

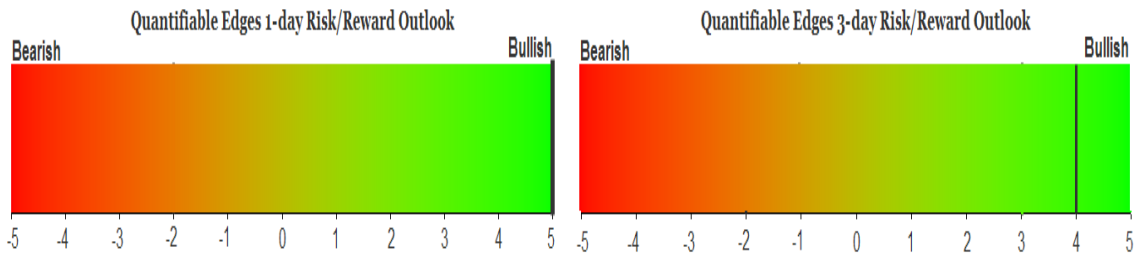
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 15, 2010

Volume 3 Issue 220

Market Overview



Tonight's Research Points

- 2 Unfilled gaps in SPY while $> 200ma$ and at a 5-day low suggest a substantial upside edge over the next 4-5 days.
- The 1st 5 day closing low in at least 2 weeks is also suggestive of a bounce.
- The fact that the SOX rose despite the SPX decline has shown bullish tendencies for both the short and intermediate-term.
- The very weak breadth on a large decline is often followed by a bounce over the next 1-10 days.
- Down Fridays have consistently been followed by up Mondays since the 2009 market low.
- The acceleration in the already overdone decline in QQQQ has been both short and intermediate-term bullish in the past.
- The S&P 500 Volume Spyx indicator is also suggesting an upside edge for Monday.
- The Aggregator System is long.
- The NDX Aggressive Trend Timer is long.

Short-term Outlook

The Bottom Line

There is a substantial amount of evidence tonight suggesting the market is likely to bounce over the next few days. I'm partially long and looking to get aggressively long to take advantage of these short-term edges.

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
Active				
November 15, 2010	Volume SPYX > 110 and SPX down	1 day	Bullish	
November 15, 2010	SPX down 1% Decliners 2x Advancers	1-9 days	Bullish	3.00%
November 15, 2010	SPY 2 unfilled down gaps & 5-day low	1-5 days	Bullish	1.90%
November 15, 2010	SPX down 1% SOX Up	1-6 days	Bullish	2.90%
November 15, 2010	Down Friday	1 day	Bullish	
November 9, 2010	SPX 5+ up days then 1 down	1-6 days	Bullish	2.10%
November 8, 2010	%b > 1.15 2 days in row. 20-day high	1-6 days	Bullish	2.20%
Active - Long Term				
November 15, 2010	QQQQ 5 lower lows and large drop	1-20 days	Bullish	
November 15, 2010	SPX down 1% SOX Up	1-20 days	Bullish	
November 5, 2010	Very strong breadth & 50-day high	1-30 days	Bullish	
October 25, 2010	SPX Golden Cross	int term	Bullish	
October 18, 2010	SPX up. Issue% and Vol% very low	1-25 days	Bearish	
September 20, 2010	Nas/SPX RS favors Nasdaq	int term	Bullish	
Dropped Tonight				
November 9, 2010	Low volume drop from 50-day high	1-6 days	Bearish	-1.80%

If the avg max move is achieved the study will appear in **bold italic blue** and no longer be active

The Evidence

After gapping down to open the day the market continued to sell off. I'd mentioned a few times the last few days that I was concerned the market could pull back to the \$120 gap level in the SPY. It did just that and went a little below before leveling off. At the close it was a little above there as the SPY closed at \$120.20. This resulted in a 1.2% decline for the SPX. The Nasdaq fell 1.5% and the Russell 2000 lost 1.7%. Breadth was strongly negative as the NYSE Up Issue % came in at 18% and the Up Volume % was just over 10%. Total volume rose from Thursday's level but was still below its 10 and 20-day averages.

There were a substantial number of studies that triggered on Friday. I'll discuss the most compelling ones. While the pullback, which has persisted much of the week, may not seem terribly extreme, I am seeing several signs that in fact that it has reached such extremes that have almost always led to a bounce.

