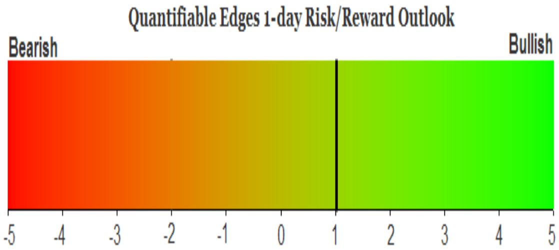
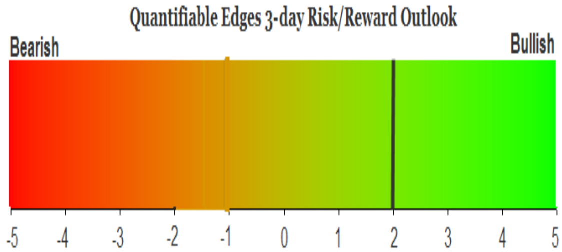
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 24, 2011 Volume 4 Issue 15

Market Overview





Tonight's Research Points

- High volume rises on op-ex Friday are frequently followed by a down Monday.
- SPX up and VIX up on a Friday has often led to pullbacks early the next week.
- The weak Nasdaq and weak Russell while the SPX is rising suggests the market could go higher in the next few days
- The Aggregator System is long.
- The NDX Aggressive Trend Timer is flat.

Short-term Outlook

The Bottom Line

The market rose as expected on Friday, but it appears it should have a bit further to go. I'm still looking to take advantage of a move higher. We could see a good portion of the edge dissipate on Monday, though.

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				
January 24, 2011	SPX up. VIX up. Friday.	1-2 days	Bearish	
January 24, 2011	Op-ex Fri. SPX up. Vol up.	1 day	Bearish	
January 24, 2011	Nas/Rus down 3. SPX 3-day high.	1-5 days	Bullish	
January 21, 2011	1st close < 10ma in over 25 days	1-11 days	Bullish	3.60%
January 21, 2011	SPY gap down & partial revers fr 5-low	1-10 days	Bullish	3.20%
January 19, 2011	SPX 20-day high. Vol 20-day high.	1-9 days	Bullish	2.40%
January 18, 2011	SPY new high, inside day, new high	1-5 days	Bearish	-2.30%
Active - Long Term				
January 21, 2011	SPY 1st close < 10ma in over 25 days	1-20 days	Bullish	
January 19, 2011	SPX 20-day high. Vol 20-day high.	int term	Bullish	
December 30, 2010	SPX closes > 10ma every day of month	1 month	Bullish	
December 16, 2010	2 Hindenburg Signals	1-50 days	Bearish	
December 9, 2010	SPX & TNX 50-day highs	1-50 days	Bearish	
November 22, 2010	High number of POMO Days recently	int term	Bullish	
October 25, 2010	SPX Golden Cross	int term	Bullish	
Dropped Tonight				
January 10, 2011	Nas/SPX RS Indicator favors Nas	int term	Bullish	
January 4, 2011	SPX up 1st day of year	1-13 days	Bearish	
January 3, 2011	SPX down last 2 days of up quarter	1-15 days	Bullish	
January 18, 2011	Op-ex, MLK week	1-4 days	Bearish	-3.00%
January 20, 2011	Unfilled Gap Down from 50-day high	1-2 days	Bearish	-1.10%

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

The Evidence

The market started off strong on Friday, but soon faded and spent most of the day drifting lower. When it was over the SPX had given back a good portion of its early gains, and the NASDAQ and Russell 2000 were posting losses. The final numbers saw the SPX close up 0.2%, while the NASDAQ fell 0.6% and the Russell 2000 was down 0.7%. Breadth was mildly positive as the NYSE Up Issues % came in at 54% and the Up Volume % was 58%. Aided by options expiration, volume came in high.

