

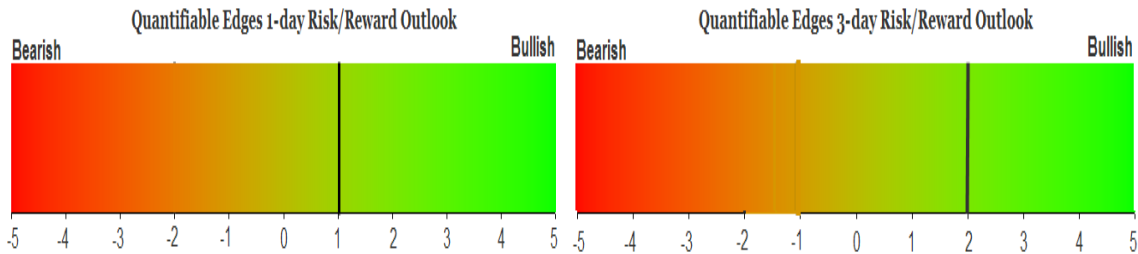
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 7, 2017

Volume 10 Issue 66

## Market Overview



## Signals Overview

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

## Tonight's Research Points

- Employment days have been streaky and inconsistent over the long haul. They have performed pretty well in recent years.

### *Short-term Outlook*

#### *The Bottom Line*

Evidence is pointing to a swing higher. I am still leaning bullish.

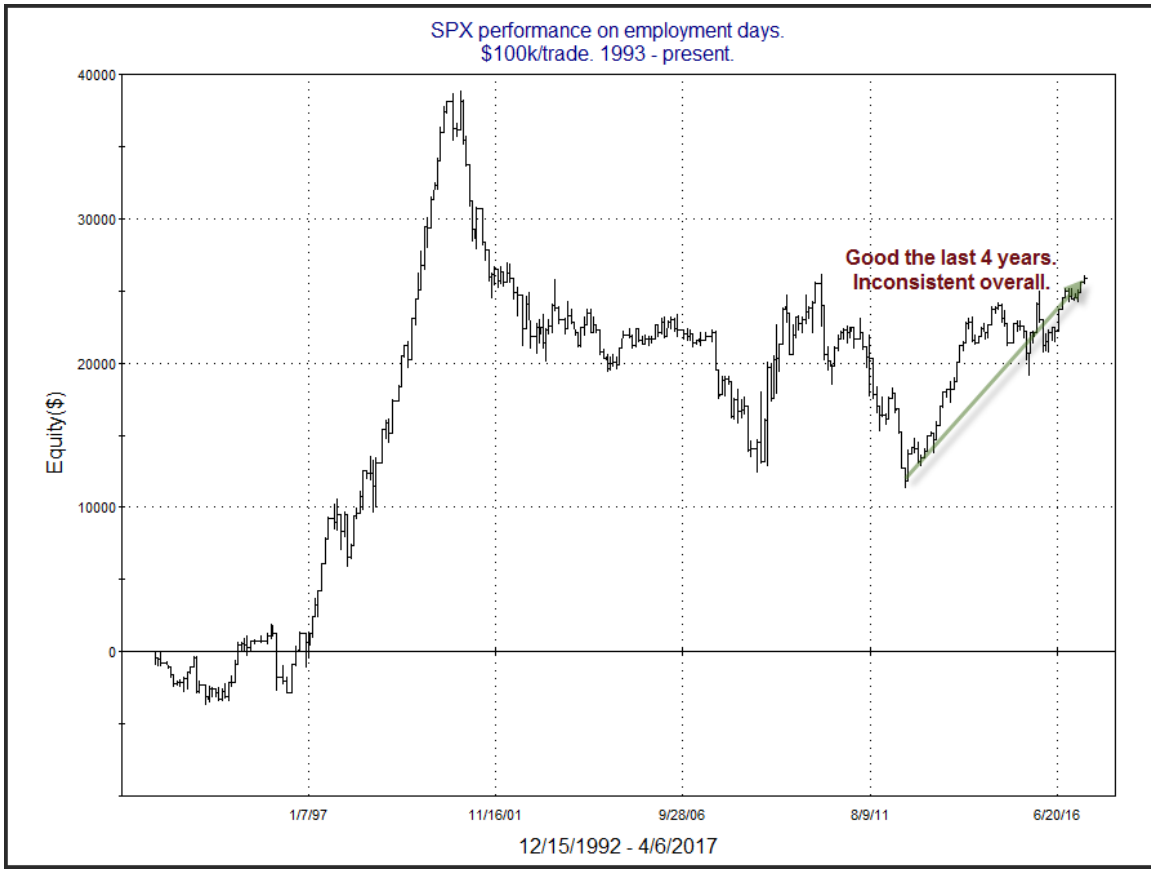
**Summary of Recent Active Studies (see Letters from listed dates for details)**

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
April 6, 2017	Weak close. 5-day low.	1-5 days	Bullish	1.70%	-1.25%	-2.45%
March 29, 2017	20-low to 4-day high	1-8 days	Bullish	2.25%	-1.60%	-3.30%
<b>Active - Long Term</b>						
March 29, 2017	20-low to 4-day high	1-20 days	Bullish	3.40%	-2.70%	-5.40%
March 28, 2017	Turn Tues 3 dn & 20-low	1-10 days	Bullish			
March 23, 2017	20-low yest. 20-low then up today	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			
<b>Dropped Tonight</b>						
April 3, 2017	Early April bullish	1-4 days	Bullish	1.80%	-1.15%	-2.75%