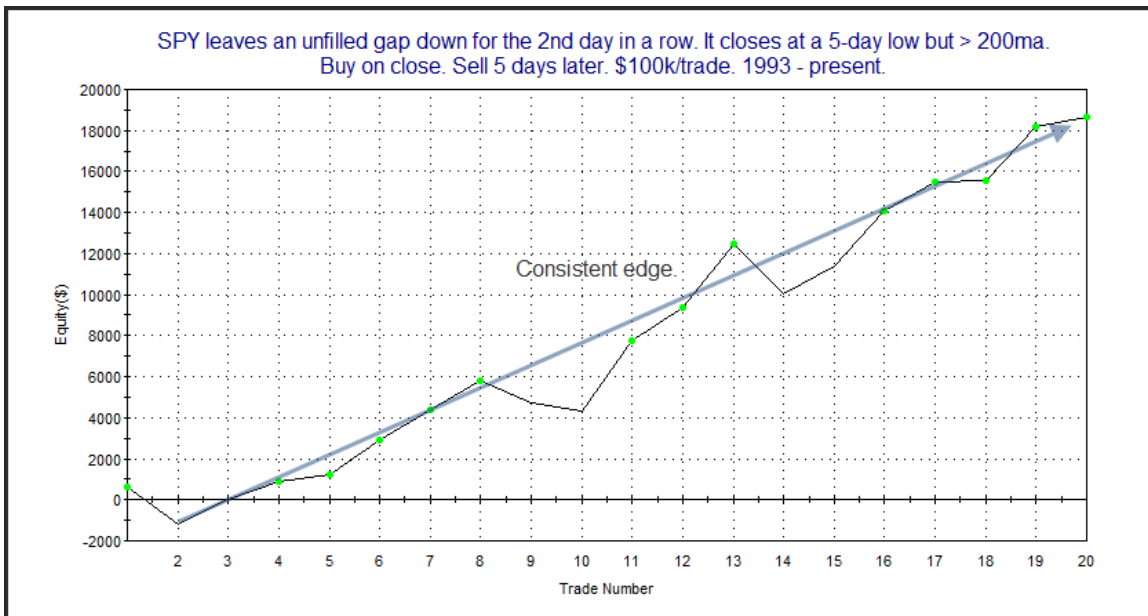
In the 8/9/10 Letter I showed a study that suggested 2 unfilled down gaps in a row showed a strong propensity for the market to rally over the next week. Tonight I added the condition that the SPY must close at a 5-day low. Adding this condition suggested an even more reliable bounce.

SPY leaves an unfilled gap down for the 2nd day in a row. It closes at a 5-day low but > 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
10	19,654.64	20	14	6	70.00	2,238.48	-1,947.35	1.15	2.68	982.73
9	17,901.48	20	17	3	85.00	1,875.26	-4,659.32	0.40	2.28	895.07
8	15,689.07	20	14	6	70.00	2,048.78	-2,165.64	0.95	2.21	784.45
7	11,485.12	20	14	5	70.00	1,926.53	-3,097.25	0.62	1.74	574.26
6	16,884.05	20	15	5	75.00	1,779.34	-1,961.21	0.91	2.72	844.20
5	18,657.31	20	16	4	80.00	1,527.60	-1,446.05	1.06	4.23	932.87
4	15,849.10	20	16	4	80.00	1,331.11	-1,362.17	0.98	3.91	792.46
3	14,662.52	20	15	5	75.00	1,162.84	-556.01	2.09	6.27	733.13
2	8,509.26	20	15	5	75.00	951.57	-1,152.85	0.83	2.48	425.46
1	3,271.31	21	14	7	66.67	692.11	-916.89	0.75	1.51	155.78

**Only 1 instance failed to close above the entry price at some point in the next 5 days.
That setup triggered on 9/14/99.**

Most of the gains were realized in the 1st 4 or 5 days, and only 1 instance failed to post a higher close at some point in the next week. This would seem to suggest a strong upside edge. Below is an equity curve using a 5-day exit.



The steady equity line suggests the edge has been consistent and is likely to persist.

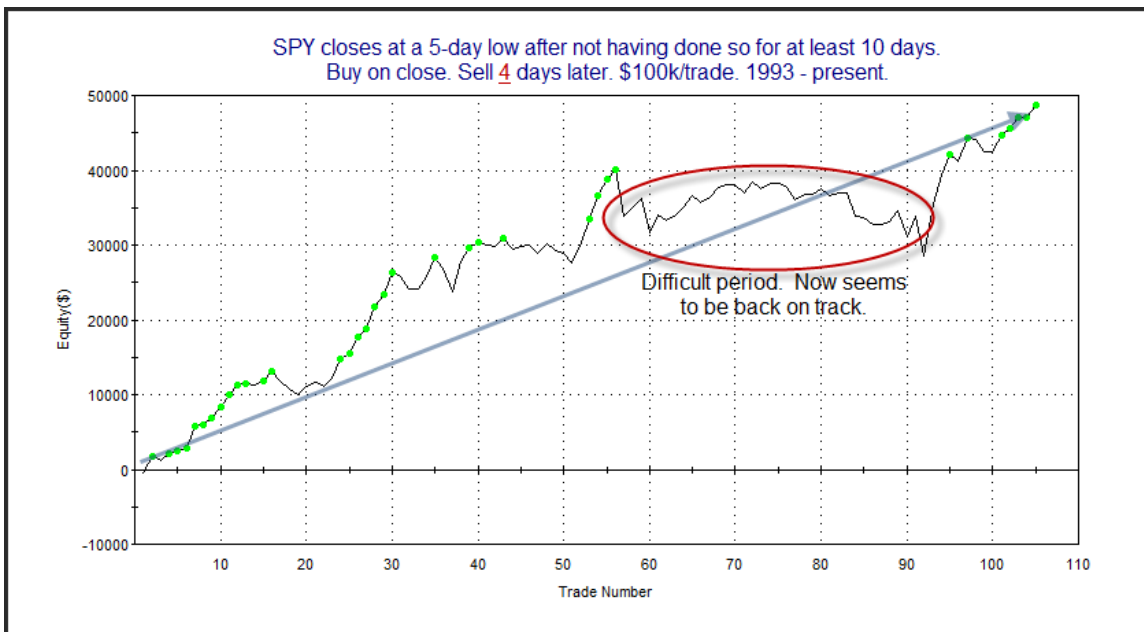
SPY closing at a 5-day low may not seem to be a big deal. It is interesting though that this was the 1st 5-day closing low in over two weeks. In the 4/19/10 Subscriber Letter I looked at similar scenarios. I have updated that study below.

