

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 19, 2016

Volume 9 Issue 11

Market Overview



Signals Overview

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

Tonight's Research Points

- MLK week has been bearish over the years.
- Large gaps lower and partial reversals often suggest an upside edge.
- Big drops ahead of 3-day weekends often see the market struggle during the shortened week.
- The oversold NASDAQ and oversold NASDAQ breadth suggest an intermediate-term upside edge.

Short-term Outlook

The Bottom Line

Evidence is still leaning bullish. And the market is still oversold. Odds seem to favor more upside over the next few days rather than an immediate leg down. But both of those things could easily change on Tuesday, so action and its implications seem well worth monitoring.

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						
January 19, 2016	Gap under 50-low & partial reversal	1-2 days	Bullish			
January 19, 2016	2% Gap Dn Partial Reversal	1-2 days	Bullish			
January 19, 2016	1% drop before US 3-day wknd	1-4 days	Bearish			
January 15, 2016	Hi Volume Up Day from 50-lw	1-5 days	Bullish			
January 14, 2016	McOsc very low. SPX 50-low	1-5 days	Bullish			
January 11, 2016	SPX down > 1% 3 days	1-5 days	Bullish	4.00%	-3.50%	-8.30%
Active - Long Term						
January 19, 2016	NASDAQ 100-low. 10EMA UpIss<0.375	Nov-Apr	Bullish			
November 2, 2015	Best 6 months	Nov-Apr	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						
January 5, 2016	Down 3 < 200 but > 20-low. 1% drop	1-17 days	Bullish			
January 4, 2016	Down last 2 days of positive quarter	1-15 days	Bullish			

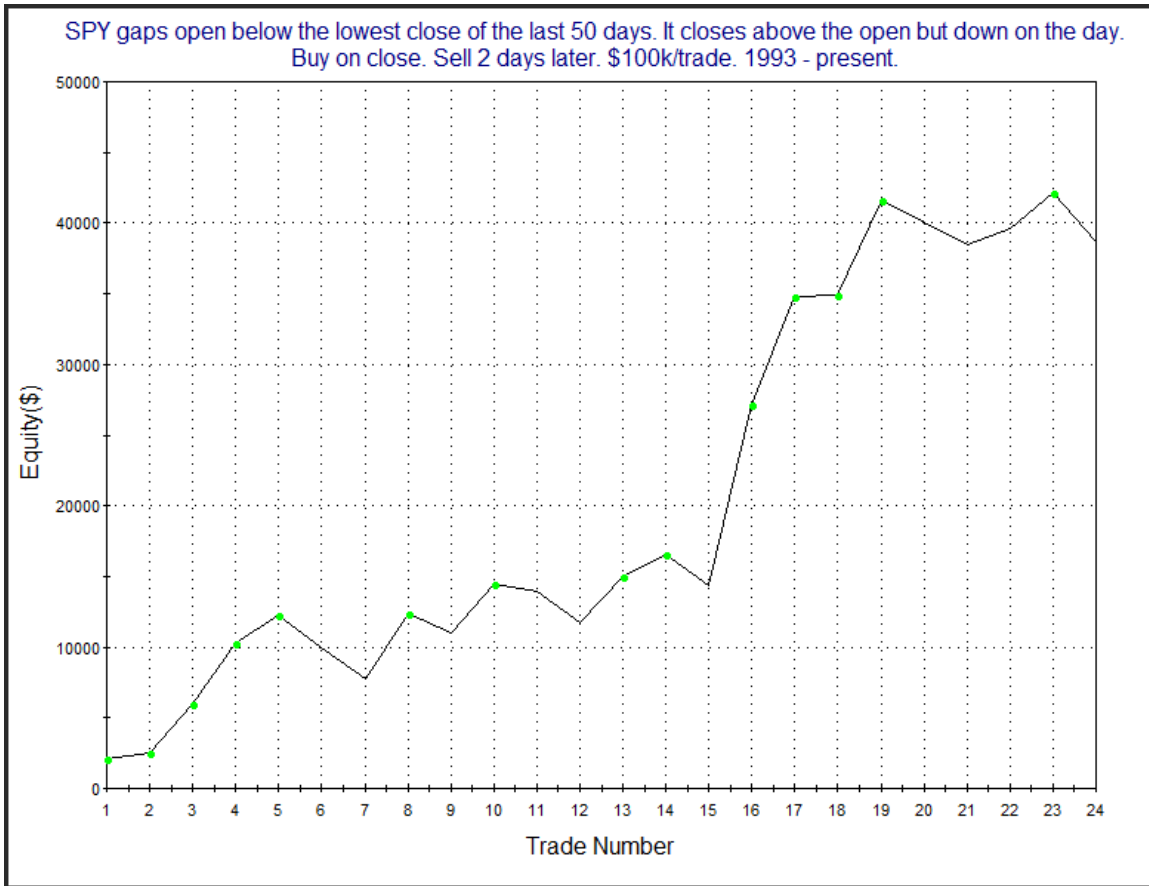
The Evidence

The market got hit hard on Friday. The SPX finished down 2.2%, the NASDAQ lost 2.7%, and the Russell 2000 dropped 1.75%. Breadth was positive as the NYSE Up Issues % came in at 17% and the Up Volume % was 11%. Total NYSE volume rose to the highest level in a long while – partially thanks to opex.

