

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 13, 2017

Volume 10 Issue 133

## 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.

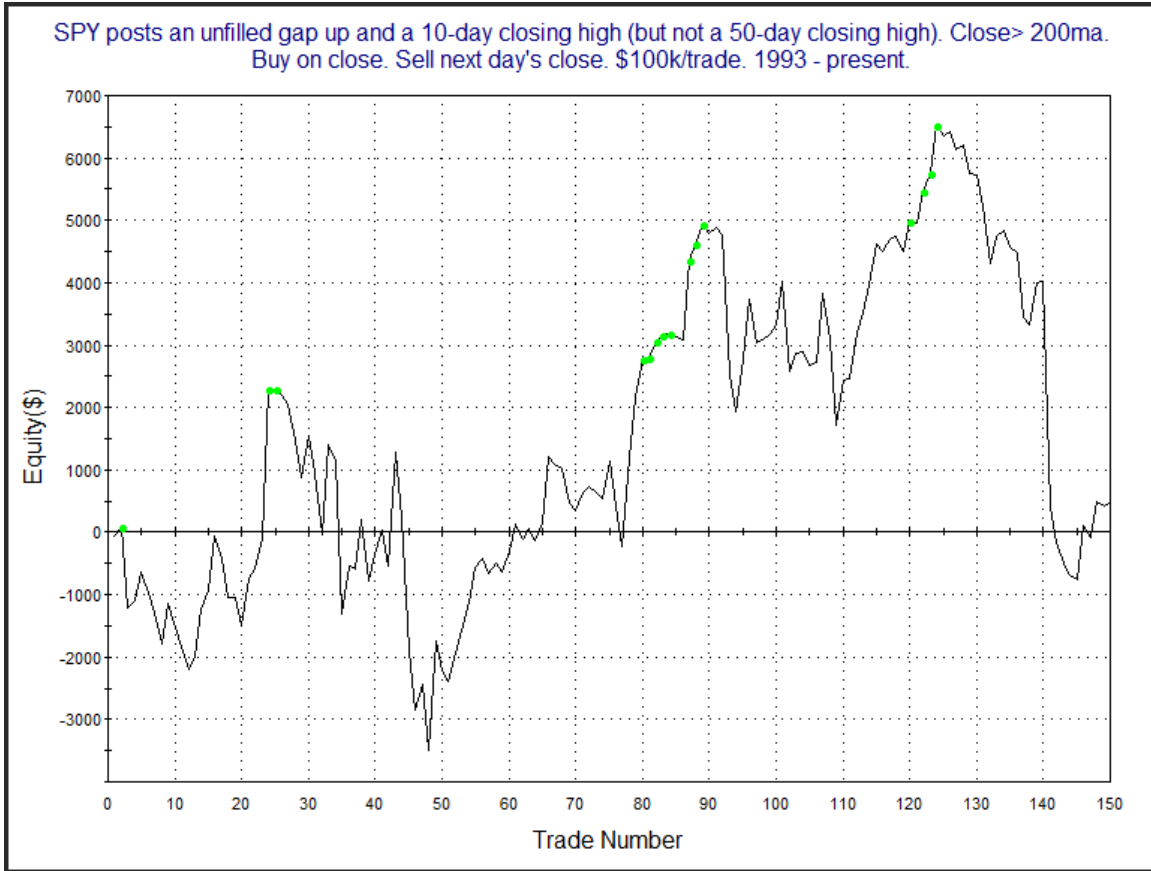
*Summary of Recent Active Studies (see Letters from listed dates for details)*

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***

Wednesday was a solid up day for the major indices. The SPX rallied 0.7%, the NASDAQ gained 1.1%, and the Russell 2000 rose 0.8%. Breadth was positive as the NYSE Up Issues % was 72.6% and the Up Volume % came in at 72.8%. NYSE volume declined some from Tuesday's level.

The Quantifinder did not see any compelling studies trigger tonight. The market is caught somewhere between low-volatility summer doldrums and slow grind higher. And that is not very conducive to strong edges emerging. As an example, below is a little study I did that examined performance following days like Wednesday when an unfilled gap higher for SPY led to a 10-day high close, but not a 50-day high close.



If you can see an edge here, you have much, much, sharper vision than I do. Looks like a big mess that ended up where it started to me. I will not be adding any new studies to the Active List 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 remained 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 stayed flat at the close.

Based on the current active studies, expectations are set to remain bullish on Thursday. Of course compelling new bearish studies could easily change this. The Differential Pivot will be 2439.38 on Thursday. That is 0.2% below Wednesday's close. So SPX would need to close down at least 0.2% on Thursday in order to move from overbought to oversold versus recent expectations.

In addition to the neutral Aggregator, the CBI took a dive today from a moderately bullish "6" down to a neutral "1" reading. I am not seeing anything right now that has me excited about a short-term index trade. I will remain patient and wait for the next favorable reward/risk setup to emerge.

**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**

COST – 1/3 @ \$151.00 (buy @ limit)

**Broad Market Large Cap CBI – 1(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**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
KHC(1/3)	7/6/2017	\$83.30	\$84.70	1.68%		sell on open
KHC(1/3)	7/7/2017	\$82.58	\$84.70	2.57%		sell on open
SO(1/3)	7/7/2017	\$47.40	\$47.51	0.23%		sell on open
SO(1/3)	7/10/2017	\$47.36	\$47.51	0.32%		sell on open
SO(1/3)	7/11/2017	\$47.28	\$47.51	0.49%		sell on open
COST(1/3)	7/11/2017	\$151.00	\$151.75	0.50%		Catapult

As I noted in the intraday update sent out Wednesday morning, both KHC and SO reached their exit triggers. Both will be closed out at the open on Thursday.

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