

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 24, 2017

Volume 10 Issue 163

Market Overview



Signals Overview

Aggregator	Aggressive VIX	QE Buy Pwr / SOMA Swing
Flat	500% Long XIV	Flat

Tonight's Research Points

- No new compelling evidence emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is again neutral and I do not see a compelling reason to take on a new index position at this point.

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

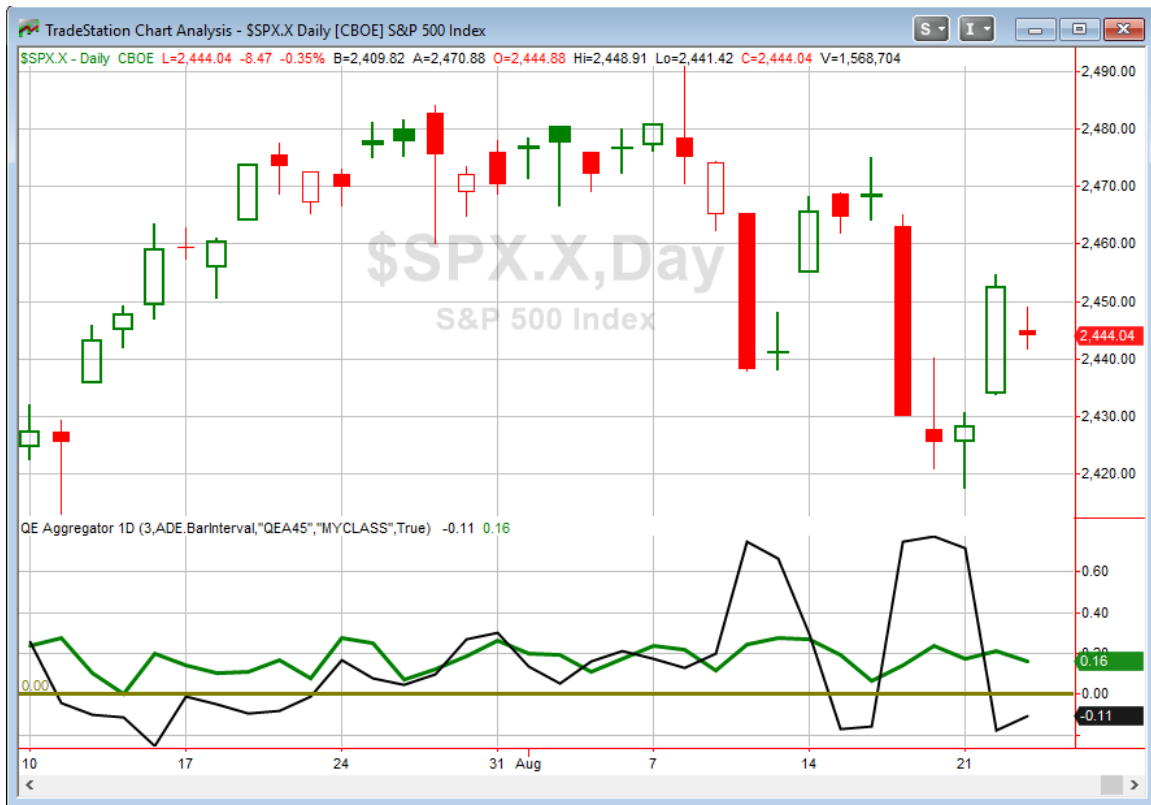
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
August 22, 2017	20-lo close then 20-intraday lo & up cls.	1-4 days	Bullish	1.70%	-1.30%	-2.30%
August 21, 2017	20-low yest. Gap dn & lower close>200	1-5 days	Bullish	2.80%	-0.90%	-2.00%
Active - Long Term						
August 22, 2017	20-lo close then 20-intraday lo & up cls.	1-10 days	Bullish	2.80%	-1.80%	-3.30%
August 11, 2017	VIX100-day high. SPX no 100-day low.	1-15 days	Bullish			
July 17, 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			

The Evidence

The market gapped lower to open the day and failed to recover, with most indices posting an inside day with a lower close. The SPX closed down 0.35%, the NASDAQ lost 0.3%, and the Russell 2000 fell 0.1%. Breadth was actually positive as the NYSE Up Issues % was 52% and the Up Volume % came in at 58%. NYSE volume came in light and declined for the 3rd day in a row.

Nothing very compelling appeared in the Quantifinder. I examined Wednesday's action a number of ways tonight, including that it was an inside day, a narrow range day, an unfilled gap down after an unfilled gap up, and more. And in similar circumstances, none of this seemed to generate a consistent edge. Of course the other way to look at this market is that SPX has been chopping back and forth the last couple of weeks (and days) and is right near its 10ma and in the middle of its 10-day range. And we don't often see strong edges emerge in mid-range chop. So there are no new studies being added to the Active List tonight.

I have updated the Aggregator chart below.



The green Aggregator line held above zero tonight. 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. Of course this could change if new bearish evidence emerges. The Differential Pivot will be 2441.71 on Thursday. That is 0.1% below Tuesday's close. So SPX will only need to close down 0.1% in order to change from overbought to oversold.

Choppy, mid-range action and a neutral Aggregator have me with a neutral outlook tonight. I am not inclined to take on new positions at this point. I will wait and see how Thursday plays out and what new evidence emerges before considering my next move.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/21– bullish

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

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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
AGN(1/3)	8/7/2017	\$242.65	\$222.27	-8.40%		Catapult
AGN(1/3)	8/8/2017	\$241.22	\$222.27	-7.86%		Catapult
AGN(1/3)	8/9/2017	\$239.74	\$222.27	-7.29%		Catapult
AIG(1/3)	8/11/2017	\$63.00	\$60.77	-3.54%		Catapult
AIG(1/3)	8/18/2017	\$61.46	\$60.77	-1.12%		Catapult
SPY(1/4)	8/18/2017	\$242.90	\$244.33	0.59%		sold on open

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