

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 11, 2016

Volume 9 Issue 48

Market Overview



Signals Overview

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

Tonight's Research Points

- No new evidence emerged tonight.

Short-term Outlook

The Bottom Line

Evidence is still leaning bearish and the market is still overbought. There again appears to be a downside edge.

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

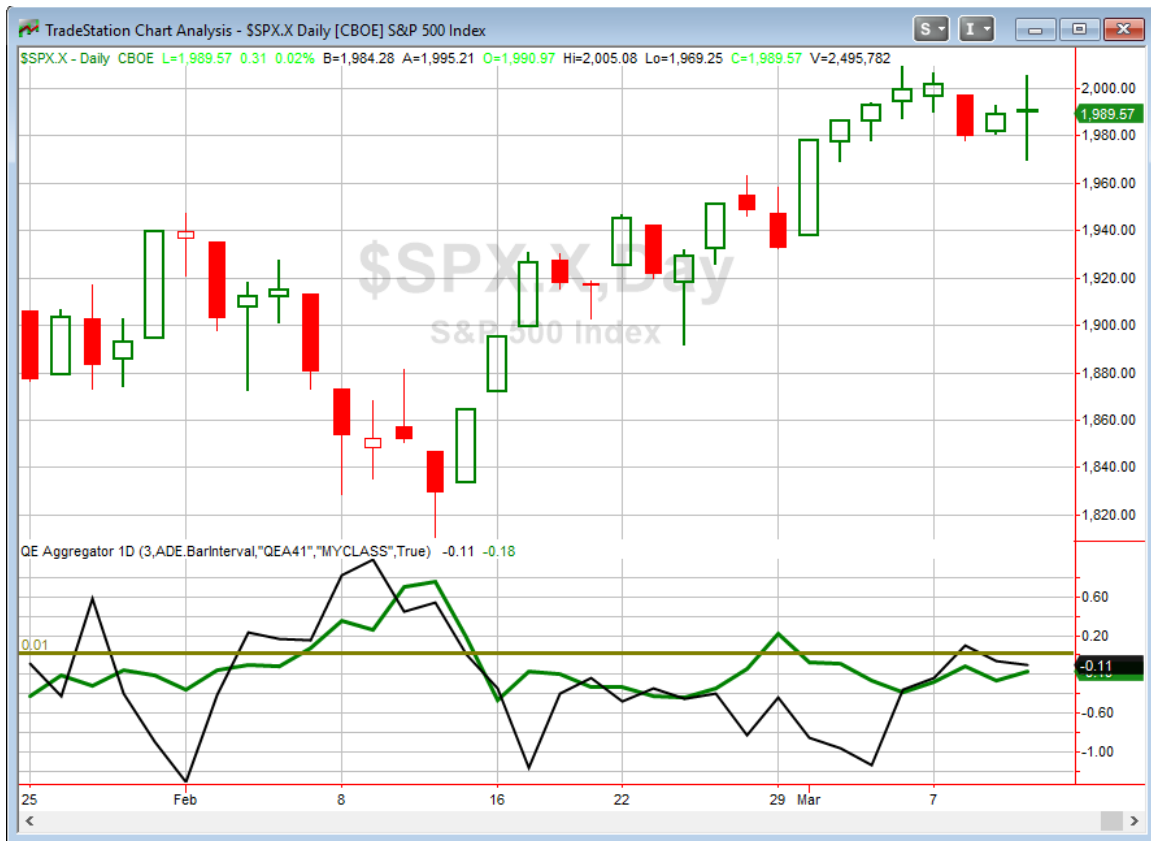
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
March 8, 2016	SPX & VIX up on Monday < 200	1-5 days	Bearish			
March 7, 2016	NASDAQ up 4 days < 200ma	1-6 days	Bearish			
Active - Long Term						
March 2, 2016	FTD & 20-day high	int term	Bullish			
February 18, 2016	Up Issue % > 70% 3x	1-85 days	Bullish	10.70%	-5.10%	-12.10%
February 1, 2016	2 90% up days in 1 week	1-9 months	Bullish	23.10%	-6.60%	-15.10%
November 2, 2015	Best 6 months	Nov-Apr	Bullish			
November 3, 2014	Quantitative Easing Ends	int term	Bearish			
July 22, 2013	New High Divergence (Study of Tops)	int term	Bearish			

The Evidence

The market traded in a wide range on Thursday but closing values were not greatly different than Wednesday. The SPX finished up a mere 0.31 points, the NASDAQ lost 0.3%, and the Russell 2000 closed down 0.8%. Breadth was mixed as the NYSE Up Issues % was 40% and the Up Volume % came in at 58%. Total NYSE volume rose a little from Wednesday's very light level.

Breadth measures seemed notable in contrast to S&P price action. But when I examined it in detail tonight, I found nothing suggesting a compelling edge. And looking at other ideas such and range in relation to price action did not bear fruit either. So I won't be adding any new studies to the Active List tonight. While we have seen a lot of new studies trigger in the last few weeks, it is not terribly surprising that nothing compelling triggered tonight. The price action over the last few days has been very choppy. And that is exactly the kind of action that leads to a scarcity of emerging edges.

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



With no new studies being added tonight the green Aggregator Line held below zero. Negative readings mean net expectations from the Active List are for downside over the next few days. Meanwhile the black Differential Line also held below 0. The negative Differential Line reading means SPX is overbought versus recent expectations. So expectations are negative and SPX is overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close below 0. Therefore, the Aggregator signal turned short at the close.

Expectations on Friday are slated to remain bearish. But this could change if strong new bullish evidence emerges. The Differential Pivot will be 1963.68 on Friday. That is 1.3% below Thursday's close. So for SPX to move from overbought to oversold versus recent expectations it would need to close down a substantial amount on Friday.

Nothing really has changed from last night except that the Differential Pivot has moved farther south, giving more downside room before the SPX would turn oversold. I believe bears have the advantage here and am continuing to hold onto my short position. But I will cover my shorts if SPX sells off strongly on Friday and closes below the Differential Pivot.

Intermediate-term Outlook (2 weeks – 2 months) – updated 3/7 – neutral

The intermediate-term outlook was last updated in the 3/7 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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
SPY(1/4)(s)	2/17/2016	\$191.16	\$199.54	-4.38%		Aggregator
SPY(1/4)(s)	2/26/2016	\$196.57	\$199.54	-1.51%		Aggregator
SPY(1/4)(s)	3/7/2016	\$200.43	\$199.54	0.44%		Aggregator

I will look to exit all 3 SPY lots on close if SPX closes \leq 1963.68.

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