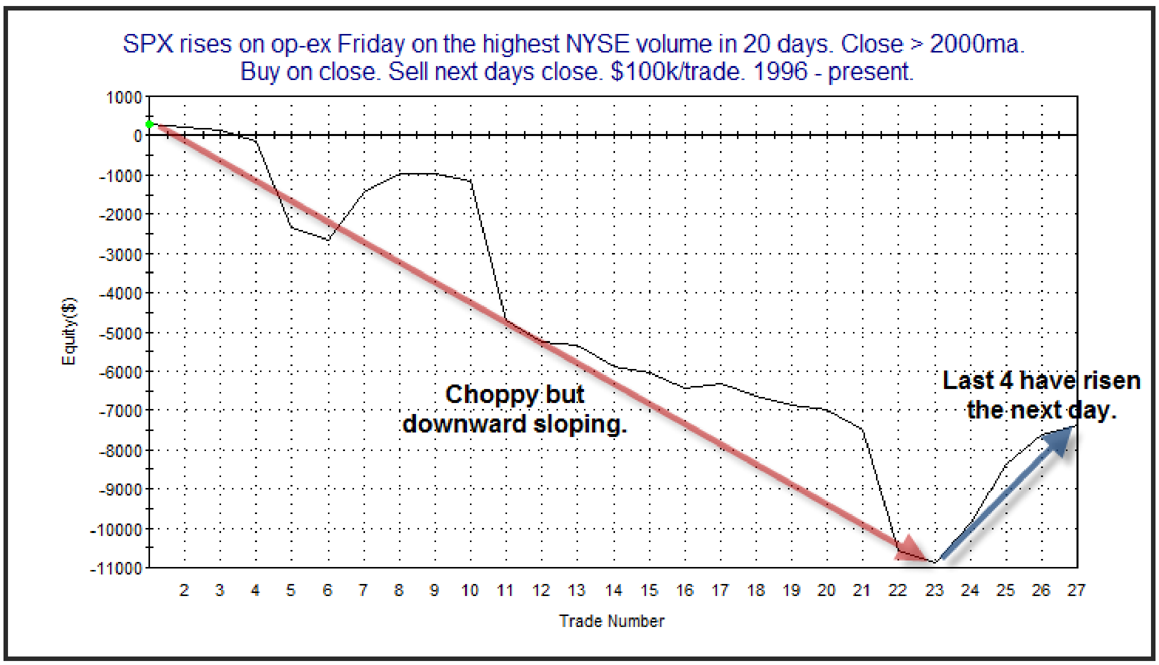
When the SPX is in an uptrend, high volume and a higher market on options expiration has historically been followed by a dip. I most recently showed this in the 12/20/10 Subscriber Letter. I have updated the study again below.

SPX rises on op-ex Friday on the highest NYSE volume in 20 days. Close > 2000ma.
Buy on close. Sell X days later. $100k/trade. 1996 - 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	-7,347.66	27	12	15	44.44	1,343.16	-1,564.37	0.86	0.69	-272.14
4	-6,576.99	27	12	15	44.44	1,082.06	-1,304.12	0.83	0.66	-243.59
3	-4,760.02	27	11	16	40.74	1,034.09	-1,008.44	1.03	0.70	-176.30
2	-6,379.35	27	11	16	40.74	659.08	-851.83	0.77	0.53	-236.27
1	-7,372.30	27	9	18	33.33	626.07	-722.61	0.87	0.43	-273.05

24 of 27 instances (89%) closed below the entry price
at some point in the next 4 days.

As you can see it has been a short-term struggle following strong op-ex days. But the edge has certainly weakened. Below is the equity curve for the 1-day holding period.



You see that the last 4 instances have actually had moves up on Monday. While I'm still inclined to view this as a mild downside edge, I'm on alert as the tide may be turning.

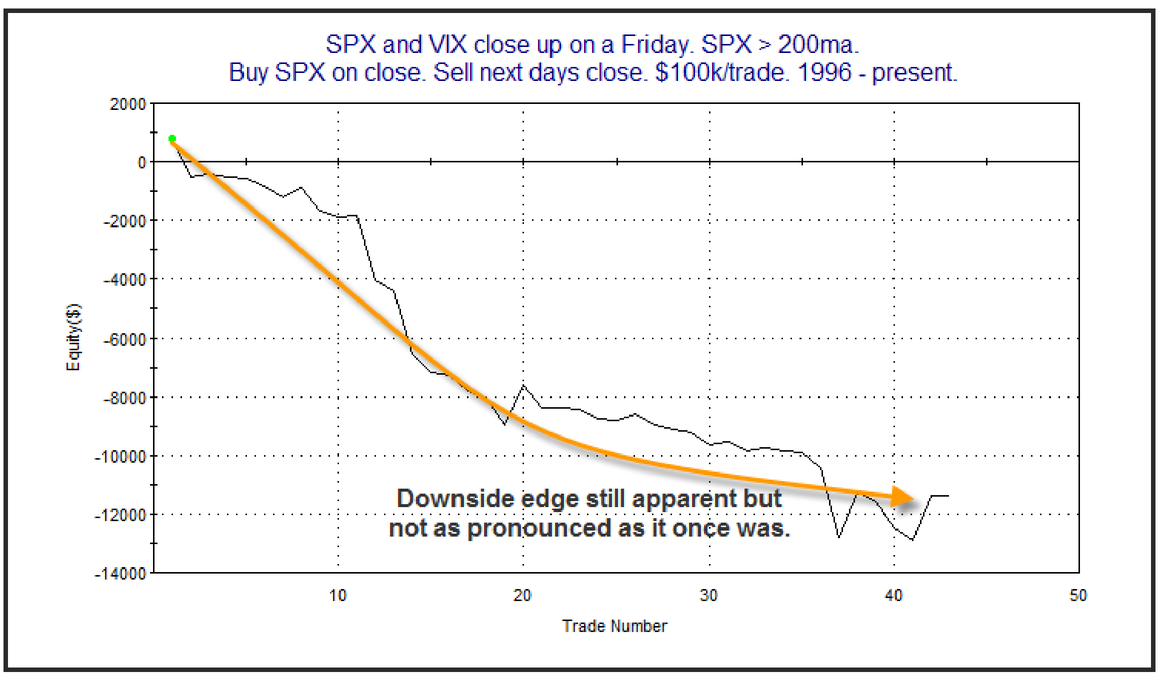
Another study that appeared with possible bearish implications was last seen in the 12/13/10 Subscriber Letter. It examines times when the SPX and VIX both rose on Friday. Fridays typically see the VIX drift lower ahead of the weekend, so it is the most unusual day of the week for this setup to occur. It has also suggested more bearish implications than seeing both rise on any other day of the week. I have updated the study below and run it back to 1996.