**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	76,560.90	105	69	36	65.71	2,180.87	-2,053.32	1.06	2.04	729.15
9	66,713.16	105	69	36	65.71	1,979.73	-1,941.34	1.02	1.95	635.36
8	60,976.67	105	68	37	64.76	1,922.68	-1,885.55	1.02	1.87	580.73
7	51,382.00	105	68	37	64.76	1,855.58	-2,021.55	0.92	1.69	489.35
6	41,811.34	105	66	39	62.86	1,711.39	-1,824.12	0.94	1.59	398.20
5	39,730.69	105	66	38	62.86	1,597.71	-1,729.42	0.92	1.60	378.39
4	48,719.48	105	68	37	64.76	1,467.21	-1,379.75	1.06	1.95	464.00
3	34,366.02	105	65	40	61.90	1,335.78	-1,311.50	1.02	1.66	327.30
2	23,304.88	105	60	44	57.14	1,115.82	-991.92	1.12	1.53	221.95
1	13,637.68	105	61	44	58.10	853.61	-873.46	0.98	1.35	129.88

92 of 105 instances (88%) posted a close above the entry price at some point in the next week.

Results here are not as positive as the 1st study above, but they do seem to confirm an upside edge based on SPY's price pattern. With the 4-day exit appearing to be compelling from a % Profitable, Avg Trade, and Profit Factor standpoint, I ran an equity curve with it.

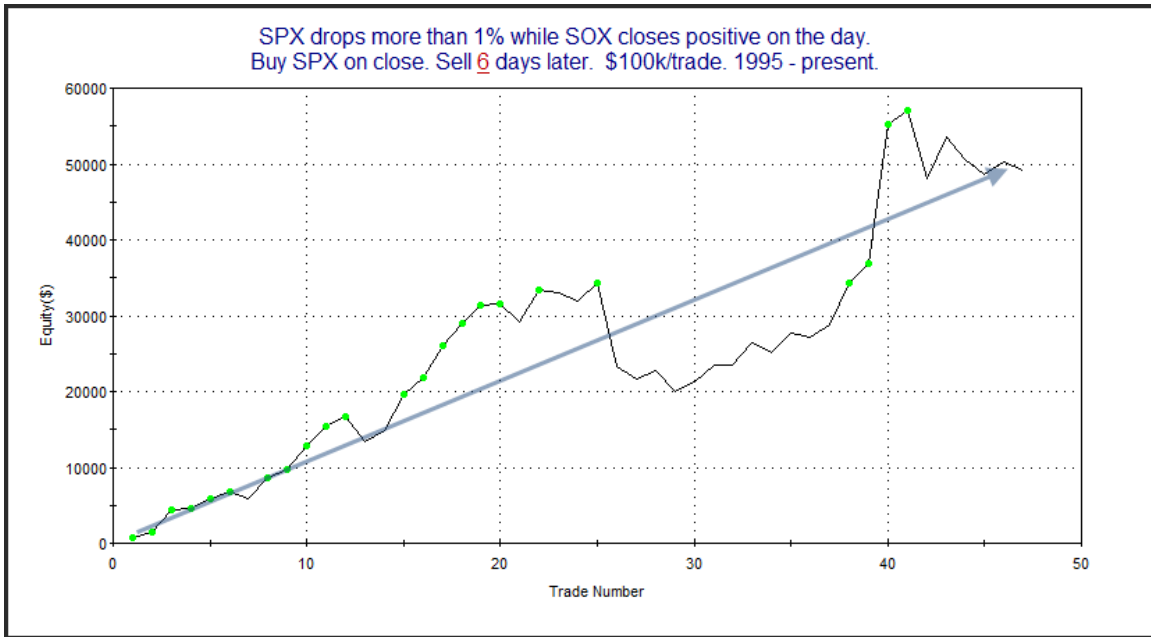


After showing a pretty consistent upside edge for almost 60 instances, it chopped a bit for a while (mostly due to bear markets). Over the last 15 trades or so the edge seems to have reasserted itself.