**The Evidence**

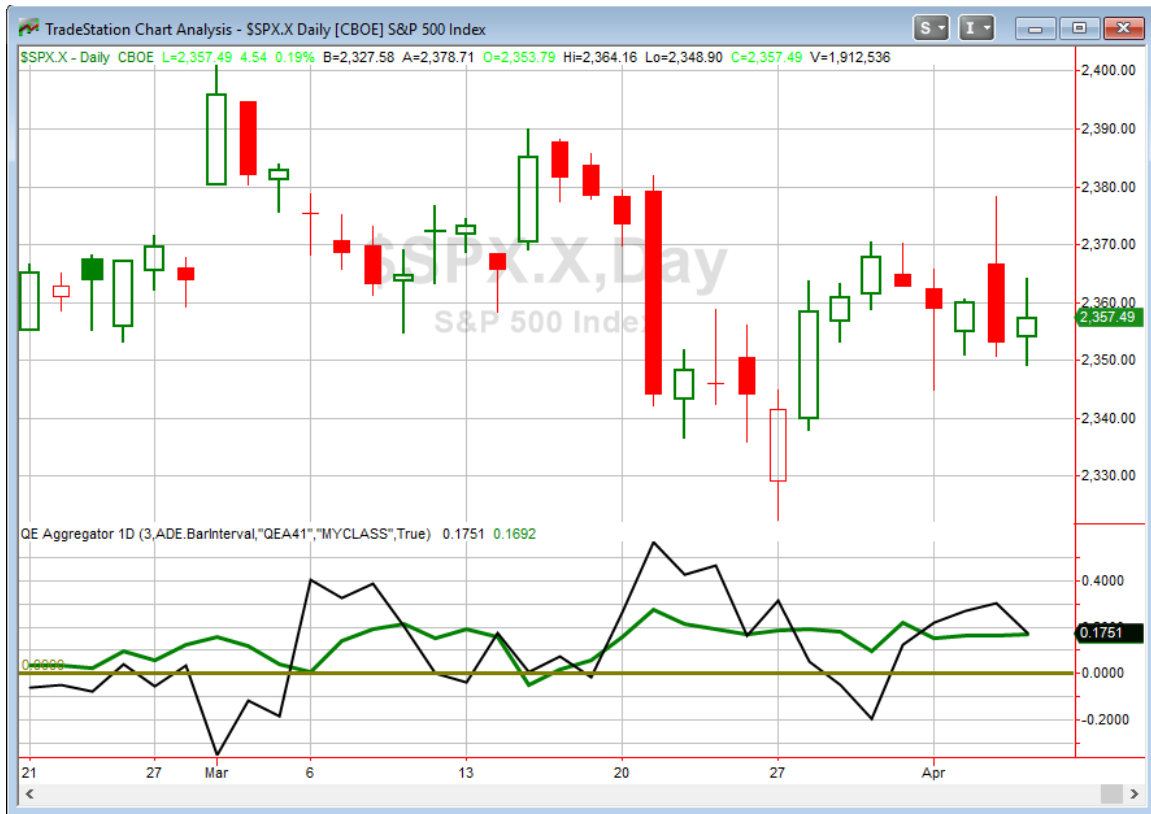
Thursday saw the market put in some gains. The SPX finished up 0.2%, the NASDAQ rose 0.3%, and the Russell 2000 rallied 0.9%. Breadth was negative as the NYSE Up Issues % was 75% and the Up Volume % came in at 71%. NYSE volume declined some from Wednesday's level.

The mild moves did not trigger anything compelling in the Quantifinder. It is notable that Friday will contain the release of the BLS employment report about 1 hour to the market open. The employment report is often considered important and will set the tone for the day. Employment report days have been streaky over time, but have not provided a consistent bullish or bearish edge. The chart below shows performance of employment days dating back to 1993.



Recent employment reports have fared pretty well. Therefore, the report may not be something that bulls need to worry about too much. But a big number in either direction could lead to a big move for the market. So Friday does have the potential to be a volatile day. No new studies were added to the Active List tonight for consideration by the Aggregator.

I have updated the Aggregator chart below.



Without any new studies tonight the green Aggregator Line remained above zero. Positive readings mean net expectations from the Active List are for upside over the next few days. Meanwhile the black Differential Line also held 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 stayed long at the close.

The current list of studies is set to leave expectations positive on Friday. Of course this could change if new bearish evidence emerges. The Differential Pivot will be 2372.72 on Friday. That is 0.65% above Thursday's close. Therefore, SPX will need to close at least 0.65% higher in order to move from oversold to overbought versus expectations on Friday.

Not much has changed from last night. We still have positive expectations and an oversold market. Other than the employment report wildcard, there would be nothing that made me feel any different. So I like the long side, but I still feel like a small position is appropriate. I am not looking to increase my exposure just yet.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 4/3 – 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**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
<i>BRK.B(1/3)</i>	<i>3/20/2017</i>	<i>\$172.30</i>	<i>\$165.64</i>	<i>-3.87%</i>		<i>sold on open</i>
<i>BRK.B(1/3)</i>	<i>3/21/2017</i>	<i>\$172.07</i>	<i>\$165.64</i>	<i>-3.74%</i>		<i>sold on open</i>
<i>BRK.B(1/3)</i>	<i>3/23/2017</i>	<i>\$169.10</i>	<i>\$165.64</i>	<i>-2.05%</i>		<i>sold on open</i>
<i>JNJ(1/3)</i>	<i>3/27/2017</i>	<i>\$125.16</i>	<i>\$124.85</i>	<i>-0.25%</i>		<i>sold on open</i>
SPY(1/4)	4/3/2017	\$235.33	\$235.44	0.05%		Aggregator

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