SPX and VIX close up on a Friday. SPX > 200ma.
Buy SPX on close. Sell X days later. $100k/trade. 1996 - 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	-8,439.65	42	18	24	42.86	1,530.02	-1,499.17	1.02	0.77	-200.94
4	-15,608.01	43	17	26	39.53	1,134.05	-1,341.80	0.85	0.55	-362.98
3	-15,488.68	43	15	28	34.88	1,025.51	-1,102.55	0.93	0.50	-360.20
2	-14,564.16	43	16	27	37.21	812.89	-1,021.13	0.80	0.47	-338.70
1	-11,398.41	43	12	31	27.91	511.32	-565.62	0.90	0.35	-265.08

40 of 43 instances (93%) closed below the entry price
at some point in the next 4 days.

Based on the stats table it would seem there is a fairly solid and consistent downside edge over the following few days. The highest number of losing trades appears on day one. That is also when most of the damage is done. Below I have run an equity curve to show how this edge has played out over time.



As you can see it appears the edge has waned a bit in recent years. Even so, a downward slope appears evident. I believe this study is worth including in the Aggregator.

One aspect of recent market action that seems especially notable is that while the SPX has chugged higher, the NASDAQ and Russell have taken hits the last few days. This triggered an old study in the Quantifinder that last appeared in the 10/4/10 Subscriber Letter. I found in that letter that and NDX pullback combined with a short-term SPX high has suggested a bullish edge in recent years. Prior to 1997 this edge was not evident. I've updated the study below and run the numbers over the more recent time period.

NDX closes down for at least the 3rd day in a row, while SPX closes at a 3-day high.
Buy SPX on close. Sell X days later. $100k/trade. 1997 - 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	31,748.38	13	10	3	76.92	4,020.59	-2,819.17	1.43	4.75	2,442.18
9	33,386.96	13	11	2	84.62	3,492.21	-2,513.68	1.39	7.64	2,568.23
8	31,095.22	13	11	2	84.62	3,477.04	-3,576.14	0.97	5.35	2,391.94
7	26,282.75	13	10	3	76.92	3,640.64	-3,374.56	1.08	3.60	2,021.75
6	31,503.26	13	11	2	84.62	3,279.56	-2,285.97	1.43	7.89	2,423.33
5	22,492.48	13	12	1	92.31	2,355.70	-5,775.90	0.41	4.89	1,730.19
4	21,355.15	13	10	3	76.92	2,545.85	-1,367.78	1.86	6.20	1,642.70
3	16,967.33	13	9	4	69.23	2,389.88	-1,135.40	2.10	4.74	1,305.18
2	16,180.13	13	8	5	61.54	2,746.82	-1,158.88	2.37	3.79	1,244.63
1	9,584.08	13	7	6	53.85	2,368.20	-1,165.55	2.03	2.37	737.24

While instances are a bit low, statistics are all strongly bullish. With most of the gains occurring in the first week, I have listed all of the instances below using a 5-day exit strategy.

NDX closes down for at least the 3rd day in a row, while SPX closes at a 3-day high.Buy SPX on close. Sell 5 days later. $100k/trade. 1997 - present.				
Date/Time	**Signal**	**Price**	**% Profit**	**Run-up DrawDown**
05/30/97	Buy	$848.28	1.15%	$1,282.32
06/06/97	Sell	$858.01		($1,106.82)
07/01/97	Buy	$891.03	1.85%	$3,609.76
07/09/97	Sell	$907.54		$0.00
03/03/98	Buy	$1,052.02	1.17%	$1,194.15
03/10/98	Sell	$1,064.28		($2,009.25)
10/27/99	Buy	$1,296.71	4.49%	$5,891.27
11/03/99	Sell	$1,354.93		$0.00
01/06/00	Buy	$1,403.45	3.29%	$4,324.61
01/13/00	Sell	$1,449.68		($193.12)
03/15/00	Buy	$1,392.16	7.79%	$8,017.32
03/22/00	Sell	$1,500.62		($0.71)
06/10/02	Buy	$1,030.74	0.53%	$805.10
06/17/02	Sell	$1,036.17		($4,763.67)
12/31/02	Buy	$879.82	3.42%	$5,870.35
01/08/03	Sell	$909.93		$0.00
10/31/03	Buy	$1,050.71	0.24%	$1,109.60
11/07/03	Sell	$1,053.21		($553.85)
03/08/06	Buy	$1,278.47	1.92%	$2,022.54
03/15/06	Sell	$1,303.02		($574.08)
09/08/08	Buy	$1,267.80	(5.84%)	$67.08
09/15/08	Sell	$1,193.75		($5,775.90)
10/01/10	Buy	$1,146.24	1.65%	$1,867.89
10/08/10	Sell	$1,165.15		($1,250.19)
12/28/10	Buy	$1,258.51	0.93%	$1,395.14
01/04/11	Sell	$1,270.20		($341.28)

Results here are all strongly bullish. Of course it isn't just the NDX that has fallen three days in a row. The Russell 2000 has done the same. So I reran the test above, using the Russell 2000 instead of the NASDAQ. I found the possible upside edge using the Russell began to assert itself a little later - near the end of 1998. Below are the results from that time forward.