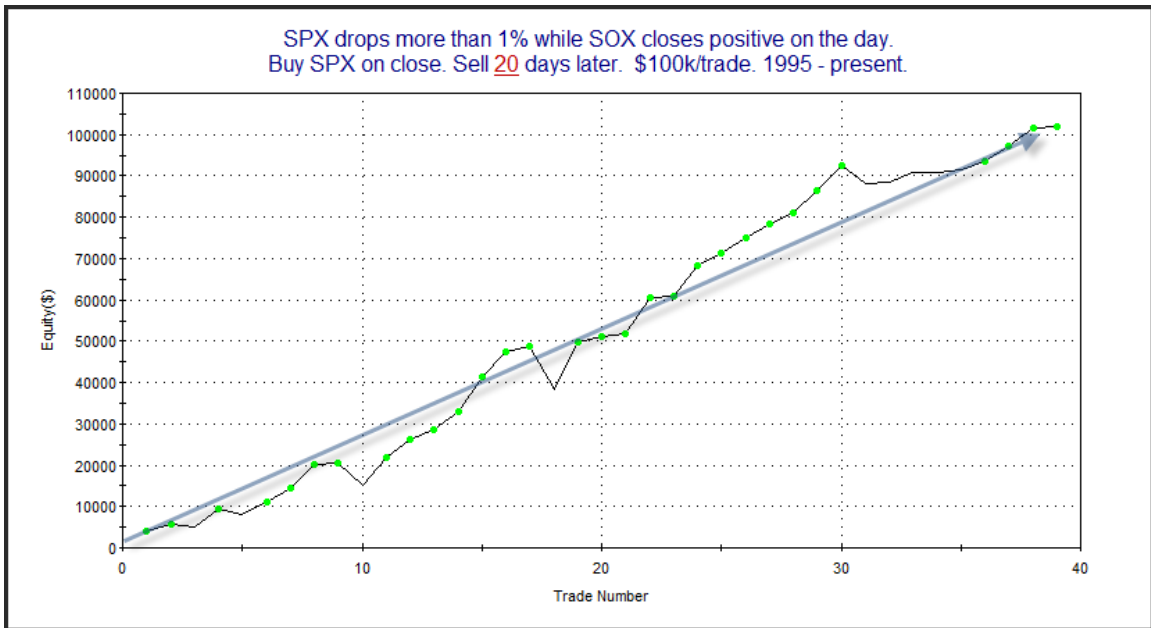
Aside from simple price action in the SPY, the comparative action in the SOX (semiconductor index) also appears to be suggesting a strong upside advantage. The SOX is often a leading indicator. In the 12/9/09 Letter I showed a study that indicated a positive close in the SOX on a day when the SPX drops more than 1% has often led to substantial gains over the next 1-4 weeks. I have updated that study below.

SPX drops more than 1% while SOX closes positive on the day. Buy SPX 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
20	101,790.37	39	33	6	84.62	3,769.82	-3,768.95	1.00	5.50	2,610.01
19	89,809.40	39	31	8	79.49	3,814.46	-3,554.85	1.07	4.16	2,302.81
18	90,016.63	40	32	8	80.00	3,823.89	-4,043.49	0.95	3.78	2,250.42
17	95,307.75	40	34	6	85.00	3,564.07	-4,311.74	0.83	4.68	2,382.69
16	98,407.74	40	33	7	82.50	3,568.12	-2,762.88	1.29	6.09	2,460.19
15	96,990.09	42	35	7	83.33	3,411.08	-3,199.68	1.07	5.33	2,309.29
14	83,929.92	42	32	10	76.19	3,392.40	-2,462.67	1.38	4.41	1,998.33
13	69,995.33	43	34	9	79.07	3,078.22	-3,851.56	0.80	3.02	1,627.80
12	56,633.30	43	33	10	76.74	2,736.11	-3,365.84	0.81	2.68	1,317.05
11	60,498.78	43	32	11	74.42	3,124.58	-3,589.80	0.87	2.53	1,406.95
10	43,625.23	43	31	12	72.09	2,651.58	-3,214.48	0.82	2.13	1,014.54
9	34,574.62	45	30	15	66.67	2,474.52	-2,644.07	0.94	1.87	768.32
8	43,610.24	45	29	16	64.44	2,620.99	-2,024.90	1.29	2.35	969.12
7	46,390.46	46	30	16	65.22	2,727.13	-2,213.97	1.23	2.31	1,008.49
6	49,140.56	47	33	14	70.21	2,709.02	-2,875.50	0.94	2.22	1,045.54
5	39,218.30	48	30	18	62.50	2,652.52	-2,242.08	1.18	1.97	817.05
4	35,946.75	48	29	19	60.42	2,357.06	-1,705.69	1.38	2.11	748.89
3	21,822.25	50	29	21	58.00	2,129.59	-1,901.70	1.12	1.55	436.45
2	13,853.23	51	27	24	52.94	1,971.14	-1,640.32	1.20	1.35	271.63
1	11,225.59	53	24	29	45.28	1,559.32	-903.38	1.73	1.43	211.80

It's interesting here that there seem to be not only short-term bullish implications, but intermediate-term ones as well. I ran equity curves for the 6 and 20-day exits below. First let's look at a 6-day exit.



