

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 17, 2017

Volume 10 Issue 158

## Market Overview



## Signals Overview

Aggregator	Aggressive VIX	QE Buy Pwr / SOMA Swing
Flat	50% Long XIV	Flat

## Tonight's Research Points

- No new substantial short-term evidence emerged on Wednesday.

## *Short-term Outlook*

### *The Bottom Line*

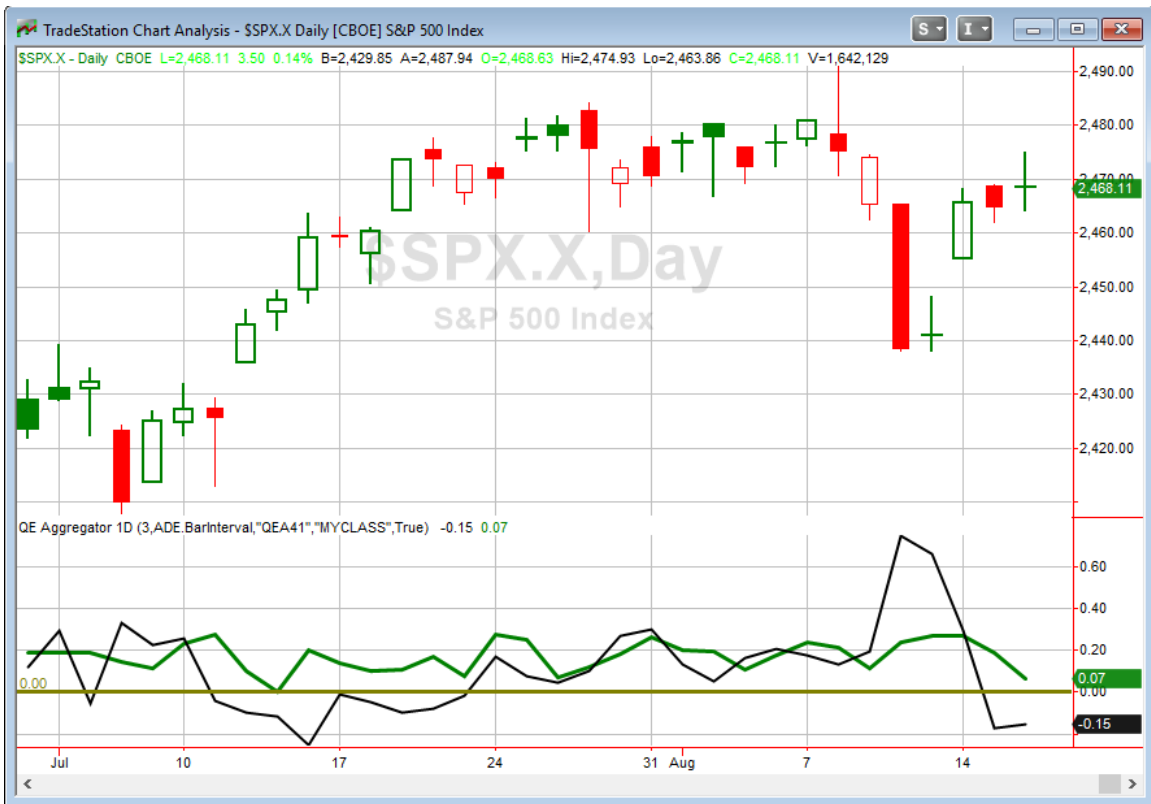
The Aggregator is neutral. I am too. Same as last night.

**The Evidence**

Wednesday was a day of mild gains. The SPX gained 0.1%, the NASDAQ rose 0.2%, and the Russell 2000 inched up 0.02%. Breadth was positive as the NYSE Up Issues % was 60% and the Up Volume % also came in at 58%. NYSE volume rose some from Tuesday's level.

The mild action did nothing to trigger new short-term studies. There was one study that appeared in the Quantifinder that showed there was a Hindenburg Omen signal. These signals occur when there are a significant number of stocks hitting both new highs and new lows – suggesting split market conditions. They can forewarn intermediate-term tops. But one signal on its own is not significant. If you see a cluster of 3 or 4 of these signals within a short timeframe, then that is a better sign of a potential pullback. If we do see a cluster of these emerge, I will be sure to discuss them further. For now, it does not appear to be anything to worry about.

I have updated the Aggregator chart below.



Without any new 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 positive on Thursday. This is thanks to the bullish intermediate-term outlook. All current short-term studies are set to expire on Thursday. This means that any new studies that trigger in the next few days will have a strong impact on short-term expectations. The Differential Pivot will be *inverted at 2485.22* on Thursday. That is 0.7% *above* Wednesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX will need to close up at least 0.7% in order to remain overbought. Anything shy of that and it will be considered "oversold" vs expectations as of Thursday's close.

A neutral Aggregator formation, uncertain expectations, and an inverted pivot are the kind of combination that always has me sidelined awaiting a better edge. Throw in the fact that SPX remains near the middle of its recent range, and I have no desire to take sizable index bets in either direction right now. I will wait and see what Thursday brings and re-evaluate again tomorrow night.

### ***Intermediate-term Outlook (2 weeks – 2 months) – updated 8/14– bullish***

The intermediate-term outlook was last updated in the 8/14 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***

AGN– 1/3 @ \$239.74 (bought @ limit)

AGN– 1/3 @ \$242.65 (bought @ limit)

AGN– 1/3 @ \$241.22 (bought @ limit)

AIG– 1/3 @ \$63.00 (bought @ limit)

AIG– 1/3 @ \$62.65(buy @ limit) – not filled – cancel for now

#### ***Broad Market Large Cap CBI – 5(AGN-3, AIG-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.*

*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>
AGN(1/3)	8/7/2017	\$242.65	\$227.99	-6.04%		Catapult
AGN(1/3)	8/8/2017	\$241.22	\$227.99	-5.48%		Catapult
AGN(1/3)	8/9/2017	\$239.74	\$227.99	-4.90%		Catapult
AIG(1/3)	8/11/2017	\$63.00	\$62.97	-0.05%		Catapult

This report has been prepared by Hanna Capital Management, LLC and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy securities. While information contained herein is believed to be accurate at the time of publication, we make no representation as to the accuracy or completeness of any data, studies, or opinions expressed and it should not be relied upon as such. Robert Hanna, Hanna Capital Management, LLC or clients of Hanna Capital Management, LLC may have positions or other interests in securities (including derivatives) directly or indirectly which are the subject of this report. This report is provided solely for the information of Hanna Capital Management, LLC clients and prospects who are expected to make their own investment decisions without reliance upon this report. Neither Hanna Capital Management, LLC nor any officer or employee of Hanna Capital Management, LLC accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Hanna Capital Management, LLC.

Copyright © 2017 Hanna Capital Management, LLC.