SPY gapped down big at the open. It closed above the open but still never got positive on the day. The gap down and partial reversal from a 50-day low is something that I have looked at in the past. This study is from the 11/14/12 letter. Results are all updated.

SPY gaps open below the lowest close of the last 50 days. It closes above the open but down on the day. Buy on close. Sell X days later. \$100k/trade. 1993 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Max Winning Trade	All: Avg Losing Trade	All: Max Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	37,036.48	23	14	9	60.87	4,526.99	11,377.00	-2,926.82	-5,014.98	1.55	2.41	1,610.28
4	43,381.77	24	14	10	58.33	4,726.07	11,714.64	-2,278.32	-6,725.16	2.07	2.90	1,807.57
3	31,414.41	24	13	11	54.17	3,833.05	10,848.52	-1,674.11	-5,355.22	2.29	2.71	1,308.93
2	38,705.48	24	15	9	62.50	3,740.38	12,814.15	-1,933.36	-3,463.80	1.93	3.22	1,612.73
1	28,533.54	25	15	10	60.00	3,046.94	14,507.65	-1,717.06	-3,576.07	1.77	2.66	1,141.34
87% of instances closed above the entry price at some point in the next week.												

I referred to this as a "partial reversal" because it closed above the open, but not high enough to actually close positive. Results appear to favor the long side, especially over the first two days. Below is a profit curve assuming a 2-day holding period.



There were a few outsized gains which skewed the curve a bit, but the slope has been upwards throughout the entire time. I have therefore included this study on the Short Term Active List.

Another study, from the 9/7/11 letter, looked at big gaps and partial reversals a little differently. I have also updated that study below.

SPY gaps lower by > 2%. It closes > the open but down on the day and < 200ma.
Buy on close. Sell X days later. \$100k/trade. 1993 - present.

X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Max Winning Trade	All: Avg Losing Trade	All: Max Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	37,777.74	11	9	2	81.82	5,089.18	11,238.92	-4,012.45	-4,576.11	1.27	5.71	3,434.34
4	33,420.33	12	9	3	75.00	4,816.42	10,630.48	-3,309.16	-6,725.16	1.46	4.37	2,785.03
3	24,186.45	12	9	3	75.00	3,412.24	6,933.92	-2,174.57	-5,355.22	1.57	4.71	2,015.54
2	40,219.07	12	10	2	83.33	4,471.17	12,814.15	-2,246.33	-2,251.30	1.99	9.95	3,351.59
1	27,316.51	12	9	3	75.00	3,589.43	14,507.65	-1,662.79	-3,547.32	2.16	6.48	2,276.38

Results appear strongly bullish. Below is a look at the individual instances.