Though there have been 2 decent sized losses in the last 5 trades the equity curve here doesn't appear too bad. Now let's take a look at the 20-day exit.



This equity curve is very strong and steady and shows no sign of weakness lately. I'd say this SOX/SPX study is well worth consideration for both the short and intermediate-term.

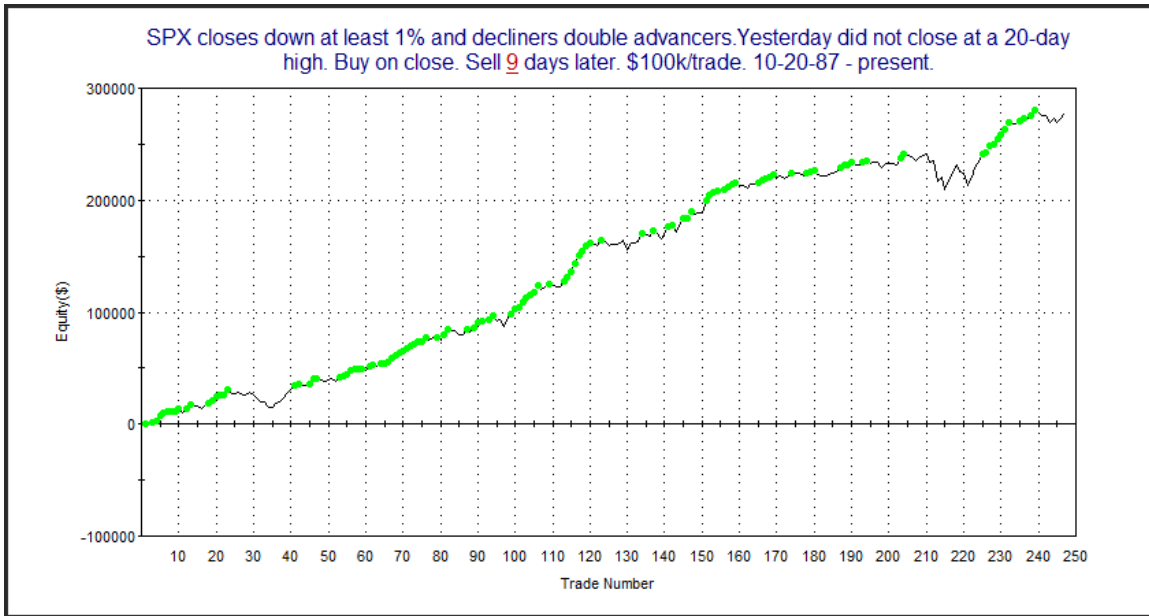
Another SPX study looked at strong selloffs on very weak breadth as we saw on Friday. This study was last seen in the 8/20/10 Subscriber Letter. I have updated the results below.

SPX closes down at least 1% and decliners double advancers. Yesterday did not close at a 20-day high. Buy on close. Sell X days later. \$100k/trade. 10-20-87 - 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	237,477.28	237	155	82	65.40	2,981.90	-2,740.45	1.09	2.06	1,002.01
9	277,601.27	247	173	74	70.04	2,813.18	-2,825.39	1.00	2.33	1,123.89
8	237,497.89	260	172	87	66.15	2,777.11	-2,760.52	1.01	1.99	913.45
7	230,961.73	278	174	104	62.59	2,648.14	-2,209.75	1.20	2.00	830.80
6	208,695.50	293	183	110	62.46	2,528.96	-2,310.04	1.09	1.82	712.27
5	198,998.45	319	193	126	60.50	2,343.44	-2,010.20	1.17	1.79	623.82
4	159,481.16	340	200	140	58.82	2,132.98	-1,907.97	1.12	1.60	469.06
3	162,260.65	374	232	142	62.03	1,830.09	-1,847.32	0.99	1.62	433.85
2	157,149.10	425	241	184	56.71	1,725.71	-1,406.23	1.23	1.61	369.76
1	108,828.25	478	282	196	59.00	1,147.32	-1,095.49	1.05	1.51	227.67

84.5% of instances closed above the entry price at some point in the next week.

Prior to the Crash of '87, very weak breadth days were often followed by more weakness. This changed after the crash. This is the reason that I only run this test back until just after the crash. As you can see there has been a large number of instances over the last 23 years. The edge appears to be very solid as well. Below is the equity curve using a 9-day exit.



While there have been some brief dips the equity curve has been incredibly steady for such a common setup over such a long period.

Not only do the pattern and the strongly negative breadth suggest we should see a bounce, but there is some seasonal evidence as well. Below is a study that last appeared in the 11/1/10 Subscriber Letter that looks at down closes on Friday since shortly after the 2009 market low.

SPX closes down on Friday.
Buy on close. Sell next days close. \$100k/trade. 3/19/09 - present.

