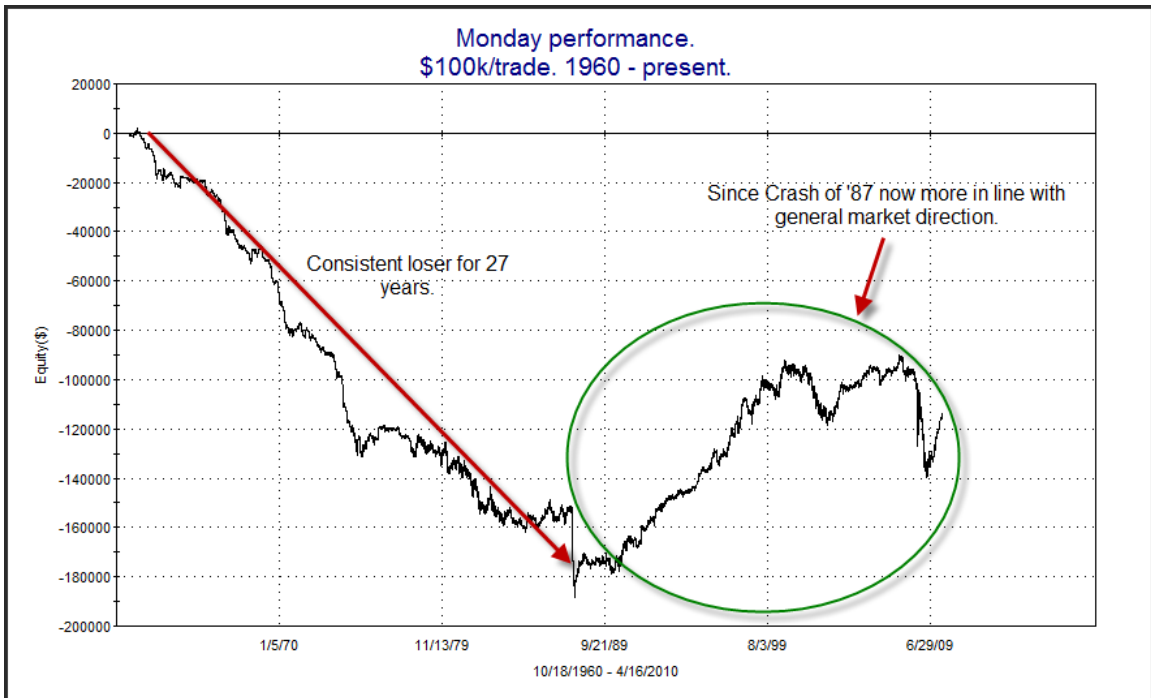
After closing higher for at least 5 days in a row, the SPX closes lower today but above its 200ma. Buy on close. Sell X days later. \$100k/trade. 1995 - present.

X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
10	55,553.26	50	41	9	82.00	1,676.77	-1,466.06	1.14	5.21	1,111.07
9	55,071.84	55	45	10	81.82	1,611.22	-1,743.29	0.92	4.16	1,001.31
8	49,741.60	55	39	16	70.91	1,826.52	-1,343.30	1.36	3.31	904.39
7	40,301.91	56	39	17	69.64	1,567.07	-1,224.33	1.28	2.94	719.68
6	36,800.30	58	39	19	67.24	1,490.97	-1,123.56	1.33	2.72	634.49
5	28,619.77	58	38	20	65.52	1,247.22	-938.74	1.33	2.52	493.44
4	27,421.15	58	36	22	62.07	1,250.54	-799.93	1.56	2.56	472.78
3	12,301.41	58	34	24	58.62	1,035.36	-954.20	1.09	1.54	212.09
2	6,314.44	58	34	24	58.62	858.16	-952.62	0.90	1.28	108.87
1	3,852.98	58	34	23	58.62	545.14	-638.33	0.85	1.26	66.43

**51 of 58 instances (88%) close above the entry price at some point in the next week.**

Again we see that drops have often been quick following persistent up moves. The uptrend has almost always reasserted itself and the risk/reward potential heavily favored the bulls. Note the steady rise I've pointed out in the "% Profitable", "Profit Factor", and "Avg Trade" columns.