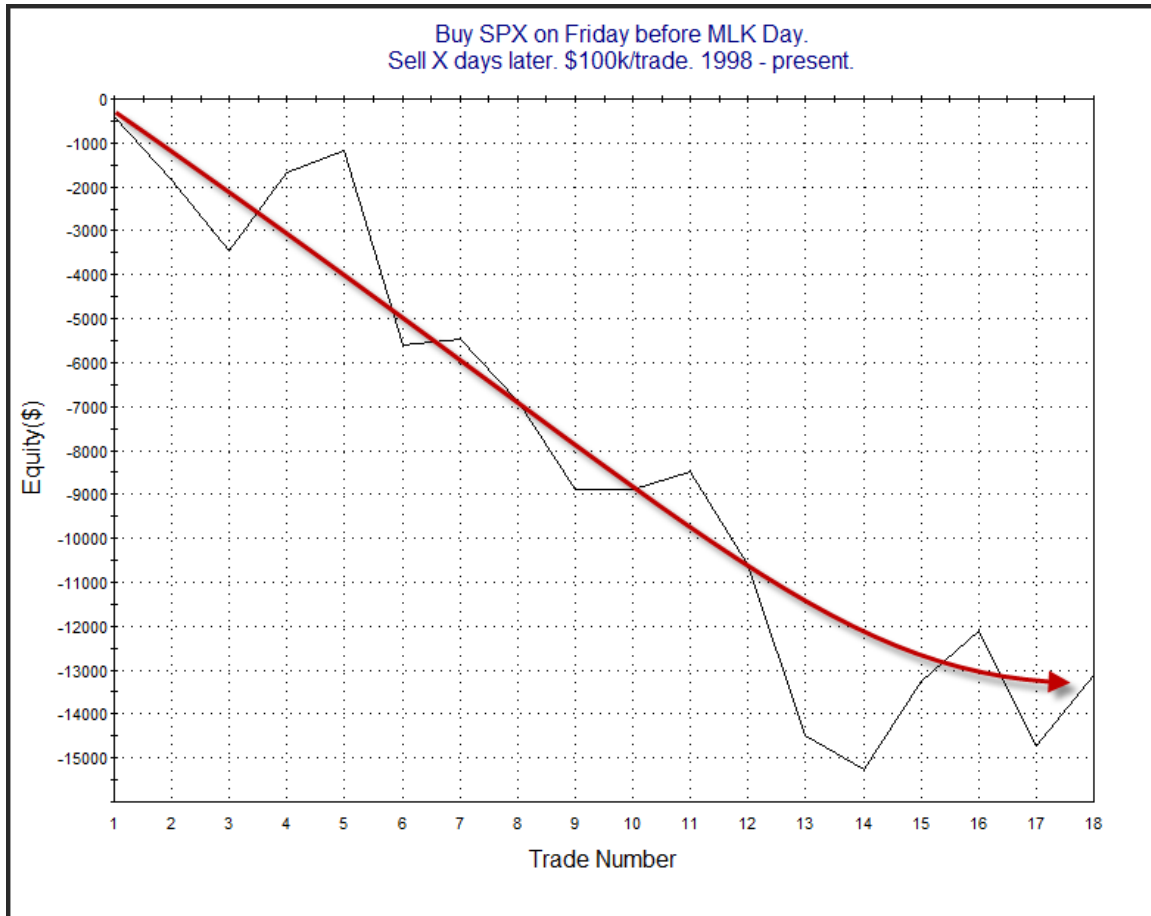
SPY gaps lower by > 2%. It closes > the open but down on the day and < 200ma. Buy on close. Sell X days later. \$100k/trade. 1993 - present.				
Date/Time	Signal	Price	% Profit	Run-up Drawdown
4/4/1994	Buy	\$43.91	2.05%	\$2,277.00
4/6/1994	Sell	\$44.81		\$0.00
9/21/1998	Buy	\$102.03	4.87%	\$4,870.60
9/23/1998	Sell	\$107.00		\$0.00
10/8/1998	Buy	\$96.59	3.50%	\$5,019.75
10/12/1998	Sell	\$99.97		(\$1,386.90)
3/14/2001	Buy	\$117.65	-2.24%	\$1,027.29
3/16/2001	Sell	\$115.01		(\$2,708.31)
9/17/2001	Buy	\$104.30	-2.25%	\$958.00
9/19/2001	Sell	\$101.95		(\$5,498.92)
9/21/2001	Buy	\$97.28	4.59%	\$4,847.44
9/25/2001	Sell	\$101.75		\$0.00
1/22/2008	Buy	\$130.72	3.27%	\$3,621.36
1/24/2008	Sell	\$134.99		(\$2,964.32)
3/17/2008	Buy	\$128.30	1.57%	\$4,946.65
3/19/2008	Sell	\$130.32		\$0.00
10/10/2008	Buy	\$88.50	12.82%	\$19,226.87
10/14/2008	Sell	\$99.85		\$0.00
10/24/2008	Buy	\$87.04	7.72%	\$8,265.60
10/28/2008	Sell	\$93.76		(\$3,834.32)
9/6/2011	Buy	\$116.99	1.75%	\$3,373.30
9/8/2011	Sell	\$119.04		\$0.00
8/24/2015	Buy	\$189.55	2.59%	\$3,109.30
8/26/2015	Sell	\$194.46		(\$1,386.01)

Aside from the 2 instances in 2001, these results are very impressive. I have taken this study into account.

Seasonality may also come into play this week. Martin Luther King Jr. Day is on Monday. The NYSE has only observed MLK Day as a holiday since 1998. But over that 18-year period the market has not done too well during MLK week. I discussed this last year in the 1/20/15 Letter. I've updated that study below.

Buy SPX on Friday before MLK Day. Sell X days later. \$100k/trade. 1998 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Max Winning Trade	All: Avg Losing Trade	All: Max Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
4	-13,131.76	18	7	11	38.89	1,086.89	2,024.33	-1,885.45	-4,441.80	0.58	0.37	-729.54
3	-911.99	18	8	10	44.44	1,229.79	2,206.50	-1,075.03	-2,646.54	1.14	0.92	-50.67
2	1,792.43	18	12	6	66.67	648.18	1,459.15	-997.63	-2,576.20	0.65	1.30	99.58
1	-3,129.64	18	11	7	61.11	604.00	1,776.32	-1,396.24	-5,253.30	0.43	0.68	-173.87

Numbers here are somewhat weak – especially Friday. Below is an equity curve showing how the full (4-day) week has played out over time.



The curve is a bit choppy. And it has flattened out recently but there still appears to be a bit of a downside inclination. So the bullish price action studies we have seen may need to overcome some negative seasonality if the market is going to rise. But if we consider the strong move down on Friday in conjunction with any US-only 3-day weekend, this looks a bit more bearish. Since 2000 there have been 13 instances where there was a 1%+ selloff prior to the US-only 3-day weekend. Statistics from 1-4 days out are shown in the table below.