Russell 2000 closes down for at least the 3rd day in a row, while SPX closes at a 3-day high. Buy SPX on close. Sell X days later. $100k/trade. 11/98 - 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	40,095.44	9	9	0	100.00	4,455.05	0.00	100.00	100.00	4,455.05
9	35,470.32	9	9	0	100.00	3,941.15	0.00	100.00	100.00	3,941.15
8	31,791.16	9	9	0	100.00	3,532.35	0.00	100.00	100.00	3,532.35
7	33,250.82	9	7	2	77.78	4,833.13	-290.54	16.63	58.22	3,694.54
6	33,094.07	9	8	1	88.89	4,193.00	-449.92	9.32	74.56	3,677.12
5	27,847.59	9	9	0	100.00	3,094.18	0.00	100.00	100.00	3,094.18
4	24,273.77	9	8	1	88.89	3,158.26	-992.31	3.18	25.46	2,697.09
3	17,896.35	9	8	1	88.89	2,347.95	-887.22	2.65	21.17	1,988.48
2	17,010.13	9	7	2	77.78	2,497.87	-237.48	10.52	36.81	1,890.01
1	10,296.47	10	7	3	70.00	1,662.61	-447.28	3.72	8.67	1,029.65

Results couldn't get much more bullish, but instances are very low, making it somewhat dangerous to put a lot of faith in the results. It could just be a rare hot streak. So I decided to look and see what the stats would look like if you required the pullback in the either the NASDAQ or the Russell 2000. That test is shown below.

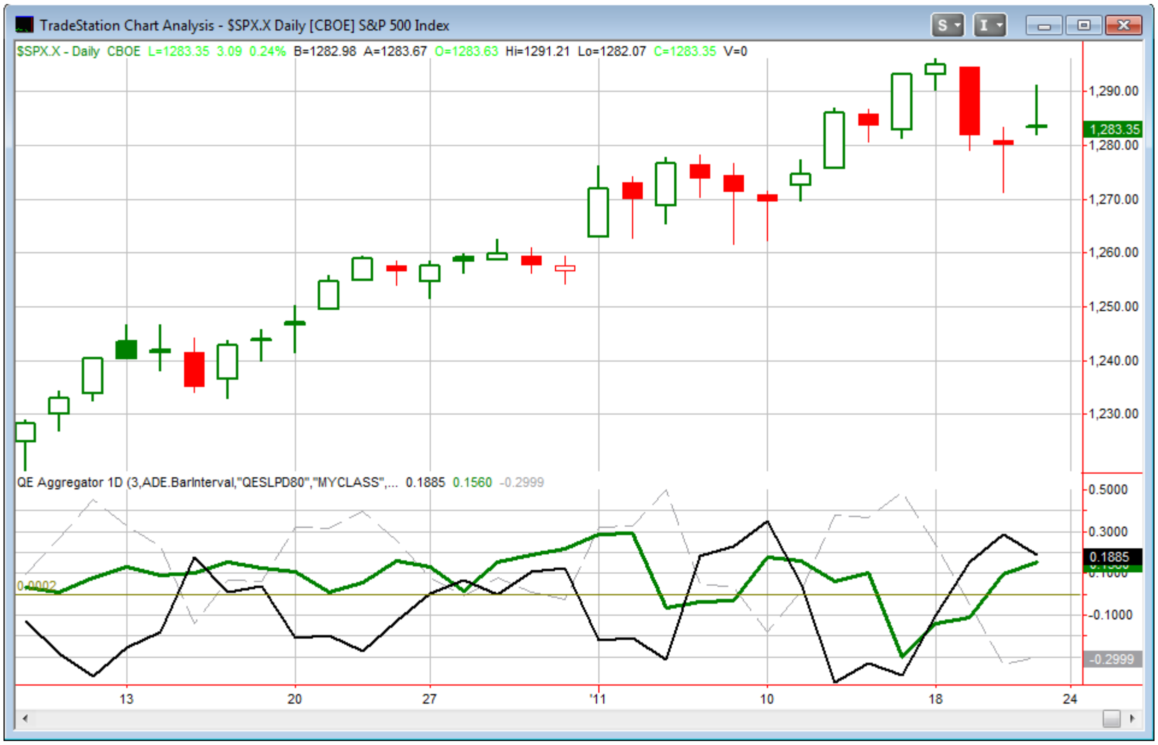
Russell 2000 or NDX close down for at least the 3rd day in a row, while SPX closes at a 3-day high. Buy SPX on close. Sell X days later. $100k/trade. 11/98 - present.

