

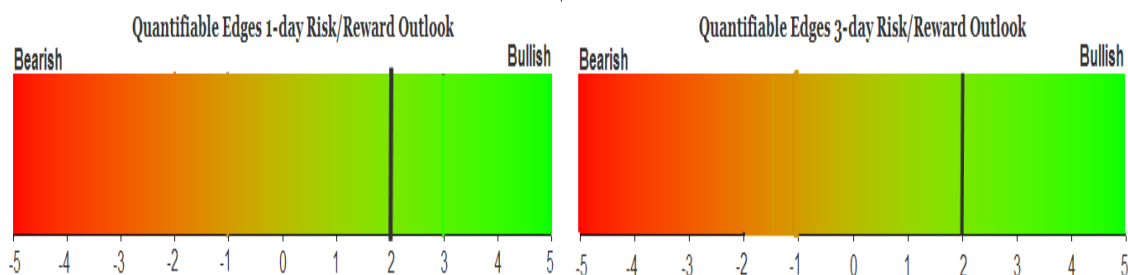
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 25, 2015

Volume 8 Issue 57

## Market Overview



## Signals Overview

Aggregator	Aggressive VIX	QE Buy Pwr Swing
Long	100% Long XIV	Short

## Tonight's Research Points

- No new evidence emerged on Tuesday.

## *Short-term Outlook*

### *The Bottom Line*

There again appears to be a mild upside edge. SPX is short-term oversold versus expectations. I will become a buy if the market suffers another down day.

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

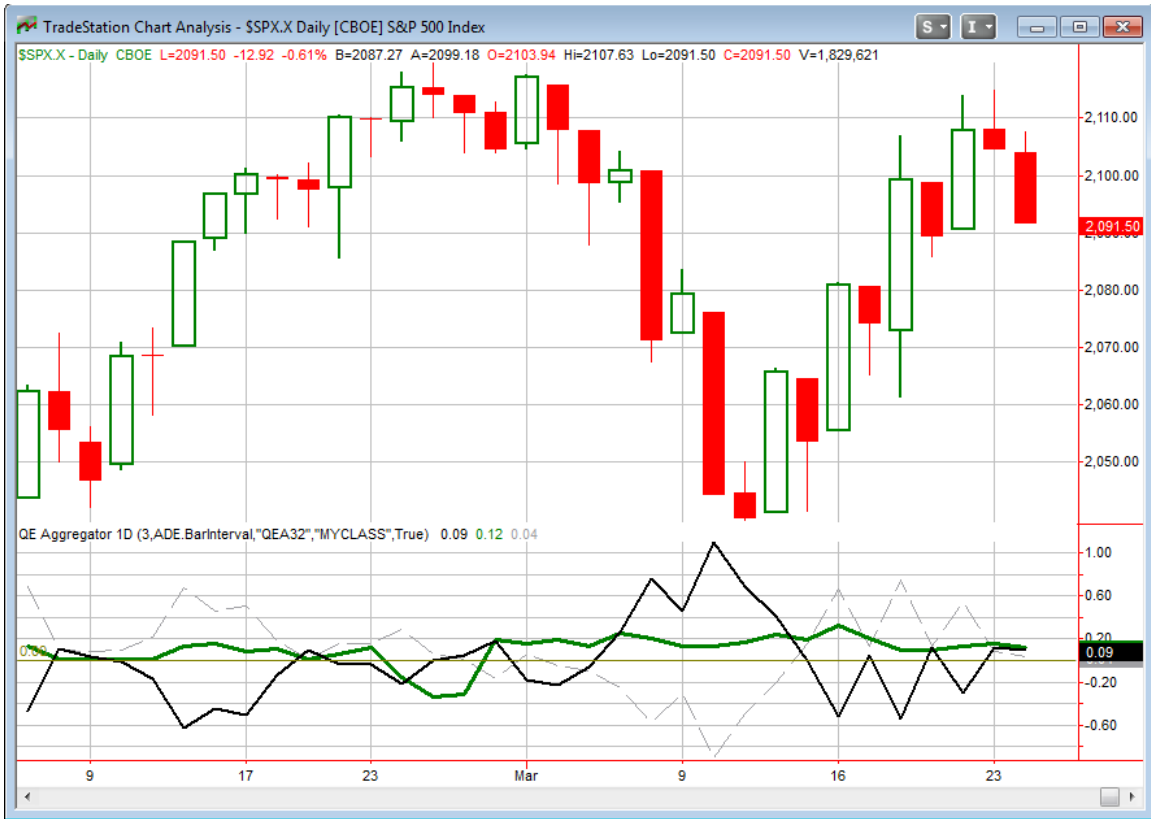
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
March 24, 2015	SPX down. Up Issue % >55%	1-2 days	Bullish	0.90%	-0.60%	-1.30%
March 19, 2015	High volume up day > 200ma. No opex	1-10 days	Bullish	2.50%	-1.50%	-3.10%
<b>Active - Long Term</b>						
January 26, 2015	NASDAQ leading SPX	int term	Bullish			
November 3, 2014	Best 6 Months	6 months	Bullish			
November 3, 2014	Quantitative Easing Ends	int term	Bearish			
July 22, 2013	New High Divergence (Study of Tops)	int term	Bearish			
February 1, 2012	Golden Cross	int term	Bullish			