SPX closes down > 1% on the day before a US-only 3-day weekend.
Buy on close. Sell X days later. \$100k/trade. 2000 - present.

X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Max Winning Trade	All: Avg Losing Trade	All: Max Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
4	-22,423.66	13	2	11	15.38	1,914.70	2,071.16	-2,386.64	-4,441.80	0.80	0.15	-1,724.90
3	-11,988.80	13	5	8	38.46	1,200.37	1,615.64	-2,248.83	-3,701.20	0.53	0.33	-922.22
2	-6,437.40	13	6	7	46.15	1,054.16	2,095.25	-1,823.19	-3,510.44	0.58	0.50	-495.18
1	-4,477.35	13	5	8	38.46	1,027.79	2,505.88	-1,202.04	-1,875.60	0.86	0.53	-344.41

While there are only 13 instances, the stats are strongly bearish. Below I have listed all the instances and assumed a 4-day holding period.

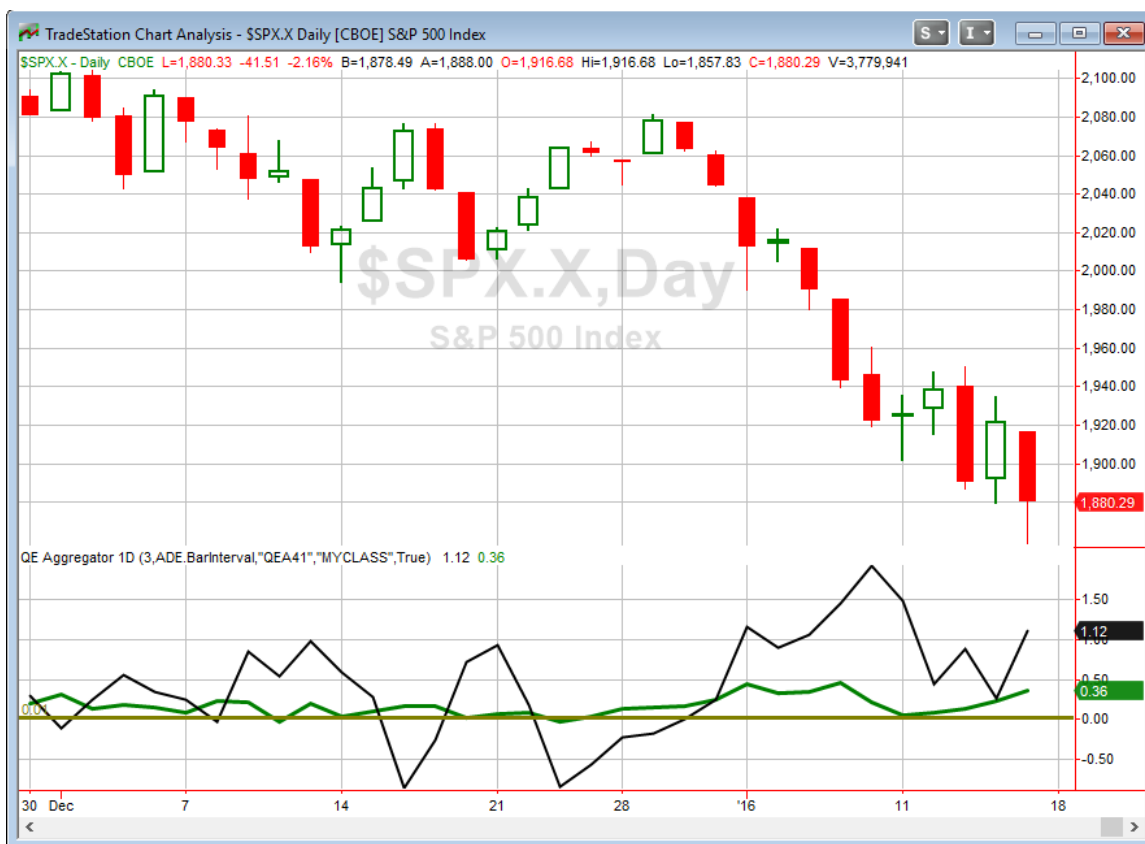
SPX closes down > 1% on the day before a US-only 3-day weekend.
Buy on close. Sell 4 days later. \$100k/trade. 2000 - present.

