

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 2, 2015

Volume 8 Issue 104

Market Overview



Signals Overview

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

Tonight's Research Points

- No new evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator remains bullish and there still appears to be room to the upside. I remain partially long.

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

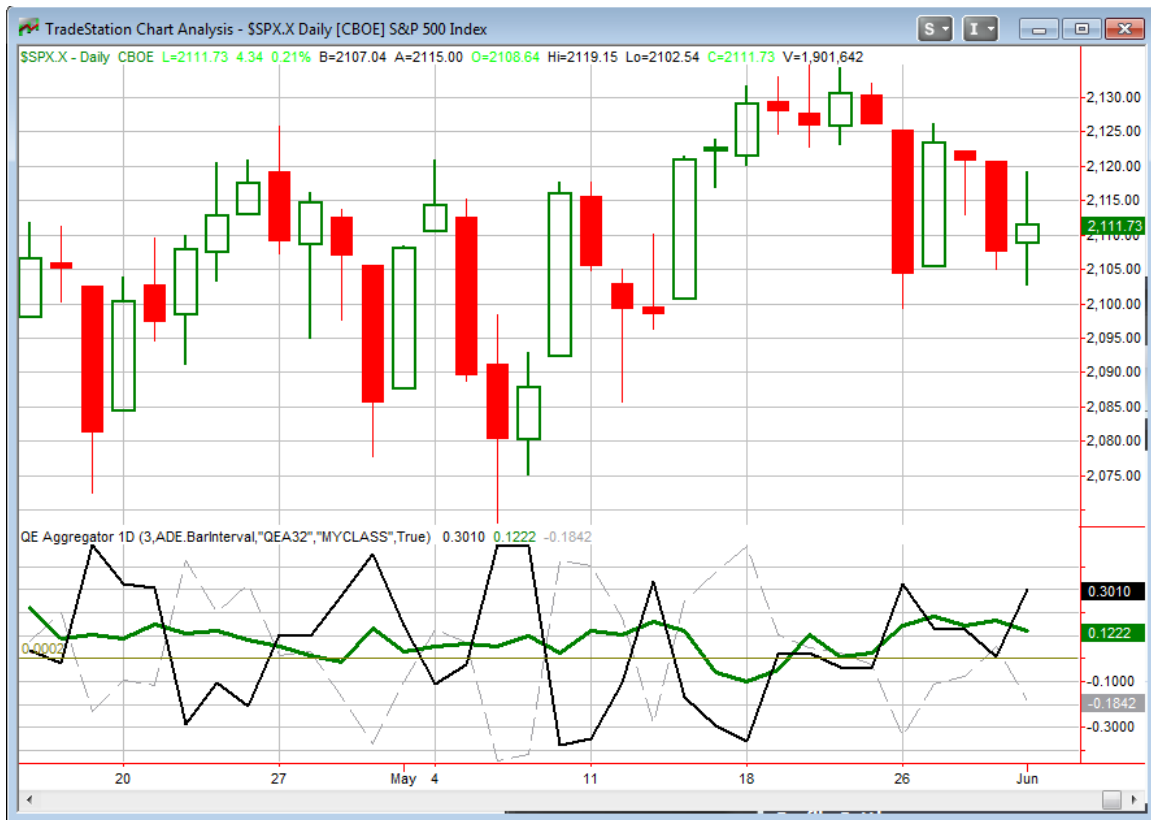
Active - Short Term						
June 1, 2015	2x unfilled gap down > 200ma	1-6 days	Bullish	2.00%	-1.40%	-2.50%
June 1, 2015	End of month pullback	1-2 Days	Bullish	1.50%	-0.40%	-0.80%
May 27, 2015	50-high to 8 low in 2 days	1-5 days	Bullish	1.80%	-1.20%	-2.25%
Active - Long Term						
June 1, 2015	2x unfilled gap down > 200ma	1-10 days	Bullish	2.50%	-1.70%	-3.00%
May 18, 2015	NASDAQ leading SPX	int term	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			
Dropped Tonight						
May 27, 2015	3 up high,low, close. Dn close others up	1-4 days	Bullish	1.80%	-1.20%	-2.35%

The Evidence

Monday saw moderate gains for the market. The SPX, NASDAQ, and Russell 2000 all closed up 0.2% - 0.3%. Breadth was just above breakeven as the NYSE Up Issues % came in at 53% and the Up Volume % was 52%. Total NYSE volume declined sharply from Friday's high level.

The market has been in a choppy consolidation for the last several days. It is just the kind of conditions that tend to see a dearth of emerging evidence. And that seemed true on Monday. The Quantifinder posted a rare blank. And my attempts to look at things a few different ways came up empty as well. So no new studies are being added to the Active List for consideration.

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



Without any new studies 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 well above above 0. The positive Differential Line reading means 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 Tuesday. Of course this could change if new bearish evidence emerges. The Differential Pivot will be 2130.64 on Tuesday. That is 0.9% above Monday's close. This means that SPX would need to close up over 0.9% on Tuesday for the Differential Line to close below zero and signal an overbought condition.

While there was no new compelling evidence that emerged there are still several bullish studies active. And they suggest there should be more upside to come. With the market still oversold the Aggregator remains bullish. I am partially long. But while I still like the long side, I am not so enamored with reward/risk that I want to add more to my position right here. For now I will ride my current holdings. Traders looking for trade ideas could certainly check out the [numbered systems page](#). Tonight's triggers spreadsheet does have a number of possible trade ideas.

Intermediate-term Outlook (2 weeks – 2 months) – updated 6/1– slightly bullish

The intermediate-term outlook was last updated in the 6/1/15 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

HAL @ \$46.35 (bought 1/3 @ limit)

Catapult for ETF's Trades

None

Broad Market Large Cap CBI – 1(HAL)

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
XIV(1/2)	3/9/2015	\$32.25	\$45.61	41.43%	\$37.90	Aggressive VIX
HAL(1/3)	5/8/2015	\$46.35	\$45.24	-2.39%		Catapult
SPY(1/4)	5/29/2015	\$211.14	\$211.57	0.20%		Aggregator

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