***The Evidence***

Mild morning gains were overrun in the afternoon. The SPX finished down 0.6%, the NASDAQ lost 0.3%, and the Russell 2000 declined less than 0.1%. Breadth was negative as the NYSE Up Issues % came in at 44% and the Up Volume % was 35%. Total NYSE volume rose a little from Monday's level.

The Quantifinder came up completely blank on Tuesday, and my forays into a few ideas did not unveil anything compelling either. We still have a couple of bullish studies on the Short-Term Active List, and bearish evidence has been lacking now for a while.

Without anything new to add tonight I have updated the [Aggregator](#) chart below.



The green Aggregator Line again held a bit above 0. Positive readings mean net expectations from the Active List are for upside over the next few days. Meanwhile, the black Differential Line also held above 0. The positive Differential Line reading means the SPX is oversold versus recent expectations. So expectations are positive and the SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above 0. Therefore the Aggregator signal stayed long at the close.

Based on the current active studies, expectations are set to remain positive on Wednesday. Of course that could change if new bearish evidence emerges. The Differential Pivot will be 2114.76 on Wednesday. That is 1.1% above Tuesday's close. So for SPX to change from oversold to overbought it will need to close up at least 1.1% on Wednesday. That is a bit of a tall order. A more likely scenario to work off the oversold condition is a multi-day rally or consolidation.

Evidence continues to lean bullish, but it is pretty weak. And despite the pullback on Tuesday we did not see any new, confirming bullish studies emerge. A down close on Wednesday would mark the 3<sup>rd</sup> day down in a row. That will often generate bullish edges when the market is in a long-term uptrend. I considered starting to scale in right here. And aggressive traders certainly could do so since there does seem to be a moderate upside edge. But I only plan on getting long if SPX closes down again on Wednesday. Of course this conservative approach could cause me to miss an entry, but I still would like to see a bit more of a pullback before jumping in long on just moderate evidence.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 3/23 – somewhat bullish***

The intermediate-term outlook was last updated in the 3/23 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.

**SPY – buy ¼ index position @ \$208.81 LIMIT ON CLOSE.** Based on the short-term outlook above, I will look to start scaling in to a SPY long position on any close down on Wednesday.

Traders can also look to the *Systems Triggered Spreadsheet* for additional possible trade ideas.

<http://quantifiableedges.com/subscribers/content/fid/23/>

### **Current Open Trade Ideas**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
XIV(1/2)	3/9/2015	\$32.25	\$35.38	9.71%		Aggressive VIX
<b>MO(1/3)</b>	<b>3/11/2015</b>	<b>\$53.20</b>	<b>\$51.52</b>	<b>-3.16%</b>		<b><i>sold on open</i></b>

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