

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 4, 2015

Volume 8 Issue 106

Market Overview



Signals Overview

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

Tonight's Research Points

- No compelling new evidence emerged.

Short-term Outlook

The Bottom Line

Similar to yesterday, 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) –

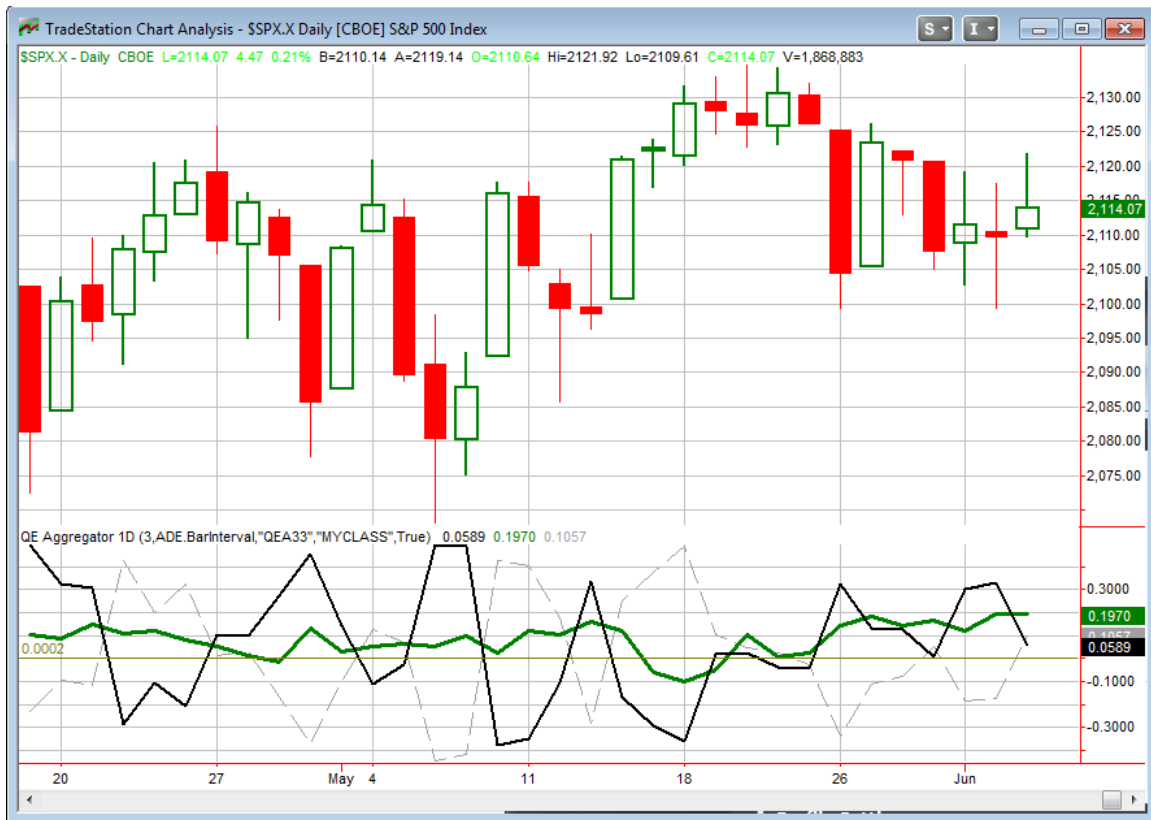
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
June 3, 2015	1% drop then 5-day consolidation	1-3 days	Bullish			
June 1, 2015	2x unfilled gap down > 200ma	1-6 days	Bullish	2.00%	-1.40%	-2.50%
Active - Long Term						
June 1, 2015	2x unfilled 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			

The Evidence

Wednesday was a day of gains. The SPX rose 0.2%, the NASDAQ gained 0.5% and the Russell 2000 finished up 1.0%. Breadth was about breakeven as the NYSE Up Issues % and the Up Volume % each came in just above 50%. Total NYSE volume declined some from Tuesday's level.

The SPX remains right in the middle of its recent range, and the back and forth action over the last several days is not inspiring new studies of note. Personally, I have a rotten cold for the first time in a long time, so I am glad to not have to be up late doing research tonight. So with nothing new being added to the Active List, I will keep this short.

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



Tonight again the green Aggregator Line remained above 0 (and barely budged). Positive readings mean net expectations from the Active List are for upside over the next few days. Meanwhile, the black Differential Line is also still holding 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 Thursday. Of course this could change if strong bearish evidence emerges. The Differential Pivot will be 2120.89 on Thursday. That is 0.3% above Wednesday's close. This means that SPX would need to close up at least 0.4% on Thursday for the Differential Line to close below zero and signal an overbought condition.

Wednesday's action really did nothing to change the short-term outlook. The 2 remaining studies on the short-term list are both bullish. The bounce over the last few days has not been as good as expected based on the studies, and the market is still oversold. So I still like the long side. I have some long exposure and I intend to hold onto it at least through Thursday. I am unlikely to add to the position without new evidence.

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

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
XIV(1/2)	3/9/2015	\$32.25	\$45.65	41.55%	\$37.90	Aggressive VIX
HAL(1/3)	5/8/2015	\$46.35	\$45.85	-1.08%		sold on open
SPY(1/4)	5/29/2015	\$211.14	\$211.92	0.37%		sell on SPX close > 2120.89

If SPX closes above the Differential Pivot I will look to take profits on my SPY position.

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