

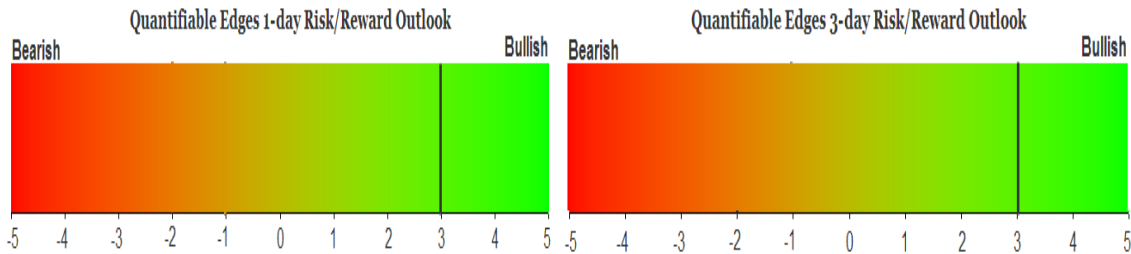
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 2, 2017

Volume 10 Issue 147

## Market Overview



## Signals Overview

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

## Tonight's Research Points

- No new evidence emerged tonight.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator remains bullish. I believe the bounce could have a little further to go. I am partially long. I will look to take profits if SPX closes substantially higher on Wednesday

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

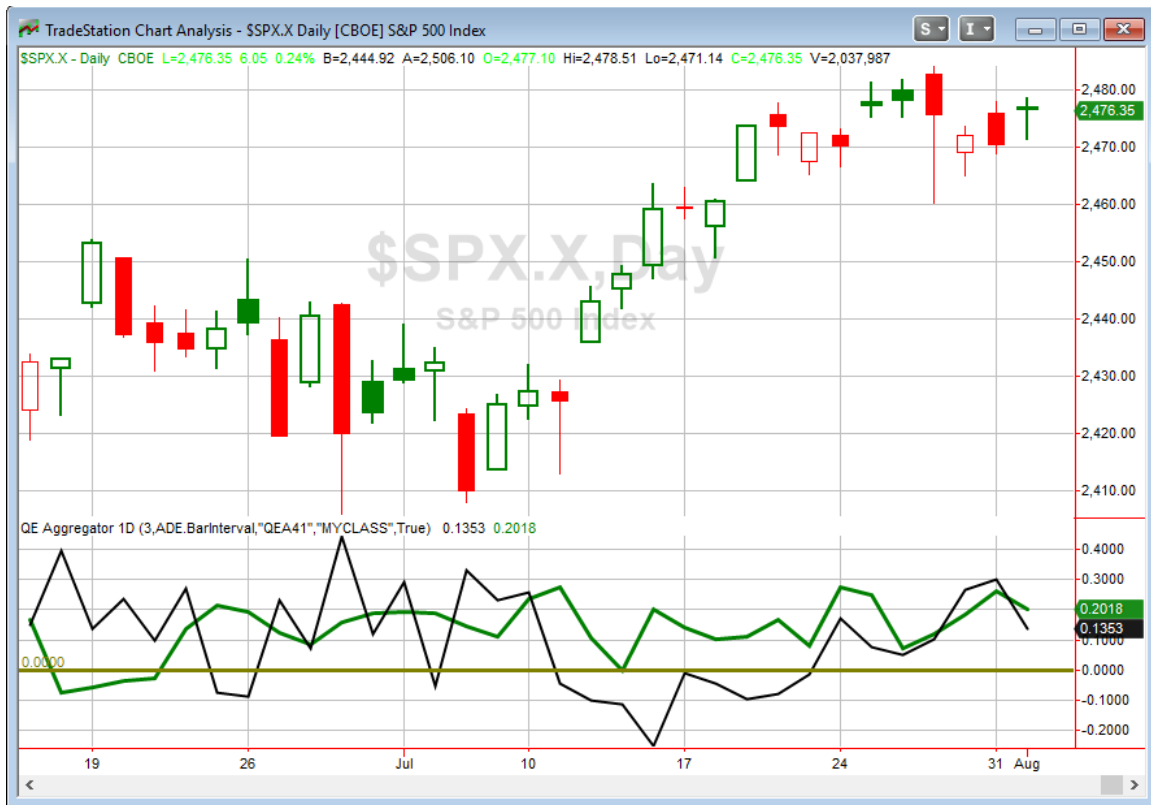
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
August 1, 2017	End of month, poor close < 10ma	1-2 days	Bullish			
August 1, 2017	3 down from 20-high. Low offset HV	1-2 days	Bullish			
August 1, 2017	1st close < 10ma in > 15 days	1-5 days	Bullish			
July 28, 2017	3-high, 3-low, 3-low close	1-5 days	Bullish	1.90%	-1.20%	-2.50%
July 27, 2017	100-day high on a Fed Day	1-6 days	Bullish			
<b>Active - Long Term</b>						
July 26, 2017	SPX rises. Highest volume in 20 days	1-10 days	Bullish			
July 20, 2017	RSI2 crosses over 99. SPX > 200ma.	1-15 days	Bullish	2.30%	-1.40%	-2.70%
July 17, 2017	NASDAQ Leading	int term	Bullish			
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 day of mild gains. The SPX closed up 0.24%, the NASDAQ rose 0.23%, and the Russell 2000 gained 0.22%. Breadth was positive as the NYSE Up Issues % was 60% and the Up Volume % came in at 52%. NYSE volume declined some from Monday's level.

Over the last 2 weeks the market has gone almost nowhere. So it is not surprising that the mild reversal on Tuesday failed to trigger any compelling studies. There is still a fair amount active from the last few days, and for the short-term it all continues to point to an upside edge. I will note that System 11111, which I discussed in last night's letter, has been removed from the Active List. That is because the unfilled gap higher on Tuesday prevented the trade from filling.

I have updated the Aggregator chart below.



Without any new studies 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 remained 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 0. Therefore, the Aggregator signal stayed long at the close.

Based on the current active studies, expectations are set to remain bullish on Wednesday. It would take some very compelling new bearish studies to change this. The Differential Pivot will be 2481.47 on Wednesday. That is 0.2% above Tuesday's close. So SPX would only need to close up 0.2% on Wednesday in order to move from oversold to overbought versus expectations.

Aside from being closer to "overbought", not much has changed from last night. I still believe there is an upside edge. The unfilled gap up prevented me from getting filled on additional SPY exposure, but I still hold a small index position along with some Catapult. ABT triggered a second Catapult entry, so I will look to up my position there. I won't be looking to add to my index position. I will look to sell it if SPY closes nicely higher and turns overbought vs expectations.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 7/31 – bullish*

## **Catapult and Capitulative Breadth Statistics**

*Catapult & CBI Presentation Link*

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

ABT – 1/3 @ \$49.18 (bought @ limit)

*New*

ABT – 1/3 @ \$49.15 (buy @ limit)

### ***Broad Market Large Cap CBI – 2(ABT-2)***

## **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.*

***ABT – buy 1/3 Catapult position @ \$49.15 LIMIT.*** This is from the Catapult section above. It is the 2<sup>nd</sup> of 3 possible lots of ABT.

## **Current Open Trade Ideas**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
SPY(1/4)	7/31/2017	\$246.77	\$247.32	0.22%		Aggregator
ABT(1/3)	8/1/2017	\$49.18	\$49.15	-0.06%		Catapult

*I will look to sell SPY at the close at a limit of \$248.00.*

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