Date/Time	Signal	Price	% Profit	Run-up Drawdown
2/18/2000	Buy	\$1,346.09	-0.95%	\$1,777.48
2/25/2000	Sell	\$1,333.36		(\$1,253.56)
2/16/2001	Buy	\$1,301.47	-4.30%	\$432.44
2/23/2001	Sell	\$1,245.47		(\$6,538.28)
5/25/2001	Buy	\$1,277.90	-1.35%	\$40.56
6/1/2001	Sell	\$1,260.67		(\$2,491.32)
2/15/2002	Buy	\$1,104.18	-1.30%	\$0.00
2/22/2002	Sell	\$1,089.84		(\$2,683.80)
5/24/2002	Buy	\$1,083.82	-1.54%	\$198.72
5/31/2002	Sell	\$1,067.14		(\$2,719.52)
1/17/2003	Buy	\$901.78	-4.48%	\$464.20
1/24/2003	Sell	\$861.40		(\$4,627.70)
5/23/2008	Buy	\$1,375.93	1.77%	\$2,188.08
5/30/2008	Sell	\$1,400.35		(\$205.92)
8/29/2008	Buy	\$1,282.74	-3.15%	\$1,563.10
9/5/2008	Sell	\$1,242.31		(\$5,044.27)
7/2/2009	Buy	\$896.42	-1.53%	\$255.30
7/9/2009	Sell	\$882.68		(\$3,008.10)
1/15/2010	Buy	\$1,136.03	-3.90%	\$1,268.96
1/22/2010	Sell	\$1,091.76		(\$4,034.80)
5/28/2010	Buy	\$1,089.41	-2.25%	\$1,479.66
6/4/2010	Sell	\$1,064.88		(\$2,630.81)
9/2/2011	Buy	\$1,173.97	-1.68%	\$2,586.55
9/9/2011	Sell	\$1,154.23		(\$2,876.40)
9/4/2015	Buy	\$1,921.22	2.07%	\$3,505.32
9/11/2015	Sell	\$1,961.05		\$0.00

With the average drawdown reaching over 2.9% and the average run-up only 1.2% downside risk has been 2.4x times the size of upside reward. I have included this study on the Short-Term Active List.

Despite the strong selling, the Quantifiable Edges Capitulative Breadth Index (CBI) did not budge on Friday. There are several stocks that appear to be lining up to trigger if the selling continues for the next few days. Further selling could easily see the CBI rise to 8 on Tuesday, but it is just not that high yet, and not supporting the idea of capitulation.

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



With tonight's studies being added the green Aggregator Line moved further above zero. Positive readings mean net expectations from the Active List are for upside over the next few days. Meanwhile the black Differential Line also held far above 0. The positive Differential Line reading means SPX is oversold versus recent expectations. So expectations are positive and SPX is still 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 on Tuesday could swing either way depending on what new studies emerge. The Differential Pivot will be 1894.79 on Tuesday. That is 0.8% above Friday's close. So

for SPX to move from oversold to overbought versus expectations on Tuesday it will need to close up at least 0.8%.

Evidence is still pointing higher and the market is still oversold. This suggests a solid upside edge. I am long and looking to take advantage of a bounce. If we see further weakness early this week there is a possibility I will up my long exposure even more. But both expectations and overbought/oversold could be up for grabs on Tuesday. So I am not inclined to take on additional index exposure just yet.

Intermediate-term Outlook (2 weeks – 2 months) – updated 1/19 – neutral

Combo #1	Combo #2	Combo #3
Flat	Flat	Flat

Above is the status of the different Combination Signals from the Quantifiable Edges Market Timing Course. Signals are long-term in nature. All 3 can be either flat or long. None of them look to short. More information on these signals can be found in the [Quantifiable Edges Market Timing Course](#), which is included with all annual subscriptions. Detailed descriptions of these combination approaches [can be found in Lesson 8](#). Subscribers may also download detailed hypothetical historical performance reports covering 12/31/71 – 3/7/14 in [Lesson 11, Course Downloads](#). (You must go through the course first in order to access the Downloads.) *As indicated would happen in last week's intermediate-term note, the SPX saw the 50ma close below the 200ma on Monday and all 3 Combo Systems changed from Long to Flat.*

The market got hit hard for the 2nd week in a row and all the major indices suffered losses. They are now all at or near long-term lows as well

Friday's strong selloff saw an old study trigger that examined the recent strongly negative NASDAQ breadth. It uses a 10-period exponential moving average of the NASDAQ Up Issues %. It found that when this number gets oversold at the same time the NASDAQ is hitting long-term lows, that has typically been followed by a move up. Last seen in the 10/27/08 letter I have updated the research below.

NASDAQ 10-day Exp MA of its Up Issue % crosses under 37.5% and NASDAQ closes at 100-day low.
Buy NASDAQ on close. Sell X days later. \$100k/trade. 1998 - present.

