

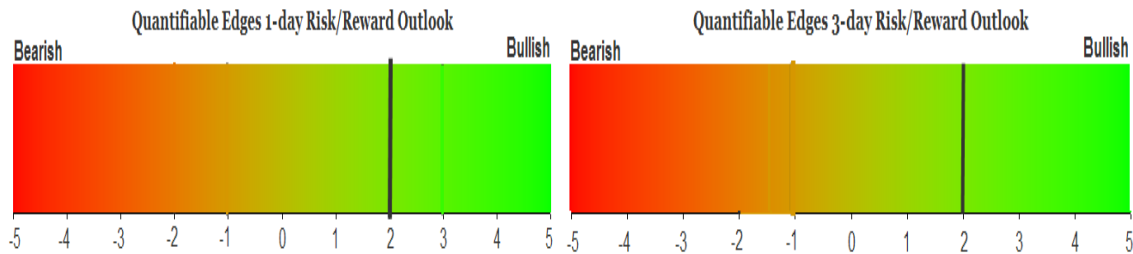
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 18, 2015

Volume 8 Issue 223

## Market Overview



## Signals Overview

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

## Tonight's Research Points

- No new compelling evidence emerged tonight.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator remains bullish but the SPX is nearing overbought territory. The Aggregator long signal will expire on Wednesday's close unless SPX closes down at least 0.5%. I am long and looking to reduce my exposure.

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

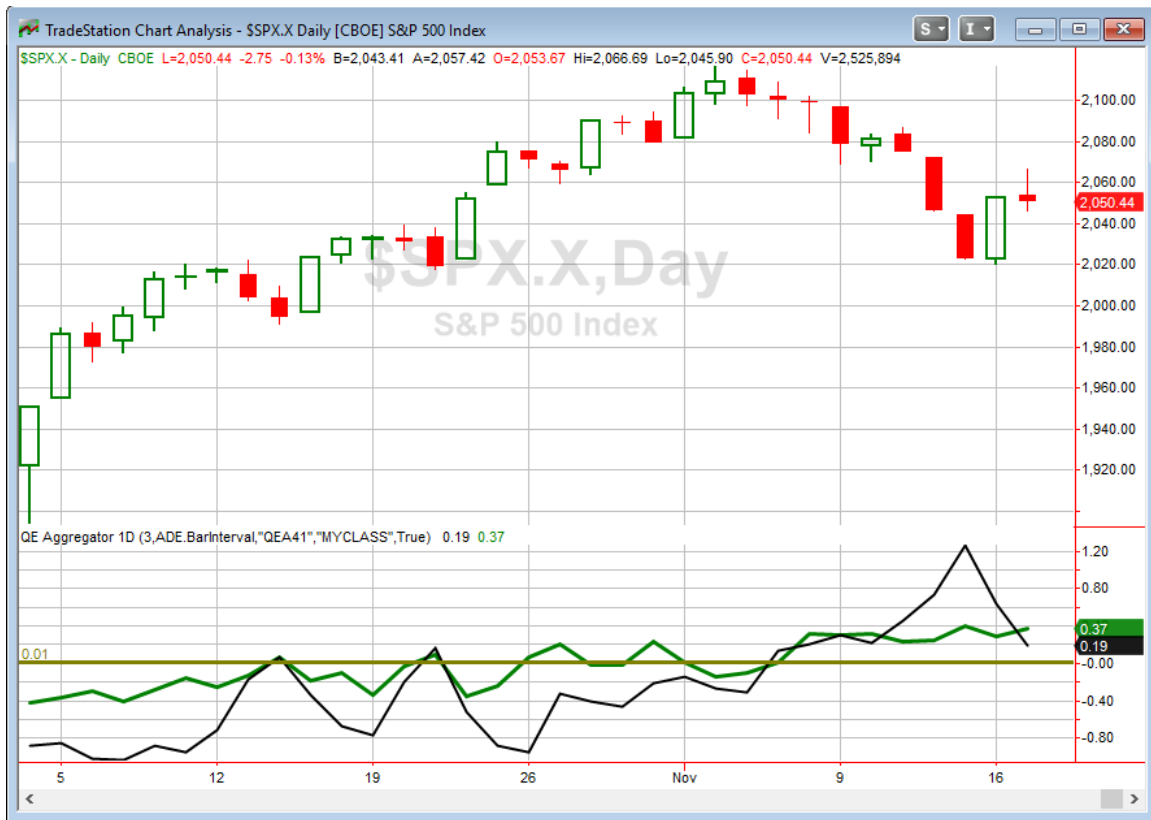
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
November 16, 2015	Dn 3. 1% drop. >20-low. < 200ma	1-4 days	Bullish			
November 16, 2015	Unfilled gap down 2x. Close <200ma	1-5 days	Bullish			
November 13, 2015	Unfilled gap down. Low close in ranges	1-5 days	Bullish			
<b>Active - Long Term</b>						
November 10, 2015	1st close < 10ma in 25 days	1-20 days	Bullish			
November 2, 2015	Best 6 months	Nov-Apr	Bullish			
October 26, 2015	NASDAQ leading SPX	int term	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			
<b>Dropped Tonight</b>						
November 17, 2015	Outside day strong close after low	1 day	Bearish			
November 16, 2015	Down 3 & opex next week	1-2 days	Bullish			
November 11, 2015	1st close 10-low in 30days	1-4 days	Bullish			