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	50,518.22	18	15	3	83.33	3,931.72	-2,819.17	1.39	6.97	2,806.57
9	50,052.62	18	16	2	88.89	3,442.50	-2,513.68	1.37	10.96	2,780.70
8	46,410.17	18	16	2	88.89	3,347.65	-3,576.14	0.94	7.49	2,578.34
7	43,357.72	18	13	5	72.22	4,158.65	-2,140.95	1.94	5.05	2,408.76
6	49,176.11	18	15	3	83.33	3,613.20	-1,673.95	2.16	10.79	2,732.01
5	38,487.18	18	17	1	94.44	2,603.71	-5,775.90	0.45	7.66	2,138.18
4	35,850.78	18	15	3	83.33	2,691.70	-1,508.23	1.78	8.92	1,991.71
3	28,523.00	18	14	4	77.78	2,356.85	-1,118.23	2.11	7.38	1,584.61
2	27,095.37	18	13	5	72.22	2,417.38	-866.11	2.79	7.26	1,505.30
1	14,383.54	19	12	7	63.16	1,837.45	-1,095.13	1.68	2.88	757.03

There was only 1 instance in which BOTH the NDX and the RUT closed down 3 days in a row while SPX closed at a 3-day high. It was 3/15/00. It was followed by a strong 7-day pop.

As you'd expect based on looking at the previous tests, results here are strongly positive. I also found it very interesting that there was almost no overlap between the two studies. With this one as part of the equation, we are now seeing a mix of short-term studies added to the Aggregator tonight.

I have updated the Aggregator chart below.



There isn't a substantial change to the chart tonight. The green Aggregator line remains above 0. The positive value means the net expectation from the Active Studies List is for upside over the next few days. Meanwhile, the black Differential line is also well above 0. The positive value means the SPX has underperformed expectations over the last few days. So net expectations are for upside and the SPX has underperformed recent expectations. Historically this combination has indicated a bullish edge. A positive configuration is evident on the chart whenever both lines are above zero. Due to this the Aggregator System remained long at the close.

The green Aggregator line is tentatively set up to remain above 0 on Monday. Of course this could change if more bearish evidence emerges. Meanwhile the Differential Pivot will be 1,274.90. This is almost 0.7% below Friday's close. So unless the SPX falls at least this far the Differential line will drop down below zero. With the Aggregator line most likely to remain positive and the Differential line most likely to turn negative it appears the Aggregator configuration will probably finish with a neutral reading on Monday.

So my outlook is still bullish, but with the Differential Pivot being so low on Monday, I'll only be looking to add long positions if I get an early-morning fill, or a possible fill at the close. There is also a chance if I get an early morning fill and it goes my way, I will look to take profits on it as early as Monday's close.

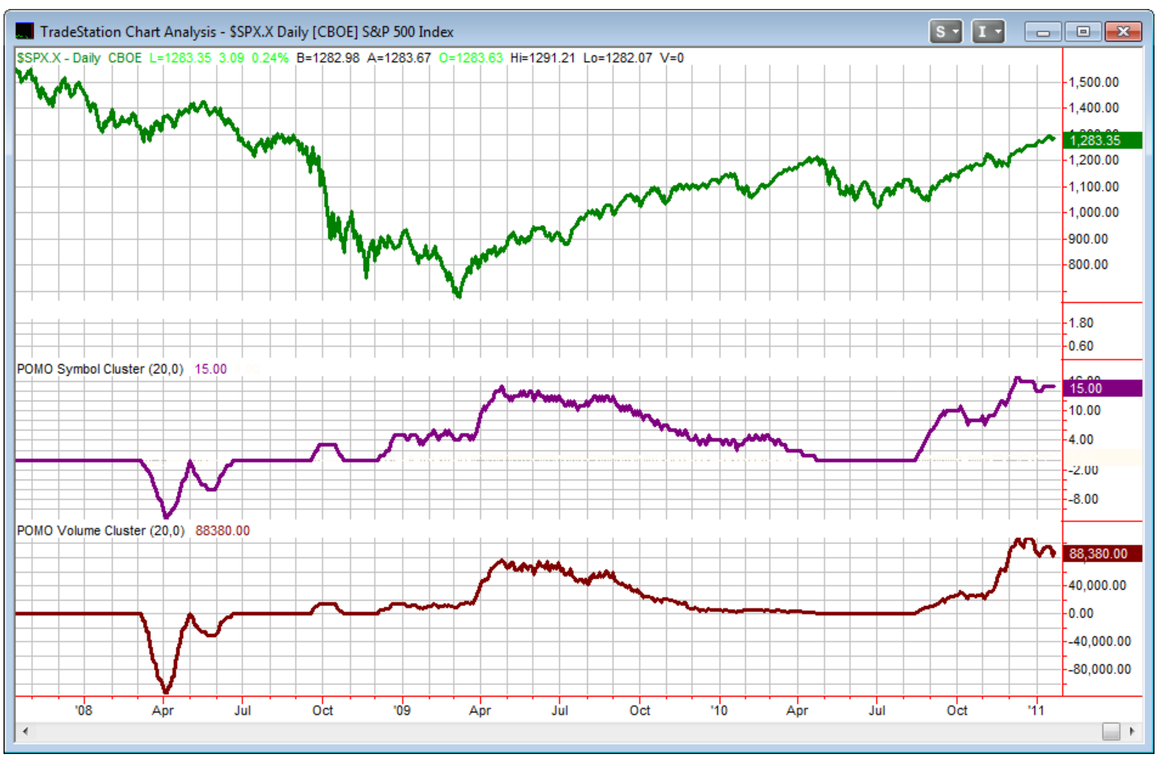
Intermediate-term Outlook (2 weeks – 2 months)– updated 1/24 - mildly bullish