X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Max Winning Trade	All: Avg Losing Trade	All: Max Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
20	61,129.59	14	11	3	78.57	8,002.40	23,031.04	-8,965.59	-14,944.68	0.89	3.27	4,366.40
19	82,881.32	15	13	2	86.67	8,521.19	19,152.76	-13,947.04	-15,201.72	0.61	3.97	5,525.42
18	79,669.67	15	13	2	86.67	7,941.39	18,307.38	-11,784.21	-14,799.18	0.67	4.38	5,311.31
17	64,371.63	15	13	2	86.67	6,482.34	15,367.96	-9,949.38	-15,193.92	0.65	4.23	4,291.44
16	55,290.00	15	11	4	73.33	7,732.92	18,666.36	-7,443.02	-22,515.99	1.04	2.86	3,686.00
15	57,671.34	15	11	4	73.33	7,970.24	21,843.16	-7,500.32	-20,163.36	1.06	2.92	3,844.76
14	60,950.04	16	12	4	75.00	7,405.75	17,431.36	-6,979.74	-17,517.48	1.06	3.18	3,809.38
13	53,649.23	16	12	4	75.00	6,629.45	16,486.68	-6,476.05	-16,913.64	1.02	3.07	3,353.08
12	53,003.88	16	13	3	81.25	6,207.29	19,469.68	-9,230.28	-12,786.21	0.67	2.91	3,312.74
11	50,100.39	16	13	3	81.25	5,616.00	13,924.80	-7,635.89	-9,045.36	0.74	3.19	3,131.27
10	38,549.51	16	11	5	68.75	5,841.26	19,103.70	-5,140.87	-12,041.10	1.14	2.50	2,409.34
9	49,520.74	16	10	6	62.50	7,242.15	16,181.10	-3,816.80	-11,713.68	1.90	3.16	3,095.05
8	30,011.98	16	11	5	68.75	5,882.53	13,582.50	-6,939.16	-16,272.06	0.85	1.87	1,875.75
7	1,546.19	16	8	8	50.00	4,753.34	11,293.80	-4,560.06	-8,587.38	1.04	1.04	96.64
6	35,356.24	17	11	6	64.71	5,898.49	11,708.40	-4,921.20	-12,022.56	1.20	2.20	2,079.78
5	27,195.46	18	11	7	61.11	5,915.75	10,488.96	-5,411.12	-15,461.16	1.09	1.72	1,510.86
4	25,929.69	18	13	5	72.22	4,681.16	9,677.70	-6,985.09	-15,415.77	0.67	1.74	1,440.54
3	19,656.84	18	11	7	61.11	4,821.45	11,553.60	-4,768.44	-11,055.00	1.01	1.59	1,092.05
2	16,332.84	20	12	8	60.00	4,707.21	14,168.40	-5,019.21	-9,818.01	0.94	1.41	816.64
1	26,519.57	20	13	7	65.00	3,517.34	6,991.92	-2,743.68	-4,994.64	1.28	2.38	1,325.98

Nineteen days later we see 13 of 15 instances higher, and the average of those 13 instances saw the market up 8.5%. The two instances that did not close higher, were down 14% on average. Here is a list of all the instances.

NASDAQ 10-day Exp MA of its Up Issue % crosses under 37.5%
and NASDAQ closes at 100-day low.
Buy NASDAQ on close. Sell X days later. \$100k/trade. 1998 - present.

Date/Time	Signal	Price	% Profit	Run-up Drawdown
4/14/2000	Buy	\$3,321.29	6.26%	\$19,832.70
5/12/2000	Sell	\$3,529.07		(\$2,827.50)
11/22/2000	Buy	\$2,755.25	-15.33%	\$9,846.00
12/20/2000	Sell	\$2,332.98		(\$15,938.64)
12/20/2000	Buy	\$2,332.98	18.81%	\$21,347.34
1/19/2001	Sell	\$2,771.89		(\$3,413.34)
9/17/2001	Buy	\$1,579.55	7.84%	\$8,056.44
10/12/2001	Sell	\$1,703.40		(\$12,126.87)
7/23/2002	Buy	\$1,229.05	13.46%	\$13,608.81
8/19/2002	Sell	\$1,394.54		(\$2,967.03)
5/10/2004	Buy	\$1,896.07	6.57%	\$6,476.60
6/7/2004	Sell	\$2,020.62		(\$1,594.84)
4/15/2005	Buy	\$1,908.15	2.92%	\$3,850.60
5/12/2005	Sell	\$1,963.88		(\$952.64)
6/13/2006	Buy	\$2,072.47	2.72%	\$5,636.64
7/11/2006	Sell	\$2,128.86		(\$353.28)
3/10/2008	Buy	\$2,169.34	9.01%	\$10,239.14
4/7/2008	Sell	\$2,364.83		(\$640.32)
10/3/2008	Buy	\$1,947.39	-12.78%	\$0.00
10/30/2008	Sell	\$1,698.52		(\$23,133.60)
11/12/2008	Buy	\$1,499.21	4.42%	\$6,844.86
12/10/2008	Sell	\$1,565.48		(\$13,446.18)
3/5/2009	Buy	\$1,299.59	19.39%	\$21,843.16
4/1/2009	Sell	\$1,551.60		(\$2,589.32)
8/4/2011	Buy	\$2,556.39	0.90%	\$2,152.41
8/31/2011	Sell	\$2,579.46		(\$8,764.86)
10/3/2011	Buy	\$2,335.83	17.18%	\$17,536.68
10/28/2011	Sell	\$2,737.15		(\$1,551.48)
8/21/2015	Buy	\$4,706.04	2.58%	\$5,351.43
9/18/2015	Sell	\$4,827.23		(\$8,691.90)

