

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 12, 2017

Volume 10 Issue 132

## 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>						
July 11, 2017	Up 2 from 20 low < 3 days ago	1-3 days	Bullish			
<b>Active - Long Term</b>						
June 24, 2017	Hindenburg Omen cluster	1-35 days	Bearish	-7.00%		
June 2, 2017	SPX closes above 50-day Bollinger Band	1-50 days	Bullish	4.90%	-4.10%	-7.80%
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**

Tuesday was a mixed day for the major indices. The SPX fell 0.1%, the NASDAQ gained 0.3%, and the Russell 2000 rose 0.3%. Breadth was positive as the NYSE Up Issues % was 52% and the Up Volume % came in at 54%. NYSE volume rose some from Tuesday's level.

The mixed and mild action failed to generate new studies suggesting a compelling short-term edge. So I am going to keep it very short tonight.

I have updated the Aggregator chart below.



Without any new compelling evidence to consider 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 also dipped down 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 0. Therefore, the Aggregator signal turned flat at the close.

Based on the current active studies, expectations are set to remain bullish on Wednesday. Of course, with just 1 active short-term study, this could change if compelling new bearish evidence emerges. The Differential Pivot will be *inverted at 2435.98* on Wednesday. That is 0.4% *above* Tuesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX would need to close up at least 0.4% in order to remain "overbought". Anything less than that and it will be considered "oversold" versus recent expectations as of Wednesday's close.

The Aggregator is neutral, and evidence is tenuous since there are not many studies on the short-term active list. Depending how Wednesday plays out, it is easily conceivable that the Aggregator finishes in a bearish, bullish, or neutral position. In other words, no strong edge currently, and the possibilities for the next few days are wide open. So I am not inclined to take on new positions.

### ***Intermediate-term Outlook (2 weeks – 2 months) – updated 7/10 –neutral***

The intermediate-term outlook was last updated in the 7/3 Letter. It can be found in the most recent weekly letter on the website.

<http://quantifiableedges.com/current-weekly-letter/>

### **Catapult and Capitulative Breadth Statistics**

[\*Catapult & CBI Presentation Link\*](#)

#### ***Open Catapult Triggers***

KHC – 1/3 @ \$83.79 (bought @ limit)

KHC – 1/3 @ \$82.82 (bought @ limit)

SO – 1/3 @ \$47.40 (bought @ limit)

SO – 1/3 @ \$47.36 (bought @ limit)

SO – 1/3 @ \$47.28 (buy @ limit)

COST – 1/3 @ \$151.00 (buy @ limit)

## ***Broad Market Large Cap CBI – 6(KHC-2, SO-3, COST)***

### **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**

<b>Symbol</b>	<b>Entry Date</b>	<b>Entry Price</b>	<b>Current Price</b>	<b>% Gain/Loss</b>	<b>Stop</b>	<b>Notes</b>
KHC(1/3)	7/6/2017	\$83.30	\$83.75	0.54%		Catapult
KHC(1/3)	7/7/2017	\$82.58	\$83.75	1.42%		Catapult
SO(1/3)	7/7/2017	\$47.40	\$47.28	-0.25%		Catapult
SO(1/3)	7/10/2017	\$47.36	\$47.28	-0.17%		Catapult
SO(1/3)	7/11/2017	\$47.28	\$47.28	0.00%		Catapult
COST(1/3)	7/11/2017	\$151.00	\$151.11	0.07%		Catapult

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