

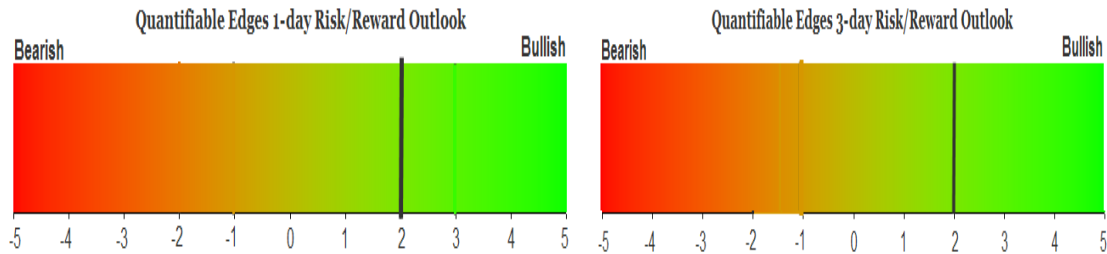
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 28, 2016

Volume 9 Issue 188

Market Overview



Signals Overview

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

Tonight's Research Points

- No new evidence emerged on Tuesday.

Short-term Outlook

The Bottom Line

Evidence is leaning higher and the SPX is still oversold. There still appears to be a mild upside edge.

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

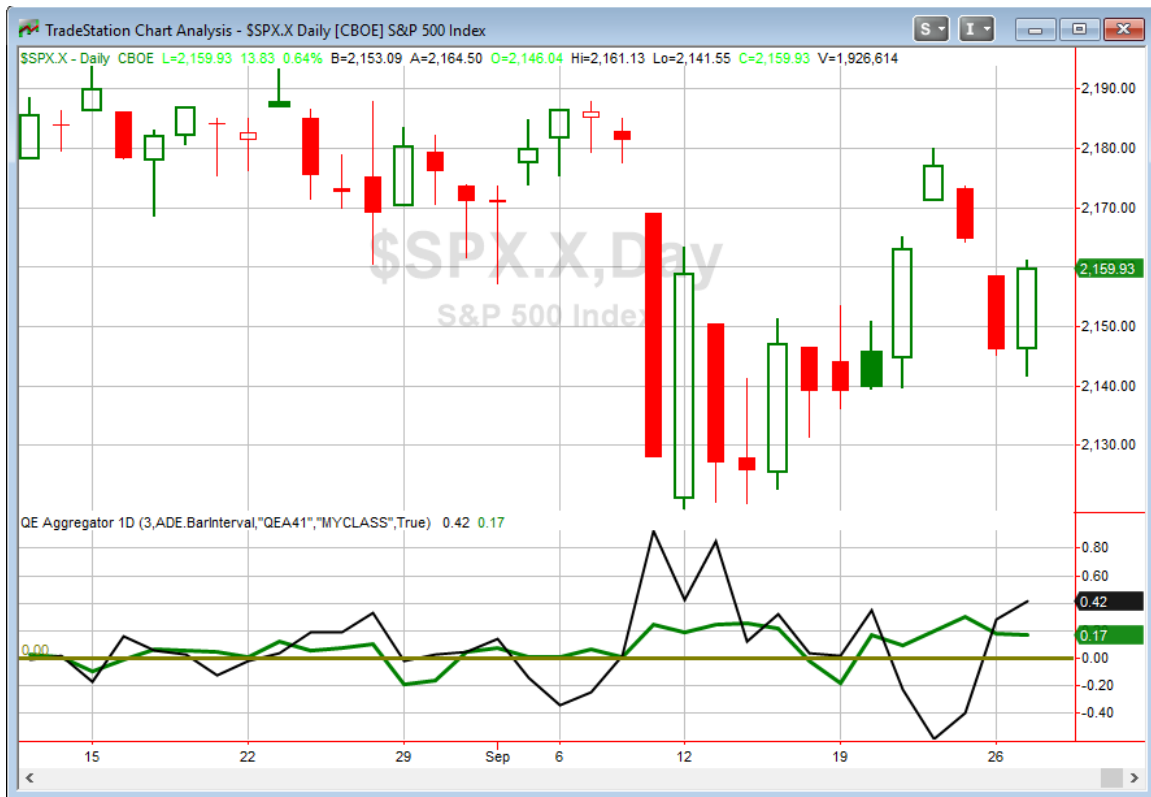
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
September 27, 2016	2 unfilled dan gaps > 200ma	1-6 days	Bullish			
September 22, 2016	VIX 10% above to 10% below 10ma	1-6 days	Bullish			
Active - Long Term						
September 14, 2016	"Failed" reversal from 20-day low	1-10 days	Bullish			
September 13, 2016	Reversal from 20-day low	1-10 days	Bullish	2.90%	-1.80%	-3.30%
September 12, 2016	2 unfilled dn gaps, 5-low > 200ma.	1-10 days	Bullish			
July 11, 2016	NASDAQ leading	int term	Bullish			
July 1, 2016	Up Issue % > 70% 3x	1-85 days	Bullish	10.70%	-4.90%	-11.70%
April 26, 2016	Golden Cross	int term	Bullish			
February 1, 2016	2 90% up days in 1 week	1-9 months	Bullish	23.10%	-6.60%	-15.10%
November 3, 2014	Quantitative Easing Ends	int term	Bearish			
July 22, 2013	New High Divergence (Study of Tops)	int term	Bearish			

The Evidence

Tuesday saw the market post some gains. The SPX rose 0.6%, the NASDAQ rallied 0.9%, and the Russell 2000 climbed 0.4%. Breadth was positive as the NYSE Up Issues % was 59% and the Up Volume % came in at 56%. NYSE volume rose some from Monday's level.

Tuesday's action was a partial reversal of the selloff of the last 2 days. It left the market mid-range and did nothing to inspire new studies or trigger old ones. So I am going to keep it very short tonight, and I will not be adding any new studies to the Active List. The short-term evidence that remains there is all currently bullish.

I have updated the Aggregator chart below.



With no new studies tonight the green Aggregator Line held above zero. Positive readings mean net expectations from the Active List are for upside over the next few days. Meanwhile the black Differential Line held above 0. The positive Differential Line reading means SPX is oversold versus recent expectations. So expectations are bullish and 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.

Based on the current list of active studies, expectations are poised to remain positive on Wednesday. This could change if compelling new bearish evidence emerges. The Differential Pivot will be 2177.36 on Wednesday. That is 0.8% above Tuesday's close. So SPX would need to close up at least 0.8% on Wednesday in order to move from oversold to overbought versus expectations.

While Tuesday's bump was a nice start, there still looks to be an upside edge. As I said last night, I do not find the evidence overwhelming, but good enough to take on some exposure – and I did that on Tuesday at the open. I do not intend to add to that position on Wednesday, but I will continue to hold my current position in anticipation of a further rise.

Intermediate-term Outlook (2 weeks – 2 months) – updated 9/26 – bullish

The intermediate-term outlook was last updated in the 9/26 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)	9/27/2016	\$214.05	\$215.57	0.71%		bought on open

A complete list of Quantifiable Edges trade idea results since the inception of the letter in 2008 [can be found here](#).

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