

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 3, 2017

Volume 10 Issue 41

## Market Overview



## Signals Overview

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

## 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)*

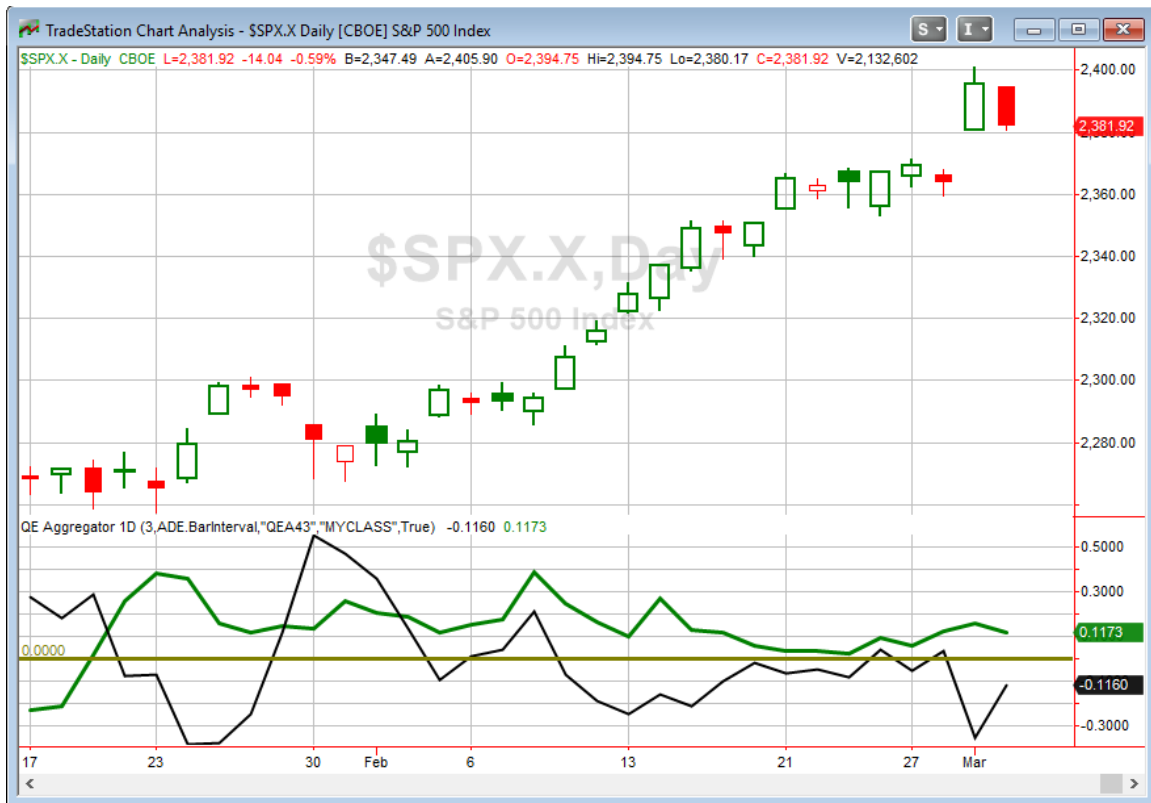
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
March 2, 2017	1st 1% gain in over 50 days	1-2 days	Bullish			
March 1, 2017	Relatively big drop from 50-day high	1-4 days	Bullish			
<b>Active - Long Term</b>						
February 27, 2017	RUT down 3. SPX 3-day high.	1-10 days	Bullish	3.90%	-1.00%	-2.10%
February 17, 2017	SPX up 5 to 50 high then down 1	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***

Thursday saw the market pull back a bit. The SPX fell 0.6%, the NASDAQ dropped 0.7%, and the Russell 2000 declined 1.3%. Breadth was negative as the NYSE Up Issues % was 26% and the Up Volume % came in at 30%. NYSE volume declined for the 2<sup>nd</sup> day in a row.

The market has been overbought and pressing its luck to the upside. Thursday was unusual in that the market actually went down, but it has been overdue, and more of a pullback is still overdue. There was no new and compelling evidence that emerged in the Quantifinder. I will be keeping it short tonight.

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 stayed 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 remained flat at the close.

Based on the current active studies, expectations are set to remain bullish on Friday. Of course, this could change if new bearish evidence emerges. The Differential Pivot will be 2369.98 on Friday. That is 0.5% below Thursday's close. So SPX will need to close down at least 0.5% on Friday in order to move from overbought to oversold versus expectations.

Evidence is leaning bullish, but fairly light. And the overbought market has the Aggregator formation neutral. I don't see a compelling reason yet to get excited about either a long or a short trade. I will again remain on the sideline. If we can get a bit more of a pullback over the next day or two then there is a good chance I will become interested in a long trade.

*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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