

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

February 22, 2017

Volume 10 Issue 35

## Market Overview



## Signals Overview

Aggregator	Aggressive VIX	QE Buy Pwr / SOMA Swing
Flat	50% Long XIV	Flat

## Tonight's Research Points

- No new evidence emerged tonight

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral and so am I.

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

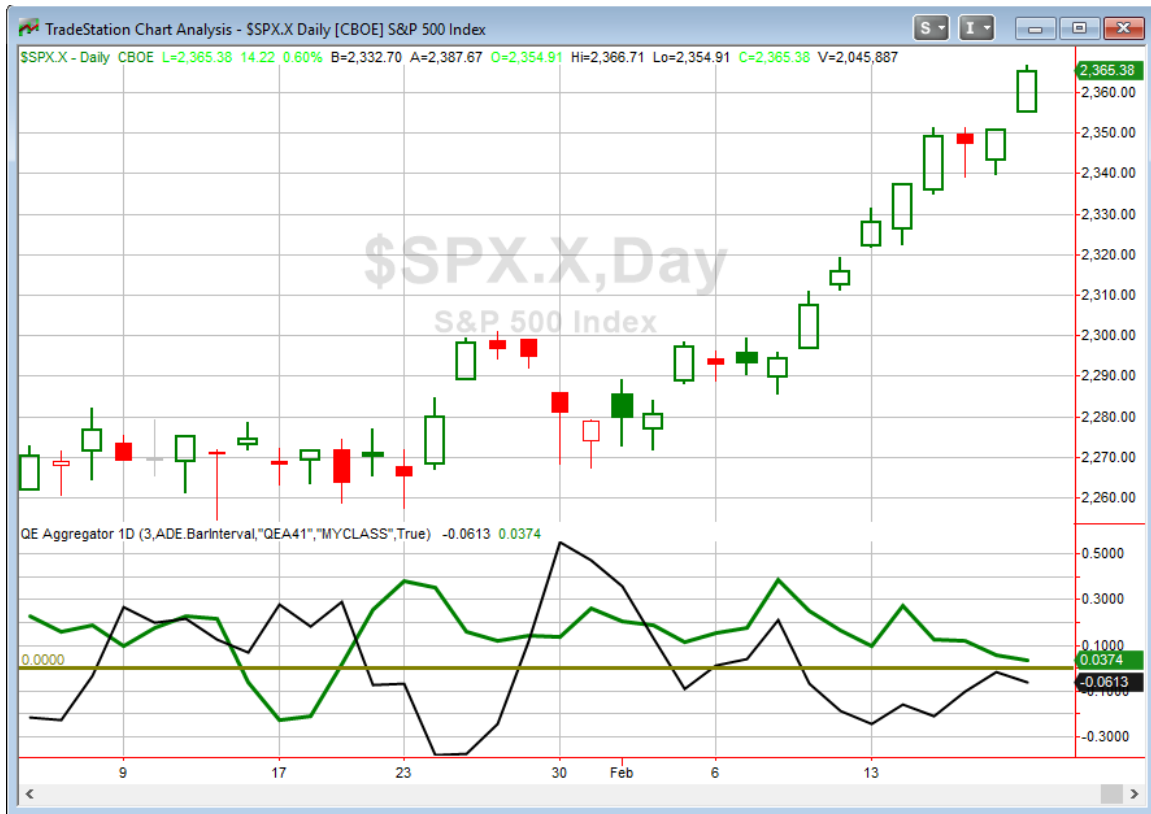
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
February 21, 2017	SPX up 1%-2% during opex week	1-4 days	Bearish			
February 21, 2017	Gap and reverse 2x	1-2 days	Bearish			
February 17, 2017	SPX up 5 to 50 high then dn 1	1-4 days	Bullish			
February 17, 2017	SPY 3 Higher Hi, Low, Close then dn close	1-4 days	Bullish			
February 16, 2017	SPX > Bollinger Band 4 days in row	1-8 days	Bullish			
February 16, 2017	SPX 50-high. VIX 10-high	1-4 days	Bearish			
February 16, 2017	VIX up 6%. SPX up. Not Monday	1-5 days	Bullish			
February 15, 2017	NDX up 8 days & 50-day high	1-5 days	Bullish			
<b>Active - Long Term</b>						
February 17, 2017	SPX up 5 to 50 high then dn 1	1-10 days	Bullish			
February 9, 2017	RUT down 3. SPX 3-day high.	1-10 days	Bullish			
January 9, 2017	NASDAQ Leading	int term	Bullish			
April 26, 2016	Golden Cross	int term	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 put in an up day on Tuesday. The SPX climbed 0.6%, the NASDAQ rose 0.5%, and the Russell 2000 gained 0.75%. Breadth was negative though as the NYSE Up Issues % was 70% and the Up Volume % came in at 78%. NYSE volume declined some from Friday's high opex level.

I am traveling tonight so I am going to keep this short. No new compelling evidence emerged in the Quantifinder. It has been a slow grind higher. The bullish studies we have seen recently have panned out in the face of already overbought conditions.

I have updated the Aggregator chart below.



Without any new evidence 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 remained below 0. The negative Differential Line reading means SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of zero. Therefore, the Aggregator signal stayed flat at the close.

Based on the current active studies, expectations are set to remain bullish on Wednesday. Of course, this could change if compelling new bearish evidence emerges. The Differential Pivot will be 2359.39 on Tuesday. That is 0.25% below Monday's close. So SPX will need to close down at least 0.25% on Wednesday in order to move from overbought to oversold vs expectations.

The Aggregator is again neutral. Evidence is bullish and the SPX is overbought. This means reward/risk is not overly favorable. I am sidelined and awaiting a more favorable entry condition.

*Intermediate-term Outlook (2 weeks – 2 months) – **updated 2/21 – bullish***

### **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.

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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