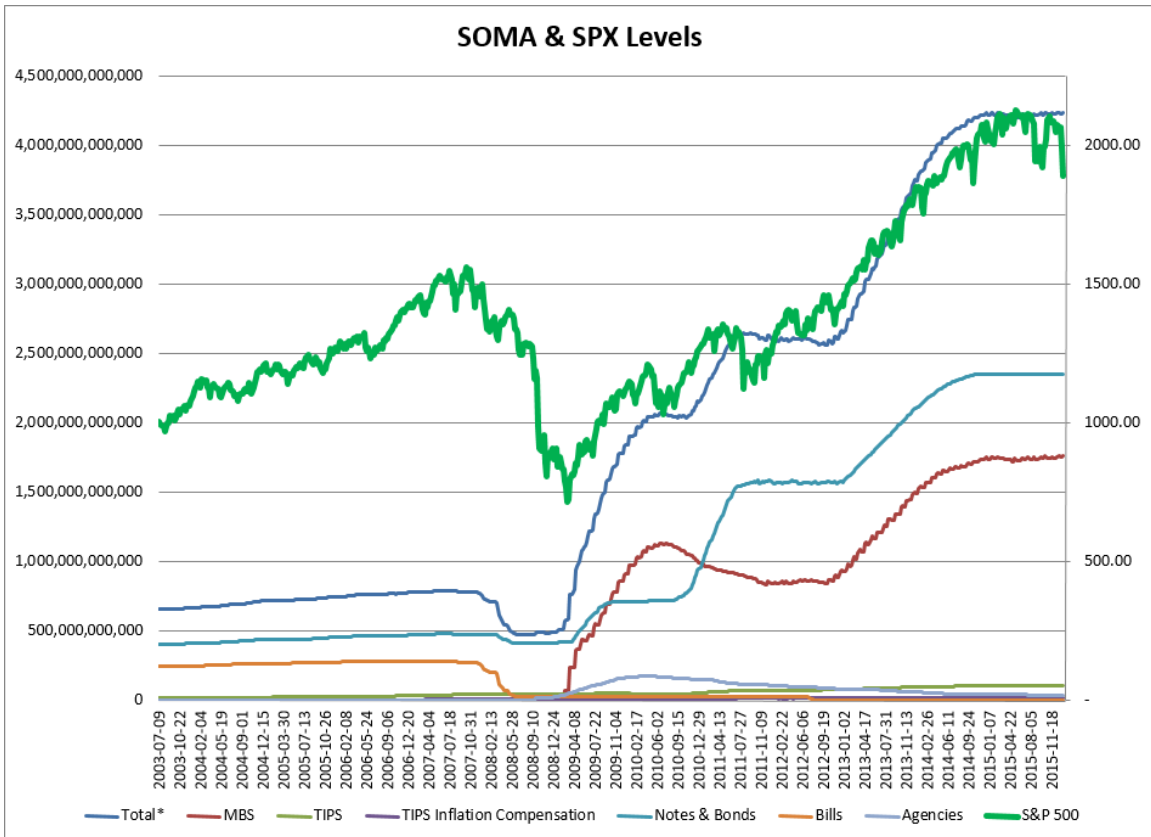
We see here some massive rallies and some epic fails. Volatility is high and we could see a strong move occur in either direction. The more likely direction is up, but it could get ugly if it goes the other way.

As I do each week, I have updated our Fed SOMA charts below. Below is a description for those who are new to these charts or who may want a refresher.

