

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 3, 2014

Volume 7 Issue 64

Market Overview



Signals Overview

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

Tonight's Research Points

- No new compelling evidence emerged on Wednesday.

Short-term Outlook

The Bottom Line

The Aggregator is still neutral. Evidence is pointing higher, but the market strongly overbought. My methods require patience during times like this, so I am sitting out and awaiting a more favorable entry opportunity.

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

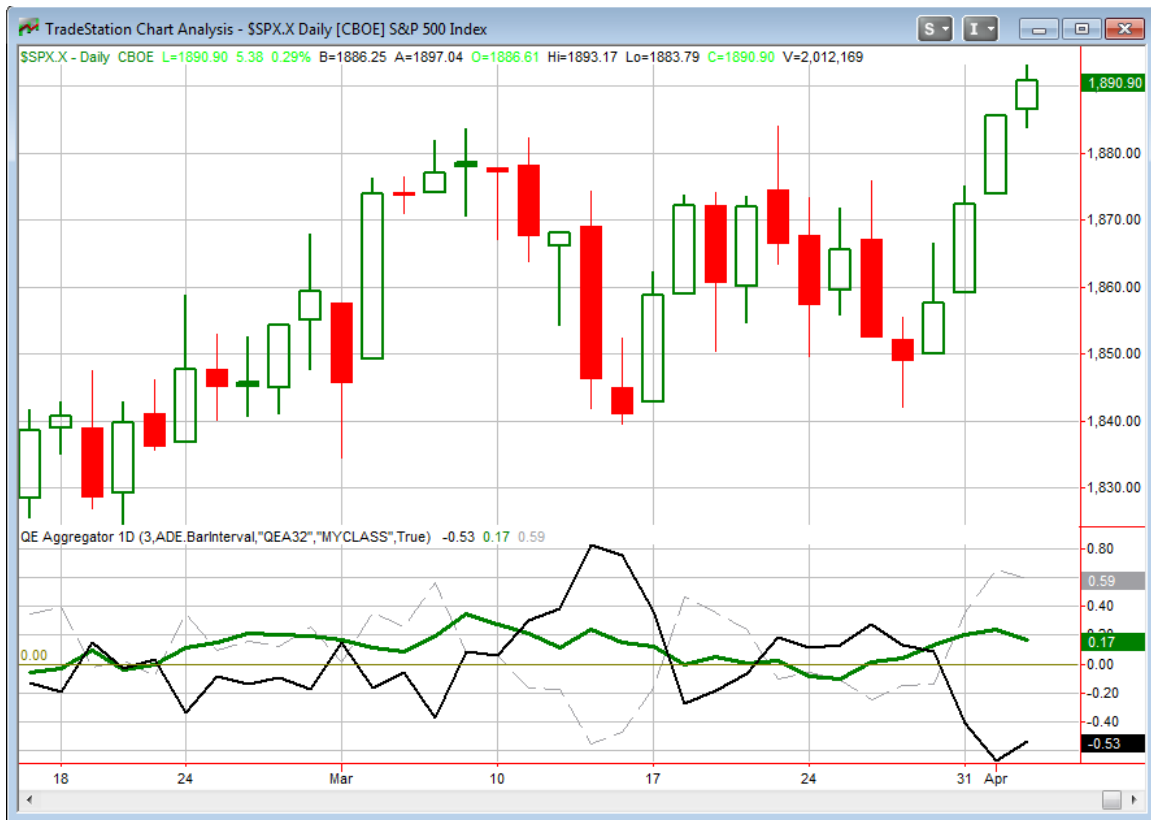
Study Date	Description	Time span	Bias	Avg Max Move
Active - Short Term				
April 2, 2014	50-Breakout 3-up. Lower volume	1-5 days	Bullish	1.95%
March 31, 2014	Early April bullish	1-4 days	Bullish	
Active - Long Term				
March 14, 2014	QQQ 5 lower lows. Big drop today.	1-20 days	Bullish	11.90%
December 23, 2013	QE Tapering	int term	Neutral	
July 22, 2013	New High Divergence (Study of Tops)	int term	Bearish	
February 1, 2012	Golden Cross	int term	Bullish	
Dropped Tonight				
<i>March 27, 2014</i>	<i>SPX 5-low. Bottom 10% range.</i>	<i>1-5 days</i>	<i>Bullish</i>	<i>1.80%</i>

The Evidence

The market added more gains on Wednesday. The SPX finished up 0.3%, while the NASDAQ rose 0.2% and Russell 2000 rallied 0.4%. Breadth was positive as the NYSE Up Issues % came in at 57% and the Up Volume % was 67%. Total NYSE volume fell for the 2nd day in a row.

Wednesday's move higher was just another up day, and it did very little to generate compelling studies. Those currently active for the short-term are both pointing north. I looked at a few possibilities tonight, but found nothing of consequence to discuss, so instead I'll just keep it short.

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



Without anything new being added tonight the green Aggregator Line remained above 0. Positive readings mean net expectations from the Active List are for upside over the next few days. Meanwhile the black Differential Line is still stretched far below 0. The negative Differential Line reading means the SPX is overbought versus recent expectations. So expectations are positive but the SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of 0. Therefore the Aggregator signal remained flat at the close.

Based on the current active studies, expectations are slated to remain positive on Thursday. Of course that could change if new bearish evidence emerges. The Differential Pivot will be 1879.34 on Thursday. That is about 0.6% below Wednesday's close. So SPX will need to close down at least this much in order to move from overbought to oversold versus expectations.

Expectations continue to point higher, as we still lack solid bearish evidence. But the higher the market goes the more risk is inherent in taking on new long positions. I'm waiting for either a pullback to buy into or for some compelling bearish evidence to short.

Intermediate-term Outlook (2 weeks – 2 months) – updated 3/31 – neutral

The intermediate-term outlook was last updated in the 3/31 Letter. It can be found in the most recent weekly letter on the website.

<http://quantifiableedges.com/current-weekly-letter/>

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 [numbered systems 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 tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
AMZN	3/27/2014	\$343.15	\$341.96	-0.35%		sell on close >= \$345.42

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