Another consideration with interesting implications is the simple fact that the selloff occurred on a Friday. Friday selloffs and Monday reactions have an interesting history. First let's look at a chart I've shown a few times before that represents SPX performance on Mondays. (In actuality it is the day after Friday for simplification purposes of designing the study.)



Monday's on their own used to be a bearish day. This changed after the Crash of '87. So when running studies based on performance following something that happened on a Friday, I never go back past the Crash of '87.

In the 1/25/10 Letter I looked at large Friday drops. For this study I used Average True Range (ATR) to define "large". If the size of the drop was larger than 1.5 times the 20-day ATR then regardless of the size of the % drop, that was considered "large". Drops of this magnitude on a Friday have almost always led to a bounce. In January I only ran the test back to 1995. I went back to 1993 this time.

Today is Friday. The SPX falls more than 1.5 times yesterday's 20-day ATR. Buy on close. Sell X days later. \$100k/trade. 1993 - present.										
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	27,881.15	25	18	7	72.00	2,162.94	-1,578.83	1.37	3.52	1,115.25
4	20,540.27	25	17	8	68.00	1,839.18	-1,340.72	1.37	2.92	821.61
3	23,387.72	25	17	8	68.00	1,871.16	-1,052.75	1.78	3.78	935.51
2	17,657.33	25	17	8	68.00	1,524.69	-1,032.80	1.48	3.14	706.29
1	14,294.91	25	22	3	88.00	790.41	-1,031.38	0.77	5.62	571.80

An 88% bounce rate the next day is extremely impressive – especially considering the study is only based on 2 simple parameters (day of week and large drop). The Crash of '87 occurred on a Monday after a sizable drop on Friday. The Crash of '29 also occurred on a Monday. It seems that Wall St.'s collective consciousness since '87 calls for protecting yourself going into the weekend if Friday is bad. This means that big drops on Friday's have often been overreactions and have resulted in a consistent propensity to bounce on Monday.

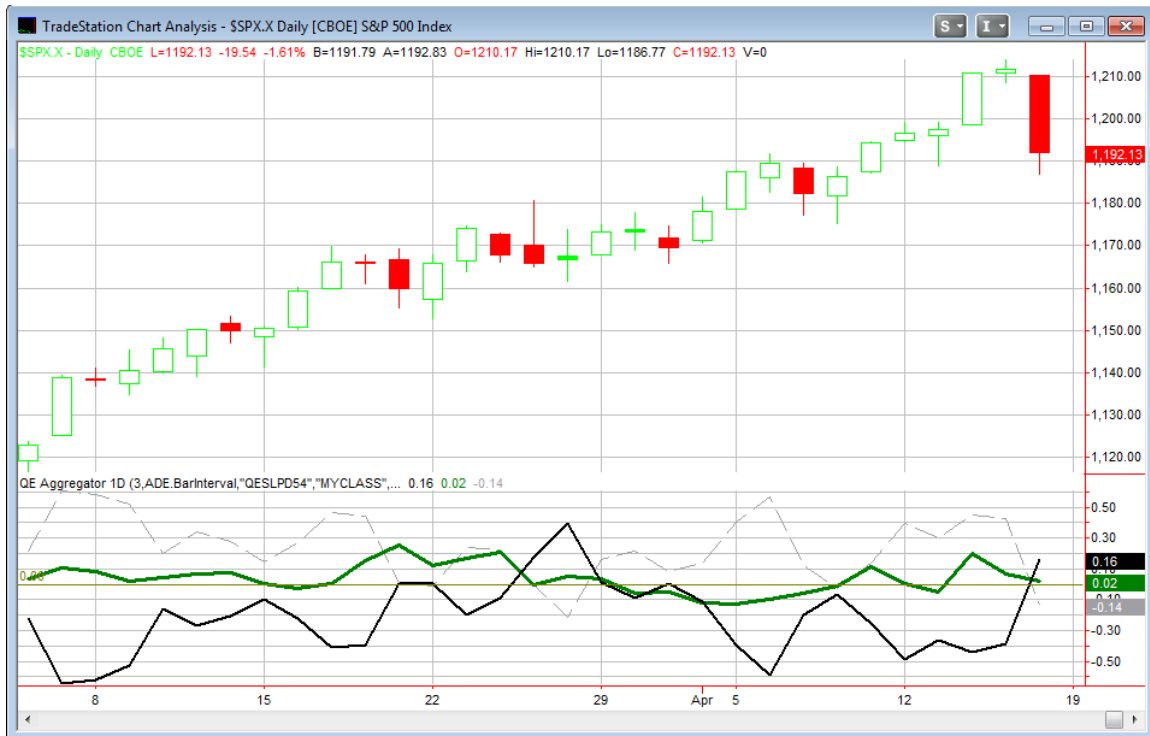
Since the market bottomed in March of 2009, Mondays following down Fridays of any magnitude have performed exceptionally well. In the March 22, 2010 blog post I broke out Monday performance over the last year by Mondays following up Fridays and Mondays following down Fridays. The results were compelling. I have updated the performance following down Fridays below.