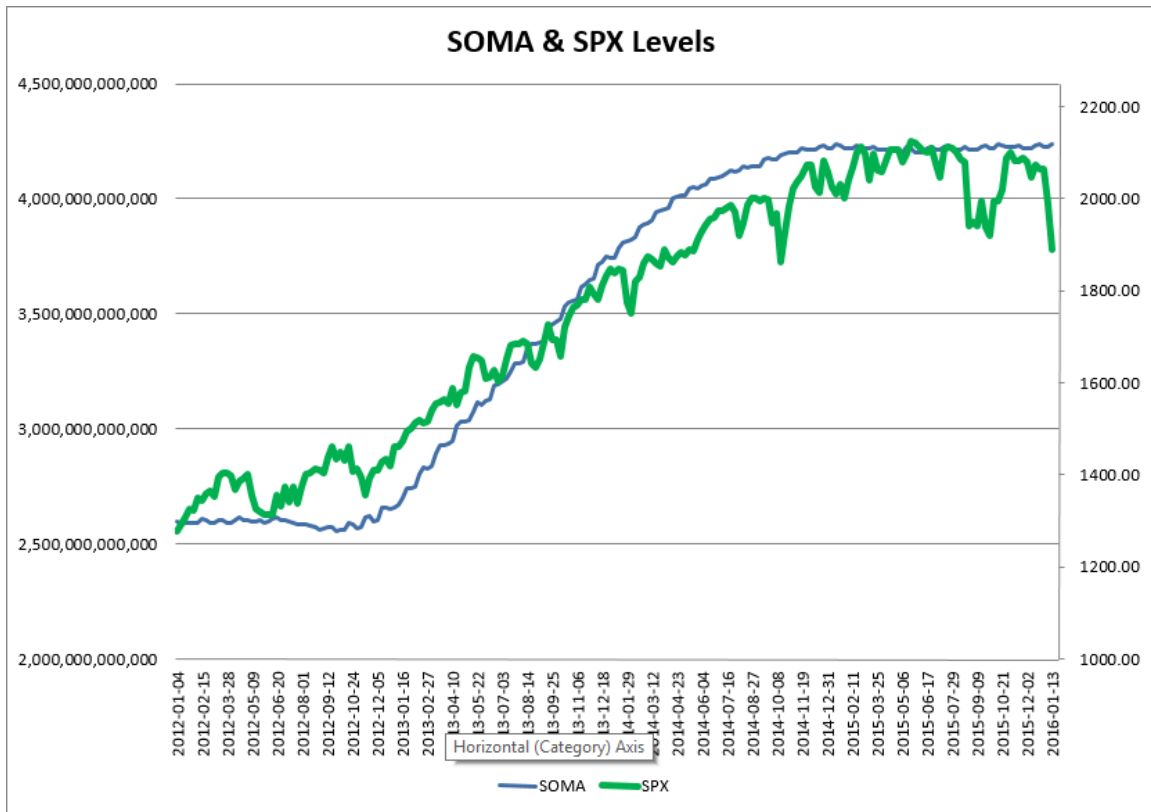
SOMA stands for System Open Market Account. It is the account at the Fed that contains all of its bond purchase holdings. We have tracked Fed purchases for several years, and as is evident in the charts below, the stock market has consistently reacted positively when the Fed has been buying securities in the open market and increasing the size of its account. When the account has declined, the market has struggled. The obvious takeaway has been

“don’t fight the Fed”. As far as intermediate-term indicators go, this has been as good as anything in recent years.

While the Fed is not making new QE purchases any longer, it is continuing to reinvest maturities. Therefore, the total assets in their System Open Market Account (SOMA) has not begun to dive like the old Quantifiable Edges POMO indicators did. Below are long and short-term views of SOMA and SPX. First, the long-term view (back to 2003).



And now the zoomed-in view (2012 – present).



SOMA this past week kept in line with the expected pattern we have seen since late 2014, and it posted an increase of 0.31%. This has been typical in the 2nd or 3rd week of the month. What has not been typical is the market getting pummeled in strong SOMA week. Perhaps that speaks to how bad the market may actually be right now. This week may see minor support from SOMA, but the last week of the month has typically seen outflows and the market has struggled. So if the market is going to bounce, it better get on with it soon.

As I have been saying for a long time, flat or declining SOMA readings have typically led to market struggles. But a rising SOMA has consistently led to gains. It will be important to monitor SOMA activity, including the monthly reinvestment schedule, during 2016 so that we may quickly identify any change in policy and take steps to adjust our strategies. So far reinvestments are occurring just as we saw in 2015. I expect liquidity analysis to remain an important tool for us in 2016 and beyond.

Much of what we are seeing from an intermediate-term standpoint is favoring the bears. The bulls can still point to Market Timing Course Seasonality indicators as well as the new NASDAQ breadth study that we see tonight. But trend, leadership, Fed liquidity studies and more are pointing towards a long-term downtrend. With the market so oversold short-term, and a bounce likely I am not inclined to downgrade my intermediate-term outlook any further just yet. Often bounces will tell us something about the likelihood of a

continued rally. So I suspect we will see more intermediate-term clues emerge in the coming days. At this point I remain neutral for the intermediate-term.

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

COF - 1/3 @ \$65.08 (buy @ limit) (filled)

COF - 1/3 @ \$64.23 (buy @ limit) (filled)

NSC – 1/3 @ \$75.93 (buy @ limit) (filled)

APC - 1/3 @ \$34.86 (buy @ limit) (filled)

NSC – 1/3 @ \$71.44 (buy @ limit)

Broad Market Large Cap CBI – 5(COF-2, NSC-2, APC)

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.

NSC – buy 1/3 Catapult position @ \$71.44 LIMIT. This is a Catapult trade that did not fill yet. I will look to get in if I can get a decent fill. It is the 2nd of 3 possible lots for NSC.

Though they have done well over time, Catapults tend to be quite volatile and are traded without initial stops. Those new to Catapults should examine the information on the [Catapult System page](#).

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
SPY(1/4)	1/4/2016	\$201.02	\$187.81	-6.57%		Aggregator
SPY(1/4)	1/8/2016	\$191.92	\$187.81	-2.14%		Aggregator
COF(1/3)	1/8/2016	\$65.08	\$62.85	-3.43%		Catapult
COF(1/3)	1/11/2016	\$64.23	\$62.85	-2.15%		Catapult
NSC(1/3)	1/13/2016	\$75.93	\$71.77	-5.48%		Catapult
APC(1/3)	1/14/2016	\$34.86	\$32.02	-8.15%		Catapult

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 © 2016 Hanna Capital Management, LLC.