

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 30, 2015

Volume 8 Issue 210

Market Overview



Signals Overview

| Aggregator | Aggressive VIX | QE Buy Pwr Swing |
|------------|----------------|------------------|
| Short | 100% Short SPY | Short |

Tonight's Research Points

- No new edges emerged on Thursday.

Short-term Outlook

The Bottom Line

The still appears to be a small downside edge, but that may not last beyond Friday.

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

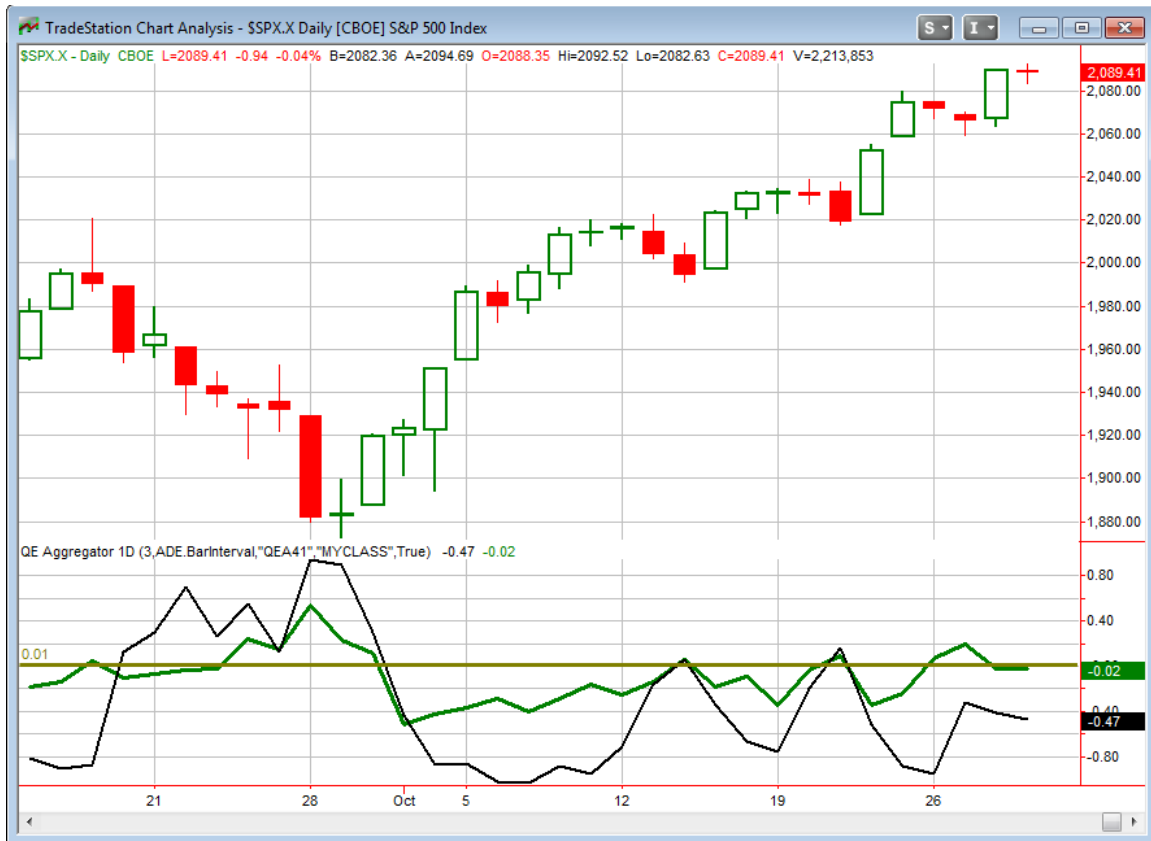
| Study Date | Description | Time span | Bias | Avg Run-up | Avg DrawDn | Avg DrawDn - 1 Std Dev |
|----------------------------|---|-----------|---------|------------|------------|------------------------|
| Active - Short Term | | | | | | |
| October 28, 2015 | Fed Day. 10-high. No 100-high. | 1-2 days | Bearish | | | |
| October 27, 2015 | Tues-Fri after 4th Fri in October bullish | 1-4 days | Bullish | | | |
| October 27, 2015 | Unfill gap dn from 10-high. Opn&cls high | 1-3 days | Bearish | -1.50% | 0.80% | 1.80% |
| Active - Long Term | | | | | | |
| October 26, 2015 | NASDAQ leading SPX | int term | Bullish | | | |
| October 9, 2015 | Zweig Breadth Thrust | 1-20 days | Bullish | | | |
| October 6, 2015 | SPX up 3+ days. Up Vol % > 90% | 1-14 days | Bullish | | | |
| September 29, 2015 | CBI >= 11 | 1-20 days | Bullish | | | |
| September 9, 2015 | FTD on mild breadth & volume | int term | Bearish | | | |
| November 3, 2014 | Quantitative Easing Ends | int term | Bearish | | | |
| July 22, 2013 | New High Divergence (Study of Tops) | int term | Bearish | | | |
| Dropped Tonight | | | | | | |
| October 28, 2015 | Fed Day Wednesday | 1 day | Bullish | | | |
| October 26, 2015 | VIX up. SPX up. Friday. | 1-3 days | Bearish | | | |

The Evidence

Thursday saw the indices close mildly lower. The SPX lost 0.04%, the NASDAQ fell 0.4, and the Russell 2000 declined 1.1%. Breadth was negative as the NYSE Up Issues % came in at 38% and the Up Volume % was 35%. Total NYSE volume fell a little from Wednesday's level.

The mild action left the Quantifinder without much to look at. And the studies I examined were not worth sharing in the context of the current day. So I am going to keep my comments extremely brief tonight.

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



The green Aggregator Line remained below 0. Negative readings mean net expectations from the Active List are for downside over the next few days. Meanwhile the black Differential Line also stayed below 0. The negative Differential Line reading means SPX is overbought versus recent expectations. So expectations are negative and the SPX is overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close on opposite sides of 0. Therefore the Aggregator signal turned short at the close.

The last of our current Short-Term Active Studies is set to expire on Friday. So short-term expectations will be highly dependent on any new evidence that emerges. The Differential Pivot will be 2066.80 on Friday. That is 1.1% below Thursday's close. So SPX would need to close down at least 1.1% in order to flip from overbought to oversold versus expectations.

There still appears to be a small bearish edge. But that edge is near expiration. With the market now down 1 day already and the bearish inclination set to expire Friday, the edge is not strong enough to interest me. I will remain sidelined a re-evaluate this weekend.

Intermediate-term Outlook (2 weeks – 2 months) – updated 10/26 –slightly bullish

The intermediate-term outlook was last updated in the 10/26/15 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

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

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.

This report has been prepared by Hanna Capital Management, LLC and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy securities. While information contained herein is believed to be accurate at the time of publication, we make no representation as to the accuracy or completeness of any data, studies, or opinions expressed and it should not be relied upon as such. Robert Hanna, Hanna Capital Management, LLC or clients of Hanna Capital Management, LLC may have positions or other interests in securities (including derivatives) directly or indirectly which are the subject of this report. This report is provided solely for the information of Hanna Capital Management, LLC clients and prospects who are expected to make their own investment decisions without reliance upon this report. Neither Hanna Capital Management, LLC nor any officer or employee of Hanna Capital Management, LLC accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Hanna Capital Management, LLC.

Copyright © 2015 Hanna Capital Management, LLC.