Intermediate-term indications remain mixed. New highs continue to be made each week, and until price weakness is evident I will likely continue to favor the bullish outlook.

I've been updating the POMO chart each week in the Letter. For those who may not recall below is a brief refresher on POMO. Beneath that I have updated our POMO indicator chart.

POMO stands for Permanent Open Market Operations and it is how the Fed goes into the open market to buy securities. The net effect of this buying is an influx of cash into the system. It appears a portion of that cash makes its way to the stock market and works as a bullish influence. A "POMO Day" is simply a day where these operations take place… The chart below (shows a couple of POMO indicators). The top pane is the S&P 500. The middle pane is the rolling number of days in the last 20 that have been POMO days. The bottom pane is the total amount of money infused into the system over the previous 20 days. Information on acquiring the data and constructing the chart can be found in the January 3rd POMO presentation linked below. (Not available for trial users.)

http://www.quantifiableedges.com/members/pomo.php



POMO activity again remained strong this past week. The Fed has seemingly been putting a nice wind at the market's back. Buying is slated to remain strong and that should continue to act a as a positive for some time.

There was some notable activity from an intermediate-term standpoint this week. For one, the SPX/NASDAQ Relative Strength Indicator flipped this week and it now appears our measure of relative strength is favoring the SPX. From a historical standpoint the market has struggled to make any headway when the SPX has been in a leading position. So is not necessarily a bearish sign, but we are no longer seeing bullish momentum generated by this indicator.

There were also 2 intermediate-term studies that triggered during this past week. I wrote about them in the 1/19 and 1/21 Subscriber Letters. I have copied those excerpts below. This first one is from the 1/19 letter.

Another bullish study from the Quantifinder showed more promise. It looked at days the SPX rose while volume was spiking to a new 20 day high. In the 12/21/09 letter I examined this and filtered out op-ex Fridays. The bottom line with those studies was that high volume up days on op-ex Friday carried bearish implications, but on other days it appeared bullish. Tonight rather than simply requiring the SPX to close higher, I elected to also require a 20 day closing high.

SPX closes at a 20-day high on the highest NYSE volume in 20 days. Today is NOT op-ex Friday. 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
20	58,293.37	27	22	5	81.48	3,082.35	-1,903.67	1.62	7.12	2,159.01
19	60,603.89	27	22	5	81.48	3,202.90	-1,971.99	1.62	7.15	2,244.59
18	57,552.74	27	22	5	81.48	3,056.81	-1,939.40	1.58	6.94	2,131.58
17	59,040.79	27	23	4	85.19	3,036.43	-2,699.26	1.12	6.47	2,186.70
16	60,100.99	27	22	5	81.48	3,090.45	-1,577.78	1.96	8.62	2,225.96
15	58,106.20	28	20	8	71.43	3,347.73	-1,106.05	3.03	7.57	2,075.22
14	54,153.51	28	23	5	82.14	2,698.62	-1,582.96	1.70	7.84	1,934.05
13	53,319.62	28	23	5	82.14	2,623.35	-1,403.48	1.87	8.60	1,904.27
12	45,091.72	28	22	6	78.57	2,422.91	-1,368.73	1.77	6.49	1,610.42
11	44,129.10	28	23	5	82.14	2,311.91	-1,808.96	1.28	5.88	1,576.04
10	35,908.75	28	20	8	71.43	2,379.87	-1,461.09	1.63	4.07	1,282.46
9	40,153.45	28	23	5	82.14	2,124.92	-1,743.94	1.22	5.60	1,434.05
8	36,176.53	28	21	7	75.00	2,149.81	-1,281.34	1.68	5.03	1,292.02
7	32,062.84	29	22	7	75.86	1,784.04	-1,026.58	1.74	5.46	1,105.62
6	27,759.53	29	22	7	75.86	1,785.12	-1,644.72	1.09	3.41	957.23
5	23,975.03	29	21	8	72.41	1,664.33	-1,372.00	1.21	3.18	826.73
4	24,085.36	30	21	9	70.00	1,554.11	-950.11	1.64	3.82	802.85
3	21,276.18	32	23	9	71.88	1,248.68	-827.04	1.51	3.86	664.88
2	10,872.01	33	22	11	66.67	795.58	-602.80	1.32	2.64	329.45
1	9,691.46	43	26	17	60.47	620.71	-379.24	1.64	2.50	225.38