SPX performance on a day following a down Friday. \$100k/trade. 3/20/09 - present.			
TradeStation Performance Summary			Collapse ^
All Trades			
Total Net Profit	\$21,922.76	Profit Factor	3.76
Gross Profit	\$29,870.99	Gross Loss	(\$7,948.23)
Total Number of Trades	24	Percent Profitable	79.17%
Winning Trades	19	Losing Trades	5
Even Trades	0		
Avg. Trade Net Profit	\$913.45	Ratio Avg. Win:Avg. Loss	0.99
Avg. Winning Trade	\$1,572.16	Avg. Losing Trade	(\$1,589.65)
Largest Winning Trade	\$7,069.40	Largest Losing Trade	(\$3,466.02)

This study seems to provide what I often refer to as an “environmental edge”. It isn’t something that has performed consistently over many years but in the recent past it has provided a quantifiable advantage. I never expect environmental edges to last for a very long time, and this study may fall out of consideration a few months from now, but as long as it is working and continuing to suggest an edge I will look to incorporate it in my analysis. Combined with the Friday ATR drop study and the study that looked at big drops on bad breadth from 50-day highs that I showed earlier, it appears the odds of a bounce on Monday are fairly good.

Of course these bullish studies do have the 1<sup>st</sup> one I showed to contend with. Perhaps some traders are swayed enough by the strongly negative implications of that 1<sup>st</sup> study that they feel it overwhelms this other evidence. I’m inclined to take it all into account and see how it all looks when plugged into the Aggregator.

I’ve updated the [Aggregator](#) chart below.



When adding the most pertinent studies to the Active Studies List without duplicating concepts the green Aggregator line value comes in slightly positive. When I say “without duplicating concepts”, as an example, I simply took an average of the Friday drop studies and used that as a single input rather than counting them as several inputs. The net positive Aggregator value means that over the next few days the net expectation from the active studies is bullish. Meanwhile the big selloff Friday helped cause the black Differential line to spike back into positive territory. This signifies the fact that the SPX has now underperformed expectations over the last few days. Both lines above zero means net positive expectations with recent underperformance versus expectations. Historically this configuration has provided an upside edge. It caused the Aggregator System to go long at the close on Friday.

Looking ahead the green Aggregator value is scheduled to turn slightly negative tomorrow but then flip back to positive after that. Of course this could change depending on tomorrow’s action. A down day on Monday could set up a [Turnaround Tuesday](#). We’ve seen several studies over the years suggesting weak bounces often roll over so I suspect a weak bounce wouldn’t likely turn the Aggregator value positive, but a strong bounce may have a chance. The pivot value for the Differential line is 1212.22. So it would take a close in the SPX at or above this level in order move the Differential into negative territory where shorting is possible.