TradeStation Performance Summary Collapse ^			
All Trades			
Total Net Profit	\$26,518.23	Profit Factor	3.33
Gross Profit	\$37,910.98	Gross Loss	(\$11,392.75)
Total Number of Trades	36	Percent Profitable	77.78%
Winning Trades	28	Losing Trades	8
Even Trades	0		
Avg. Trade Net Profit	\$736.62	Ratio Avg. Win:Avg. Loss	0.95
Avg. Winning Trade	\$1,353.96	Avg. Losing Trade	(\$1,424.09)
Largest Winning Trade	\$7,069.40	Largest Losing Trade	(\$3,466.02)

There were a couple of instances that occurred late May / early June that saw Monday follow through with more losses. Since then this edge has reasserted itself with 5 of the last 6 leading to gains on Mondays.

As strong as the results were for all of the above studies related to the SPX, none were as strong as the QQQQ results for the below study that last appeared on 6/30/10.

QQQQ makes a lower low for at least the 5th consecutive day. Today's performance is the worst of the decline.
Buy on close. Sell X days later. \$100k/trade. 1999 - 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
20	160,451.49	16	15	1	93.75	11,023.31	-4,898.20	2.25	33.76	10,026.22	-4,898.20	32,613.12
19	156,855.08	16	15	1	93.75	10,771.52	-4,717.74	2.28	34.25	9,803.44	-4,717.74	30,936.87
18	153,958.88	16	15	1	93.75	10,685.00	-6,316.10	1.69	25.38	9,622.43	-6,316.10	31,433.04
17	126,101.49	16	14	2	87.50	9,425.48	-2,927.60	3.22	22.54	7,881.34	-5,542.70	26,404.29
16	116,683.19	16	14	2	87.50	8,840.31	-3,540.57	2.50	17.48	7,292.70	-6,728.58	25,733.79
15	96,705.59	16	14	2	87.50	7,809.35	-6,312.64	1.24	8.66	6,044.10	-9,255.02	22,716.54
14	117,808.15	16	14	2	87.50	9,082.83	-4,675.76	1.94	13.60	7,363.01	-7,012.16	26,404.29
13	102,425.53	16	14	2	87.50	7,884.23	-3,976.83	1.98	13.88	6,401.60	-6,367.66	21,710.79
12	100,483.49	16	13	3	81.25	8,498.95	-3,334.27	2.55	11.05	6,280.22	-4,795.08	25,733.79
11	89,221.13	16	12	4	75.00	8,624.32	-3,567.68	2.42	7.25	5,576.32	-7,627.90	25,063.29
10	87,500.98	16	12	4	75.00	8,747.62	-4,367.63	2.00	6.01	5,468.81	-7,916.35	25,653.33
9	89,617.35	16	11	5	68.75	9,619.07	-3,238.48	2.97	6.53	5,601.08	-7,115.10	22,381.29
8	85,024.11	16	11	5	68.75	8,949.10	-2,683.19	3.34	7.34	5,314.01	-8,717.60	25,881.30
7	80,796.54	16	14	2	87.50	6,888.74	-7,822.90	0.88	6.16	5,049.78	-8,108.65	25,572.87
6	77,764.45	16	14	2	87.50	6,374.24	-5,737.49	1.11	7.78	4,860.28	-6,667.47	17,191.62
5	48,968.56	16	12	4	75.00	5,024.18	-2,830.39	1.78	5.33	3,060.54	-5,095.95	12,677.42
4	45,382.19	16	10	6	62.50	6,089.12	-2,584.84	2.36	3.93	2,836.39	-9,647.05	14,844.87
3	30,665.66	16	11	4	68.75	4,162.24	-3,779.73	1.10	3.03	1,916.60	-7,147.15	11,487.50
2	42,984.34	16	12	4	75.00	4,156.98	-1,724.87	2.41	7.23	2,688.52	-3,942.15	15,625.00
1	34,271.29	16	13	3	81.25	2,993.12	-1,546.41	1.94	8.39	2,141.96	-2,243.50	12,187.50

These very simple requirements have led to some very strong results, both short and intermediate-term. Four weeks out the average trade has produced a gain in the QQQQ of over 10%. Even if this apparent upside edge does play out, I don't expect to see gains this strong over the next month. Often the outsized gains were partially due to the volatile environment that was present when the study triggered. Many of these occurred during the wild 2000 – 2002 bear market in the Nasdaq. The current environment is carrying low volatility, so my expectations are dampened. Below I have listed all 16 past instances along with a 20-day exit.

QQQQ makes a lower low for at least the 5th consecutive day.
 Today's performance is the worst of the decline.
 Buy on close. Sell X days later. \$100k/trade. 1999 - present.