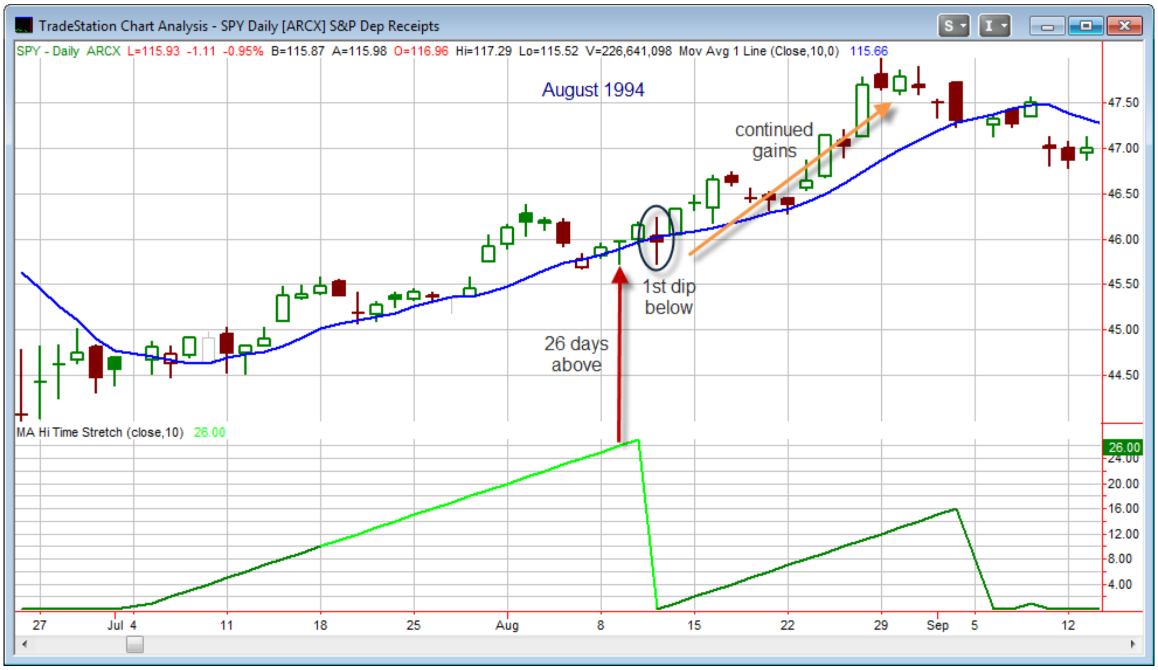
88% of instances posted a close above the entry price at some point in the next week.

These results appear to be very solid for both the short and intermediate term.

This final excerpt was from the 1/21 letter. It examined the fact that the SPX was experiencing its first real pullback since November.

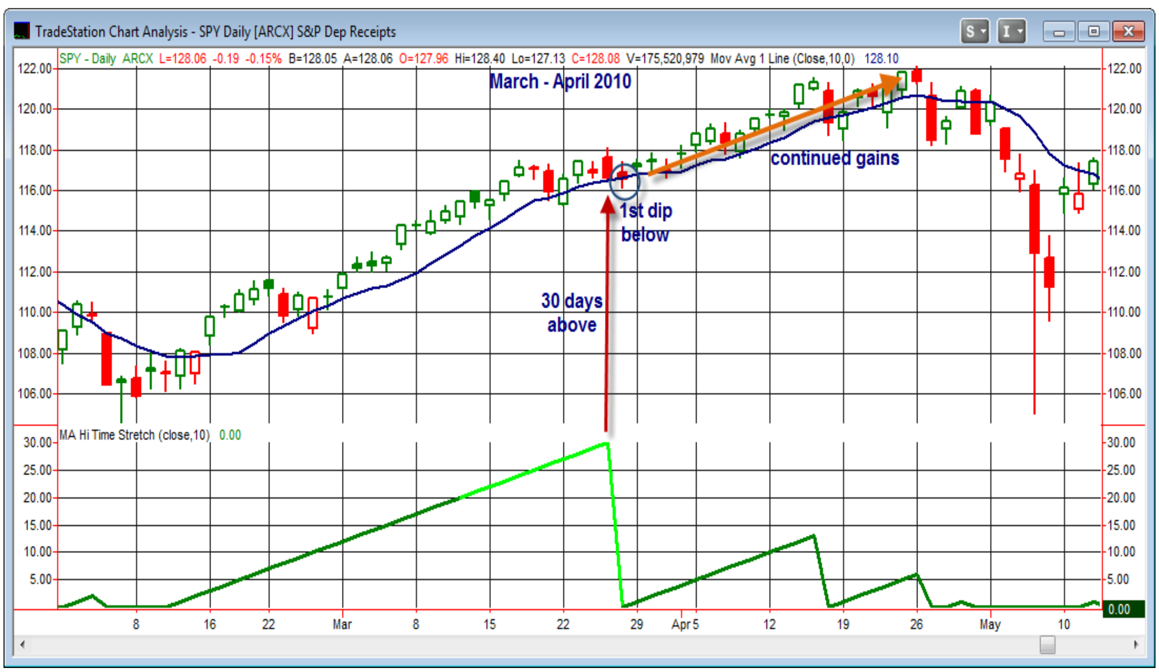
Also notable about Thursday's action is that the SPY closed below its 10ma for the first time since November 30th. In the December 30 Subscriber Letter I showed a study that examined SPX performance following an entire calendar month above the 10ma. It suggested bullish intermediate-term implications. Tonight the Quantifinder identified another study in the same vein as this December 30 one.

