

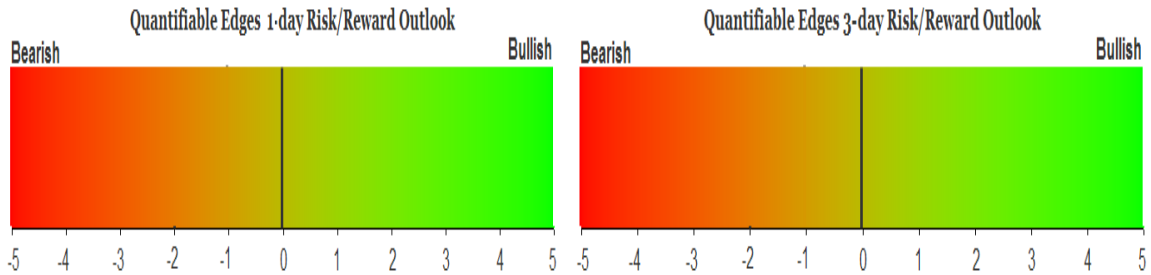
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 23, 2013

Volume 6 Issue 77

## Market Overview



## Signals Overview

Aggregator	Aggressive VIX	QE Buy Pwr Swing	NDX Trend Timer
Flat	50% Long XIV	Long	Flat

## Tonight's Research Points

- The low volume might be a warning under other circumstances, but with the current market configuration it is not alarming.

## *Short-term Outlook*

### *The Bottom Line*

Evidence is leaning bullish but SPX is now a little overbought. I'm fairly neutral and will now look to take profits on my long trade idea.

*Summary of Recent Active Studies (see Letters from listed dates for details)*

Study Date	Description	Time span	Bias	Avg Max Move
<b>Active</b>				
April 19, 2013	20-low > 200ma.	1-7 days	Bullish	2.00%
April 17, 2013	Sweet spot bounce	1-5 days	Bullish	2.90%
<b>Active - Long Term</b>				
January 14, 2013	Breadth Divergence (from Tops Study)	int term	<b>Bearish</b>	
September 17, 2012	QE3	int term	Bullish	
February 1, 2012	Golden Cross	int term	Bullish	
<b>Dropped Tonight</b>				
April 18, 2013	Unfill gap dn after unfill up.Close < 2 ago	1-3 days	<b>Bearish</b>	

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

***The Evidence***

The market bounce continued Monday. SPX posted a gain of 0.5% while the Nasdaq rose 0.9% and the Russell 2000 gained 0.2%. Breadth was moderately positive as the NYSE Up Issues % was 58% and the Up Volume % came in at 61%. Total NYSE volume came in at the lowest level in 2 weeks.

The low volume caused a few Quantifinder studies to trigger, but with the current market setup, they do not provide any real edge. In general the low volume on an up day can be bearish. But with the market both above its 200ma and below its 10ma the low volume does not have a negative impact.

So nothing new was added to the Active Studies list tonight. But the lone short-term bearish study from last night did expire. This of course had an impact on expectations.

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



So with just minor changes to the Active List the green Aggregator Line moved higher above zero. Positive readings mean net expectations from the Active List are for upside over the next few days. Meanwhile the black Differential Line fell just below 0. The negative Differential Line reading means the SPX is slightly overbought versus recent expectations. So expectations are bullish but the SPX is now overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of 0. This caused the Aggregator system to turn flat at the close.

Based on the current studies, expectations are slated to remain positive on Tuesday. Of course this could change if some bearish evidence emerges. The Differential Pivot will be 1,546.62 on Tuesday. This is 1% below Monday's close. So it would take a pretty sizable drop on Tuesday in order to move SPX back into oversold territory.

With SPX no longer oversold, I will look to take profits on the outstanding SPY trade idea. I simply don't see the point in pushing my luck with a fairly neutral outlook.

**Intermediate-term Outlook (2 weeks – 2 months)– updated 4/22 – somewhat bullish**

The intermediate-term outlook was last updated in the 4/22 letter. Link below:

[2013-04-22 QE Subscriber Letter.pdf](#)

**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.

None.

**Current Open Trade Ideas**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
SPY(1/4)	4/15/2013	\$155.12	\$156.17	0.68%		sell @ \$156.17 limit

I will look to sell SPY on Tuesday if I get a decent fill.

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