

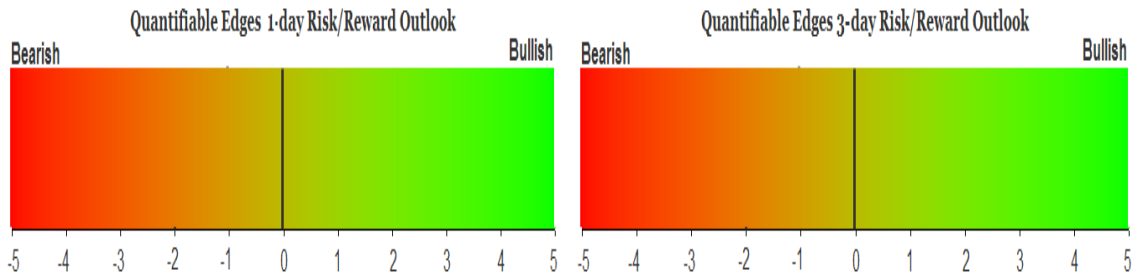
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 22, 2015

Volume 8 Issue 182

Market Overview



Signals Overview

Aggregator	Aggressive VIX	QE Buy Pwr Swing
Flat	Flat	Flat

Tonight's Research Points

- Monday's action did not inspire compelling new studies to emerge

Short-term Outlook

The Bottom Line

Again expectations are bearish but the market is slightly oversold for the short-term. This leaves me neutral.

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

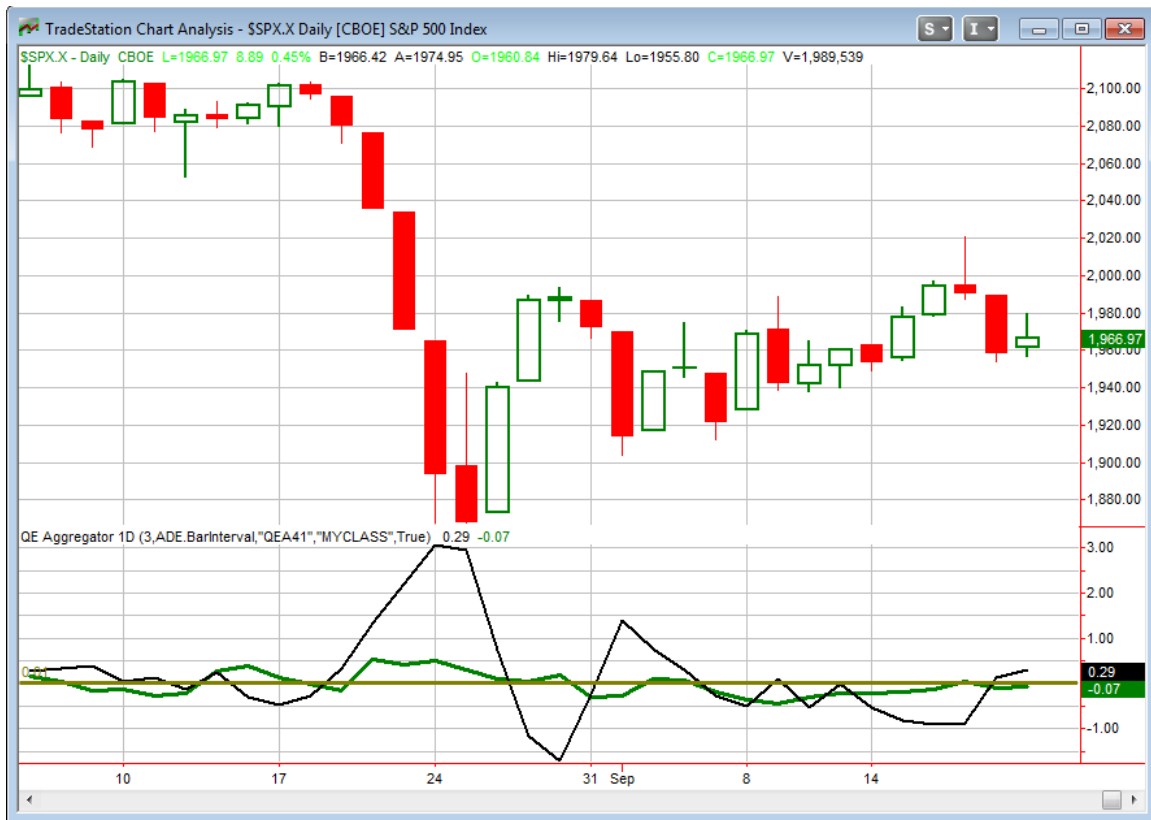
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
September 21, 2015	September post-opex weakest week	1-4 days	Bearish			
September 21, 2015	1st 5-low in 10 days	1-4 days	Bullish			
Active - Long Term						
September 9, 2015	FTD on mild breadth & volume	int term	Bearish			
August 31, 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			
Dropped Tonight						
September 21, 2015	Gap & selloff after RSI>60. Close<200	1 day	Bearish			

The Evidence

Monday's action was mixed and moderate. The SPX rose 0.5%, the NASDAQ gained less than 0.1%, and the Russell 2000 dropped 0.2%. Breadth was positive as the NYSE Up Issues % came in at 60% and the Up Volume % was 58%. Total NYSE volume declined from Friday's high opex levels.

The mixed and moderate numbers did nothing to trigger Quantifinder studies and provided very little for me to explore. The market remains in a choppy range and right now is near the middle of that multi-week range. The action over the last few days was somewhat violent but it did little more than make a sharp move and u-turn to return near where the market was 5-6 trading days before. With nothing new to discuss, I am going to keep it short tonight. Let's take a look at where there evidence we already have is leaving us now.

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



Without any new studies making the Active List tonight the green Aggregator Line held below 0. Negative readings mean net expectations from the Active List are for downside over the next few days. Meanwhile the black Differential Line remained above 0. The positive Differential Line reading means SPX is oversold versus recent expectations. So expectations are negative but the SPX is oversold. 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 stayed flat at the close.

Based on the current active studies, expectations are currently set to remain negative on Tuesday. Of course this could change if more bullish evidence emerges. The Differential Pivot will be 1984.40 on Tuesday. That is 0.9% above Monday's close. Therefore, for SPX to move from oversold to overbought on Tuesday it would need to close up at least 0.9%.

Monday's action did not really change anything. Like I said last night...*The Aggregator is neutral. Evidence is mixed, and the oversold reading is very slight. I don't see a compelling case for either direction right now. I intend to remain flat until more a more compelling setup emerges.*

Intermediate-term Outlook (2 weeks – 2 months) – updated 9/21– slightly bearish

The intermediate-term outlook was last updated in the 9/21 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

MON 1/3 @ \$89.42 limit (not filled and was cancelled)

Broad Market Large Cap CBI – 1

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

None

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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