

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 6, 2015

Volume 8 Issue 150

## Market Overview



## Signals Overview

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

## Tonight's Research Points

- No new evidence emerged tonight.

## *Short-term Outlook*

### *The Bottom Line*

With the market still short-term oversold and some moderately bullish evidence there still appears to be an upside edge.

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

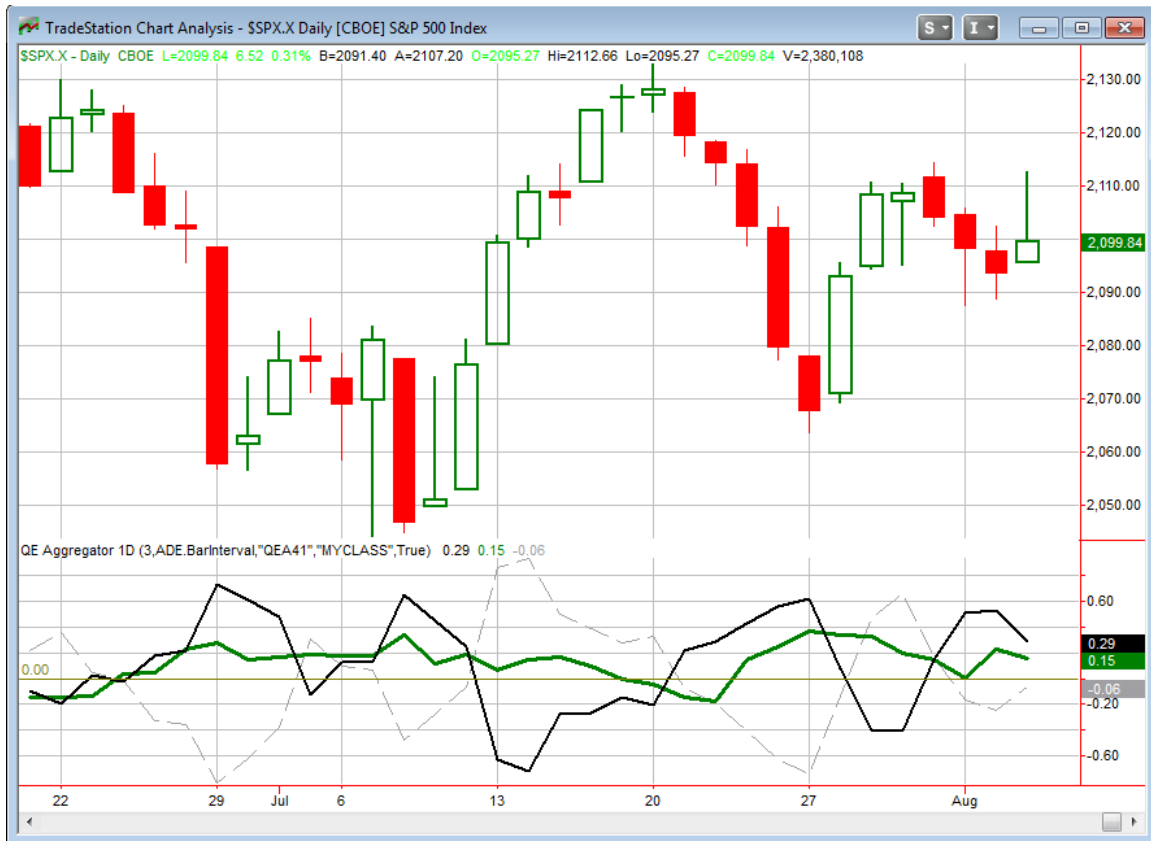
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
August 5, 2015	Down 3 days. 3/10 HV Offset < 0.25.	1-.3 days	Bullish	1.80%	-1.10%	-2.35%
<b>Active - Long Term</b>						
July 27, 2015	CBI reaches 11+	1-20 days	Bullish	6.60%	-3.70%	-7.60%
July 22, 2015	4th Hindenburg Signal	1-35 days	Bearish	-6.40%	2.70%	4.80%
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**

A strong gap up did not get any follow through but the major averages mostly finished positive. The SPX gained 0.3%, NASDAQ rallied 0.7%, and Russell 2000 rose 0.2%. Breadth was mixed as the NYSE Up Issues % came in at 50.4% and the Up Volume % was 46%. Total NYSE volume rose a little from Tuesday's level.

Wednesday's reversal was uninspiring. For the first time in a long while the Quantifinder did not have any studies triggering. The market is right in the middle of where it has been for the last week or so. In looking at a few different ideas, I found nothing that suggested a strong edge. So I'll keep it brief tonight.

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



Without any new evidence emerging the green Aggregator Line 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 well 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.

Expectations are set to remain bullish on Thursday based on the current studies. Of course this could change if new bearish evidence emerges. The Differential Pivot will be 2105.18 on Thursday. That is 0.25% above Wednesday's close. So for SPX to turn back to overbought on Wednesday it will need to close up at least 0.25%.

Current active studies suggest there could be more upside here. And the market is not yet overbought. But evidence is somewhat weak and Wednesday's lack of new studies did not help that. Wednesday's unfilled gap higher was unfortunate, because I was not able to get filled on my trade idea from last night. But with the bounce already underway, evidence somewhat light, and the Differential Pivot not far away, I'll exercise some patience and forego taking on new positions Thursday.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 8/3 – slightly bullish***

The intermediate-term outlook was last updated in the 8/3 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***

*COP – 1/3 @ \$55.83 (bought @ limit)*

*COP – 1/3 @ \$55.83 (bought 2<sup>nd</sup> lot @ limit)*

*COP – 1/3 @ \$52.09*

*DD– 1/3 @ \$56.94*

*DD*

*DD– 1/3 @ \$55.90*

***Catapult for ETF's Trades***

*None*

***Broad Market Large Cap CBI – 6/2(COP-3, DD-3)***

**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.***

### Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
COP(1/3)	7/23/2015	\$55.10	\$49.12	-10.85%		Catapult
COP(1/3)	7/24/2015	\$53.95	\$49.12	-8.95%		Catapult
COP(1/3)	7/27/2015	\$51.34	\$49.12	-4.32%		Catapult
DD(1/3)	7/27/2015	\$56.83	\$54.57	-3.98%		Catapult
DD(1/3)	7/28/2015	\$53.38	\$54.57	2.23%		Catapult
SPY(1/4)	7/28/2015	\$207.00	\$210.10	1.50%	\$208.49	Aggregator
DD(1/3)	7/29/2015	\$55.90	\$54.57	-2.38%		Catapult

*I have placed a stop on the SPY trade idea. I placed it a little below Monday's swing low.*

*Note: A full history of closed out trade ideas published in the Subscriber Letter since inception in 2008 can be found on the [QE Trade Ideas Results Sheet](#). It can be downloaded from the website at any time.*

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