

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 2, 2017

Volume 10 Issue 40

## Market Overview



## Signals Overview

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

## Tonight's Research Points

- The 1<sup>st</sup> 1% up day for SPX since December suggest we could see further buying in the next few days.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral and so am I.

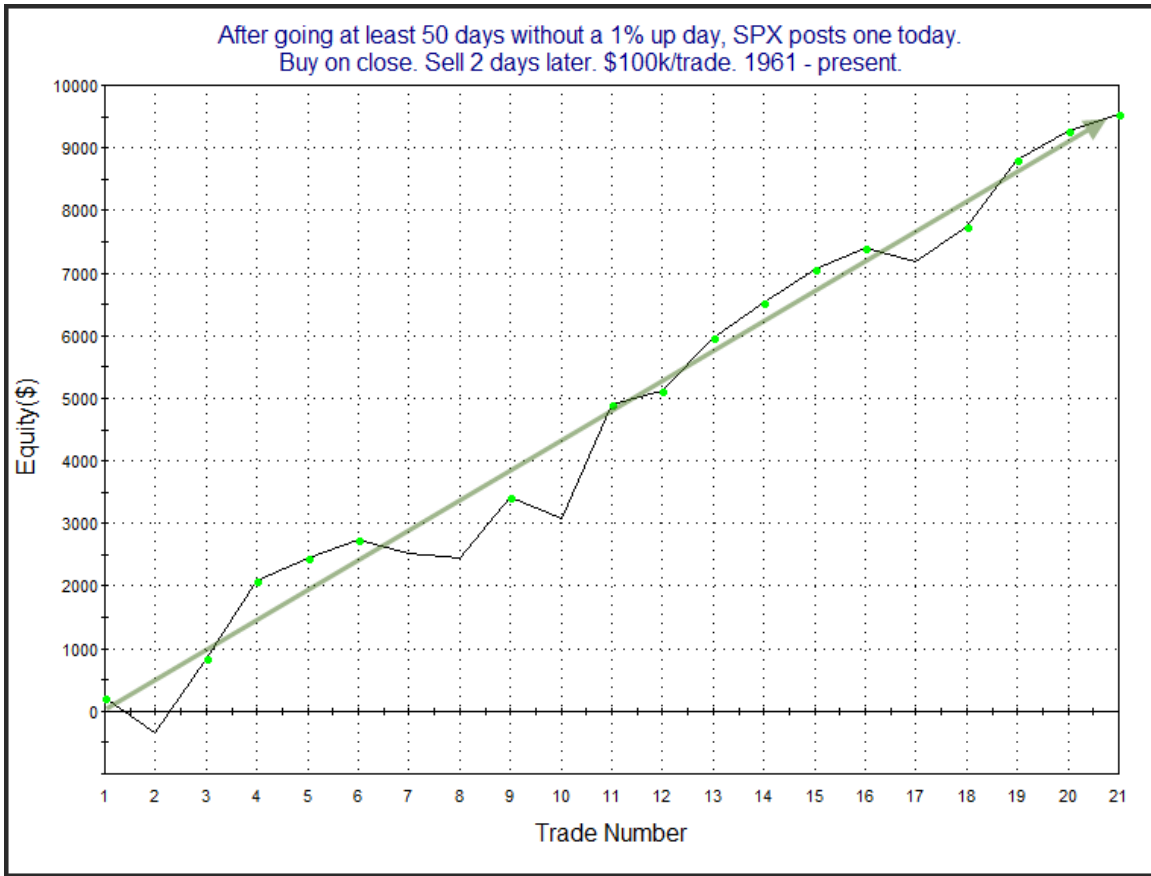
***The Evidence***

Wednesday was a strong day for the market. The SPX rose 1.4%, the NASDAQ also gained 1.4%, and the Russell 2000 rallied 1.9%. Breadth was positive as the NYSE Up Issues % was 67% and the Up Volume % came in at 76%. NYSE volume declined a little from Tuesday’s level.

Despite the rally there was nothing terribly compelling appeared in the Quantifinder. One notable is that SPX posted its first 1% up day since 12/7/16. That was a 55 day streak that was broken on Wednesday. I examined other such streaks and how the market reacted after they were broken.

After going at least 50 days without a 1% up day, SPX posts one today. Buy on close. Sell X days later. \$100k/trade. 1961 - 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	6,144.10	21	13	8	61.90	1,014.16	2,289.30	-880.00	-3,032.25	1.15	1.87	292.58
4	8,908.76	21	15	6	71.43	783.31	1,937.10	-473.48	-1,088.50	1.65	4.14	424.23
3	8,718.64	21	16	5	76.19	689.26	1,767.68	-461.91	-730.85	1.49	4.78	415.17
2	9,531.40	21	16	5	76.19	684.68	1,829.10	-284.69	-559.80	2.40	7.70	453.88
1	2,790.22	21	11	10	52.38	421.27	1,201.98	-184.38	-318.37	2.28	2.51	132.87

The numbers here are strong. It appears there is a tendency to follow through on the big up day over the next couple of days. Below is a profit curve.



They don't get much steadier than this one. The curve supports the bullish thesis suggested by the odds.

I have updated the Aggregator chart below.



With tonight's study considered 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 dropped well 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 turned flat at the close.

Based on the current active studies, expectations are set to remain bullish on Thursday. Of course, this could change if new bearish evidence emerges. The Differential Pivot will be 2373.60 on Thursday. That is 0.9% below Wednesday's close. So SPX will need to close down at least 0.9% on Thursday in order to move from overbought to oversold versus expectations.

The Aggregator is now back to neutral. Very little has really changed here. While expectations are bullish, the market is too overdone to the upside to consider new long positions. I shall remain sidelined, patient, and alert.

*Intermediate-term Outlook (2 weeks – 2 months) – **updated 2/27 – 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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