In the 3/22/10 Subscriber Letter I looked at all the instances where SPY had traded above its 10ma for at least 25 days. Since its inception in 1993 there were only five other instances (now six) where SPY had a run of 25 days or more. I showed the charts of every instance and noted how the market reacted after it finally did close beneath its 10ma. I noted that the first dip never had resulted in the end of the rally. Below I have *republished those five charts and added a sixth one to show the March/April instance. The indicator in the bottom pane of each chart shows the number of days the SPY has closed above its 10ma.*




TradeStation Chart Analysis - SPY Daily [ARCX] S&P Dep Receipts
March 1998
continued gains
1st dip below
26 days above
MA Hi Time Stretch (close,10) 26.00


TradeStation Chart Analysis - SPY Daily [ARCX] S&P Dep Receipts
January 2004
continued gains
1st dip below
26 days above
MA Hi Time Stretch (close,10) 26.00



These charts all looked eerily similar. A brief examination is all that's needed to see that the first trip below the 10ma was a short one, and the uptrend quickly reasserted itself. Of course if you've been reading Quantifiable Edges for any period of time, you're probably used to looking at numbers. So below you will find the stats table.

After closing above the 10ma for at least 25 days in a row, SPY closes below it today.
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
20	23,067.59	6	6	0	100.00	3,844.60	0.00	100.00	100.00	3,844.60
19	23,334.85	6	6	0	100.00	3,889.14	0.00	100.00	100.00	3,889.14
18	19,218.96	6	6	0	100.00	3,203.16	0.00	100.00	100.00	3,203.16
17	18,079.87	6	6	0	100.00	3,013.31	0.00	100.00	100.00	3,013.31
16	20,012.56	6	6	0	100.00	3,335.43	0.00	100.00	100.00	3,335.43
15	20,520.07	6	6	0	100.00	3,420.01	0.00	100.00	100.00	3,420.01
14	20,825.44	6	6	0	100.00	3,470.91	0.00	100.00	100.00	3,470.91
13	22,701.02	6	6	0	100.00	3,783.50	0.00	100.00	100.00	3,783.50
12	20,623.30	6	6	0	100.00	3,437.22	0.00	100.00	100.00	3,437.22
11	19,719.22	6	6	0	100.00	3,286.54	0.00	100.00	100.00	3,286.54
10	16,883.71	6	6	0	100.00	2,813.95	0.00	100.00	100.00	2,813.95
9	14,931.86	6	6	0	100.00	2,488.64	0.00	100.00	100.00	2,488.64
8	12,078.45	6	6	0	100.00	2,013.08	0.00	100.00	100.00	2,013.08
7	10,459.28	6	6	0	100.00	1,743.21	0.00	100.00	100.00	1,743.21
6	8,603.88	6	5	1	83.33	1,754.29	-167.58	10.47	52.34	1,433.98
5	8,858.67	6	5	1	83.33	1,863.46	-458.64	4.06	20.32	1,476.45
4	8,955.55	6	6	0	100.00	1,492.59	0.00	100.00	100.00	1,492.59
3	6,556.29	6	6	0	100.00	1,092.72	0.00	100.00	100.00	1,092.72
2	3,217.02	6	5	1	83.33	690.12	-233.60	2.95	14.77	536.17
1	3,331.20	6	4	2	66.67	872.09	-78.58	11.10	22.20	555.20

Strong and persistent upside movement like we have seen lately hasn't just ended and lead to an immediate correction. The 1st dip has always been just that – a dip. New highs were always made in short order. After these new highs were made there may have been a loss of momentum that turned into a substantial top. It never came on the 1st dip, though – and the 1st dip is where we are now. The caveat here is obviously the very low sample size. But with every instance positive not just for a day or 2, but for 16 of the next 20 days, I find these results very compelling. (In fact all 6 remain positive through day 27.) I have decided to include this study on both the short and intermediate-term Active List.

So there is still a mix of studies and indicators for the intermediate-term, though there now appears to be a bit more bullish evidence than bearish. I will continue to favor the bullish side though I am not opposed to taking trades in either direction.

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

none

Catapult for ETF's Trades

None

Broad Market Large Cap CBI – 0

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 @ $128.37 LIMIT ON OPEN. Based on short-term outlook above. If not filled at open, cancel order.

SPY – buy ¼ index position ON CLOSE if SPX closes at 1,274.90 or lower. Based on short-term outlook above. This would keep the long Aggregator signal in place so I'd want to take exposure.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
EWJ	1/21/2011	$10.96	$10.95	-0.09%		Sys 11111