Date/Time	Signal	Price	% Profit	Run-up DrawDown
01/28/00	Buy	\$86.00	20.93%	\$24,983.00
02/28/00	Sell	\$104.00		(\$2,905.00)
04/14/00	Buy	\$80.00	10.39%	\$21,100.00
05/15/00	Sell	\$88.31		(\$2,500.00)
05/23/00	Buy	\$74.56	32.62%	\$33,739.56
06/21/00	Sell	\$98.88		(\$3,097.71)
07/28/00	Buy	\$86.75	13.00%	\$15,206.40
08/25/00	Sell	\$98.03		(\$3,962.88)
09/17/01	Buy	\$31.20	10.26%	\$12,980.25
10/15/01	Sell	\$34.40		(\$13,461.00)
01/16/02	Buy	\$38.78	(4.90%)	\$3,067.82
02/14/02	Sell	\$36.88		(\$9,822.18)
02/21/02	Buy	\$33.48	10.57%	\$17,050.06
03/21/02	Sell	\$37.02		(\$1,164.54)
04/26/02	Buy	\$31.04	0.64%	\$8,342.39
05/24/02	Sell	\$31.24		(\$8,439.02)
07/23/02	Buy	\$22.40	12.46%	\$14,240.16
08/20/02	Sell	\$25.19		(\$4,910.40)
09/23/02	Buy	\$21.02	15.56%	\$16,316.51
10/21/02	Sell	\$24.29		(\$5,993.82)
12/09/02	Buy	\$25.22	2.70%	\$6,780.15
01/08/03	Sell	\$25.90		(\$3,727.10)
03/10/03	Buy	\$24.01	8.66%	\$14,032.68
04/07/03	Sell	\$26.09		(\$1,957.08)
12/09/03	Buy	\$34.43	10.31%	\$10,367.28
01/08/04	Sell	\$37.98		(\$871.20)
08/06/04	Buy	\$32.72	4.34%	\$6,600.96
09/03/04	Sell	\$34.14		(\$1,130.72)
01/14/09	Buy	\$28.63	6.78%	\$10,650.60
02/12/09	Sell	\$30.57		(\$2,339.64)
06/29/10	Buy	\$43.37	6.18%	\$7,721.75
07/28/10	Sell	\$46.05		(\$3,688.00)

What I believe makes this study so powerful is the fact that we see a sharp acceleration to a decline that is already a bit overdone. This is a concept that I have seen lead to strong edges in the past and is one that is present in a few of the numbered systems.

While volume was not spectacular on the NYSE, we did see the S&P 500 Volume Spyx indicator hit a high level on Friday. The S&P 500 Volume Spyx is shown at the top of the charts page. If you click through that chart you can read more information on it.

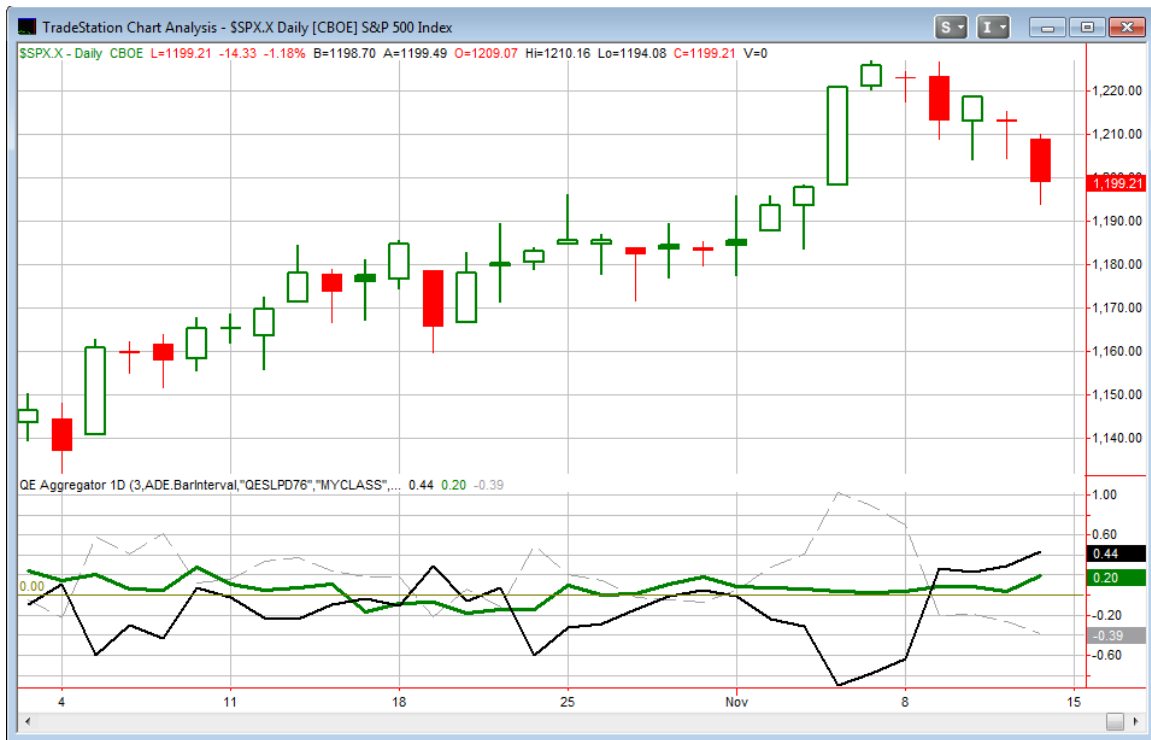
Historically, high readings on down days have provided a nice upside edge for the following day. This can be seen in the below study.