**The Evidence**

Tuesday was a bit of a consolidation day after Monday's big rally. The SPX finished down 0.1%, the NASDAQ gained 0.03% and the Russell 2000 lost 0.25%. Breadth was negative as the NYSE Up Issues % came in at 28% and the Up Volume % was 30%. Total NYSE volume rose some from Monday's level

Often after a big move day you will see a quiet consolidation day. That seems to be what has happened on Tuesday. The thing about these sideways days is that often they will fail to generate compelling edges. That seems to be the case today. There were some studies that appeared in the Quantifinder that looked at failed attempts to move through the 200ma like happened today for SPX. Results from this study were not strongly suggestive of a directional edge. So there will be nothing added to the Active List tonight. But there is still a fair amount active from the last few days suggesting a bullish edge.

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



With the lone short-term bearish study moving off the Active List the green Aggregator Line moved a little higher 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 also still above zero. 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 Wednesday based on the current active studies. This is unlikely to change. The Differential Pivot will be *inverted at 2040.77* on Wednesday. That is *0.5% below* Tuesday's close. An inverted pivot means that the Differential Line will cross through 0 if SPX closes flat. In this case SPX would need to close down at least 0.5% in order to prevent it from changing from oversold to overbought versus expectations.

I generally view inverted pivots as opportune times to scale out of existing positions. That is because while indications are for more upside, if any gains are realized on Wednesday, then SPX will no longer be oversold. This limits potential reward. So I will look to exit part of my position Wednesday morning if I can get a decent fill. I will exit the rest at the close on Wednesday if SPX does not sell of a lot.

**Intermediate-term Outlook (2 weeks – 2 months) – *updated 11/16 –slightly bullish***

The intermediate-term outlook was last updated in the 11/16 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**

SPG – 1/3 @ \$191.51 (buy @ limit)

CVS – 1/3 @ \$91.81 (buy @ limit) – not filled – cancel for now

**Broad Market Large Cap CBI – 2(SP, CVS)**

**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
SPY(1/4)	11/9/2015	\$208.08	\$205.47	-1.25%		sell @ \$205.50 limit
SPY(1/4)	11/14/2015	\$204.35	\$205.47	0.55%		sell @ \$205 lmt ON CLOSE
SPG(1/3)	11/16/2015	\$185.39	\$186.83	0.78%		Catapult

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