

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 7, 2017

Volume 10 Issue 43

Market Overview



Signals Overview

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

Tonight's Research Points

- No new and compelling evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. But evidence is all intermediate-term in nature. I will wait for better short-term evidence before attempting a short-term trade.

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

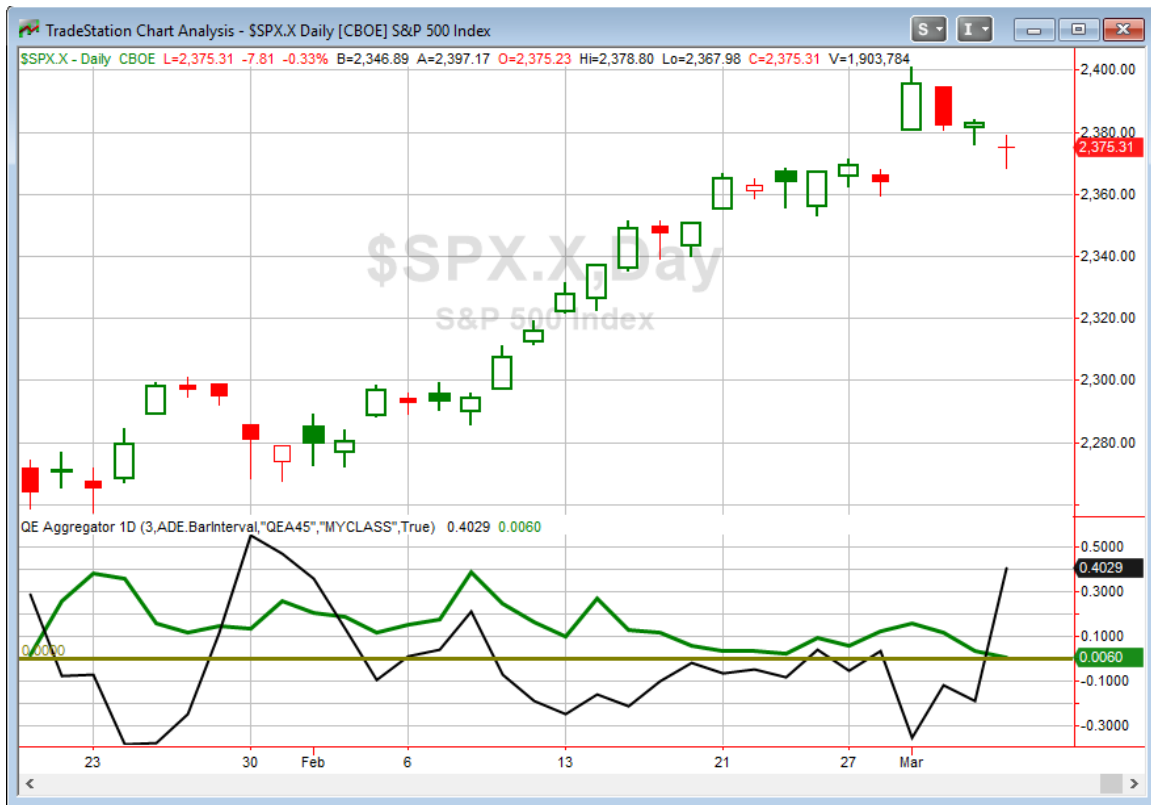
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
February 27, 2017	RUT down 3. SPX 3-day high.	1-10 days	Bullish	3.90%	-1.00%	-2.10%
January 9, 2017	NASDAQ Leading	int term	Bullish			
April 26, 2016	Golden 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

Though Monday finished well above its intraday lows, it was a down day for the market. The SPX lost 0.3%, the NASDAQ dropped 0.4%, and the Russell 2000 declined 0.7%. Breadth was negative as the NYSE Up Issues % was 29% and the Up Volume % came in at 23%. NYSE volume declined for the 4th day in a row.

The moderate decline did nothing to generate compelling evidence in the Quantifinder. In fact, it drew a rare blank for the 1st time in a while. My efforts at finding other evidence came up dry as well. So I intend to keep the letter nice and short tonight. No doubt the quietness won't last long, and I will end up with a plethora of studies to examine soon.

I have updated the Aggregator chart below.



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 shot up above 0. The positive Differential Line reading means SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator signal turned long at the close.

The last remaining short-term studies expired on Monday. This left expectations slightly positive based on the intermediate-term evidence. Of course, new evidence that emerges will have a substantial impact on expectations. The Differential Pivot will be 2391.51 on Tuesday. That is 0.7% above Monday's close. So SPX would need to close up at least 0.7% in order to move from oversold to overbought versus recent expectations.

Despite the bullish Aggregator formation, evidence is lacking. And that is leaving me without much desire to trade this setup. I would rather wait for compelling short-term evidence to emerge than to take a short-term trade based solely on intermediate-term evidence. So I remain in wait-and-see mode.

Intermediate-term Outlook (2 weeks – 2 months) – updated 3/6 – 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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