Quantifiable Edges S&P 500 Volume Spyx close > 110 while the SPX closes down. Buy on close. Sell next days close. \$100k/trade. 1995 - present.			
TradeStation Performance Summary			Collapse 
All Trades			
Total Net Profit	\$25,317.08	Profit Factor	2.49
Gross Profit	\$42,316.09	Gross Loss	(\$16,999.01)
Total Number of Trades	73	Percent Profitable	67.12%
Winning Trades	49	Losing Trades	24
Even Trades	0		
Avg. Trade Net Profit	\$346.81	Ratio Avg. Win:Avg. Loss	1.22
Avg. Winning Trade	\$863.59	Avg. Losing Trade	(\$708.29)
Largest Winning Trade	\$2,861.10	Largest Losing Trade	(\$1,922.40)

It appears Friday's volume configuration may be providing an edge too.

So we're seeing SPY patterns, oversold breadth, seasonality, QQQQ patterns, relative volume, and SOX relative strength all suggesting a bounce next week.

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



Both the green Aggregator line and the black Differential line moved quite a bit higher today. The green Aggregator line is now well above zero. The positive value indicates the net expectation from the Active Studies over the next few days is for a move up. Meanwhile the black Differential line is now farther above 0 than it has been in a long time. The positive value means the SPX has underperformed expectations over the last few days. So we have positive expectations and a market that is strongly oversold. Historically this combination has provided an upside edge. This can be seen on the Aggregator chart whenever both lines are above 0. Due to this the Aggregator System stayed long at the close.

The green Aggregator line is set up to remain positive tomorrow. This is unlikely to change without substantial bearish evidence. Meanwhile, the Differential Pivot will be 1,220.90. Any close at or above this level would move the black Differential line back into negative territory. This means the SPX would need to gain about 1.8% in order to be considered overbought versus expectations.

There is an awful lot suggesting the market is primed for a bounce. I am seeing nothing that would suggest this selloff is likely to worsen substantially. Of course that doesn't mean it can't. It just means that under circumstances similar to the present we have historically seen some strong and consistent gains. Oversold in an uptrend with a substantial amount of bullish evidence seems like a good place to allocate a bit more

heavily to the long side. I have tip-toed the last couple of days but I will start getting aggressively long now to play for a bounce.

Intermediate-term Outlook (2 weeks – 2 months)– updated 11/15 – bullish

Despite the pullback this week there appears to be more bullish intermediate-term evidence emerging and a complete lack of new bearish intermediate-term studies. Both the overdone QQQQ study and the SPX down / SOX up study show a strong propensity for intermediate-term gains.

One possible fly in the ointment is that the recent market high saw a lower number of new highs than the April market high. While not a great timing device, these types of divergences typically exist prior to extended market declines. There have been times in the past though where these divergences have lasted for well over a year before the final top was reached. And of course the divergence still has a chance to right itself. If the market is able to rally to new highs again in the near future and the number of new highs expands beyond April levels then the divergence would no longer exist.

As I've been saying, until the market begins to falter and more bearish evidence emerges I'll continue to trade with a bullish bias. Perhaps it's beginning to falter now but it isn't generating substantial bearish evidence so far. For my own trading a bullish bias means I tend to trade the long side with more aggressiveness and I will be extra selective with short trades.

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

GOOG – buy 1/3 @ \$603.29

Catapult for ETF's Trades

None

Broad Market Large Cap CBI – 1 (GOOG)

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.

SPY – buy ¼ index position @ \$120.20 limit. This would be the 3rd lot of SPY. I considered demanding a price near Friday’s low, or at least at \$120. Ultimately I decided the evidence is strong enough that I don’t want to get too fancy with the entry, so I’ve put it right at Friday’s close.

SPY – buy ¼ index position @ \$119.00 LIMIT ON CLOSE. Should the market sell off hard again Monday I’ll be looking to get into the last part of the index position prior to a possible Turnaround Tuesday. If it only closes marginally lower, I’ll examine the evidence Monday night before looking to add this last piece.

GOOG – buy 1/3 position @ \$603.29 limit. Based on Catapult System. Those unfamiliar or who would like a review may watch the Catapult & CBI presentation using the link below.

<http://www.quantifiableedges.com/videos/QE20100621.html>

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
SPY(1/4)	11/10/2010	\$121.58	\$120.20	-1.14%		Aggregator
AMGN	11/11/2010	\$54.28	\$54.47	0.35%		sell on close > \$54.68
SPY(1/4)	11/12/2010	\$120.20	\$120.20	0.00%		Aggregator
GD	11/12/2010	\$66.50	\$66.50	0.00%		System 11111

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