There is a lot of research to absorb in tonight's Letter. One aspect of Quantifiable Edges that I don't stress often enough is that subscribers really should do their own consideration of what appears most significant to them. I may have more experience in wading through the data than many subscribers, so it is ok to use me as a bit of a guide, but it is also perfectly ok to disagree with my interpretation of certain data. Perhaps you feel that the research associated with action on Friday's doesn't seem as important as the moves from highs. Or perhaps you feel that requiring the market to be at a 20-day high is too confining a filter in the 1<sup>st</sup> study. It is fine to pick and choose the studies you feel are most important and base trading decisions on your interpretation of the data rather than mine.

***Intermediate-term Outlook (2 weeks – 2 months)– updated 4/19 somewhat bullish***

From an intermediate-term standpoint very little has changed from last week. With Friday's VIX spike I am removing the VIX:VXV Ratio studies. Previously I had shown a beneficial alternate exit for those studies if there was a spike in the VIX to 10% over its 10ma. This was accomplished on Friday so I'm not inclined to view the VIX as suggesting complacency.

The other intermediate-term bearish studies which were related to bond action and to put/call ratios remain in effect and provide some hope for the bears.

The Nasdaq/S&P 500 Relative Strength indicator is still favoring the Nasdaq as it has since the middle of February. As we've discussed many times before this is considered bullish.

Another notable about Friday's selloff that demonstrates how persistent the uptrend has been is the fact that it caused the SPX to close below the 10ma for the 1<sup>st</sup> time since February 12<sup>th</sup>. That streak consisted of 42 trading days above the 10ma before Friday. In the 3/22/10 Letter I discussed the fact that the SPY had gone more than 25 days above its 10ma. (The SPY streak was broken on 3/26 after going 30 days.) In that Letter I showed the 5 other times since 1993 that SPY had gone at least 25 days above the 10ma. My conclusion after viewing the charts was the following..." Strong and persistent upside movement like we have seen lately hasn't just ended and lead to an immediate correction. The 1<sup>st</sup> dip has always been just that – a dip. New highs were always made in short order." With this Letter already quite long I decided not to reproduce those charts again. Instead, if you would like to view them you may find the in the intermediate-term section of the 3/22 Letter which I have provided a download link to below:

[2010-03-22 QE Weekly Research Letter.pdf](#)

Along these lines this weekend I looked for other times the SPX closed above the 10ma for at least 40 days in a row. Looking back to 1960 there were only 4 other instances – the most recent occurring in 1972. The dates when the other 4 instances finally dipped below the 10ma were Feb 1961, Oct 1968, Feb 1971, and Jan 1972. In looking at those instances I am drawn to the same conclusion as the 3/22 study referenced above.

Persistent strength never just ended on that 1<sup>st</sup> pullback. The market went on to make new highs each time and the rally continued.

I should note that the NDX did NOT drop below its 10ma on Friday and it has now posted 45 straight closes above it. There has only been one other time in the history of the index that it has lasted this long and that streak ended on 6/5/89. The persistence of this rally truly has been amazing.

In summary one of the most persistent bull moves of all time has now suffered just a single down day. Any inclination to suggest a top at this point would seem premature. I tend to give trends the benefit of the doubt, and with a trend as strong as this one I'm certainly not going to bet against it without more substantial evidence.

### **Catapult and Capitulative Breadth Statistics**

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

#### ***Open Catapult Triggers***

**NEW**

*MON 1/3 position @ \$64.73 limit.*

#### ***Catapult for ETF's Trades***

*None*

#### ***Broad Market Large Cap CBI – 1 (MON)***

### **Additional New Trade Ideas**

*A full listing of system triggers can be found at the [system triggers page](#) each night. I will cherry pick some of my favorite setups from the S&P 100 and ETF lists along with occasional other trade ideas to track below.*

*MON – buy 1/3 position @ \$64.73 limit. Catapult trade. Note to those new to Catapult trades. They are extremely volatile and don't use stops. Size your positions accordingly.*

*SPY – buy 1/4 index position at \$119.36 limit. Based on short-term outlook above.*

*SPY – buy 1/4 index position @ \$119.35 limit ON CLOSE. I'll be looking to scale in should the market continue to fall.*

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