

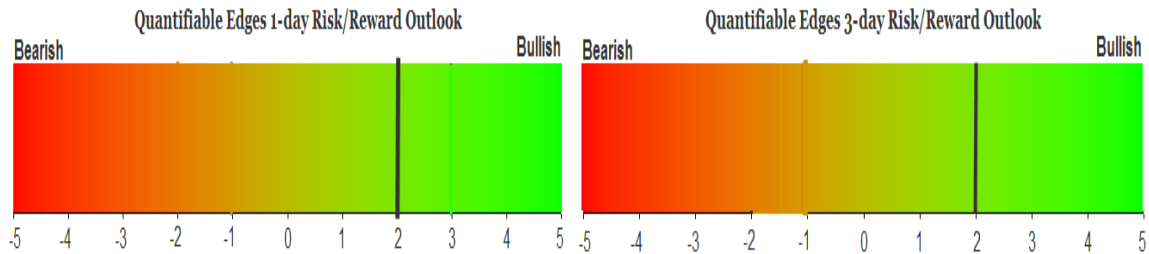
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 13, 2017

Volume 10 Issue 198

Market Overview



Signals Overview

Aggregator	Aggressive VIX
Long	100% Long XIV

Tonight's Research Points

- No new studies emerged tonight.

Short-term Outlook

The Bottom Line

Like last night, the Aggregator is still bullish, but I am in search of a lower-risk entry point.

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

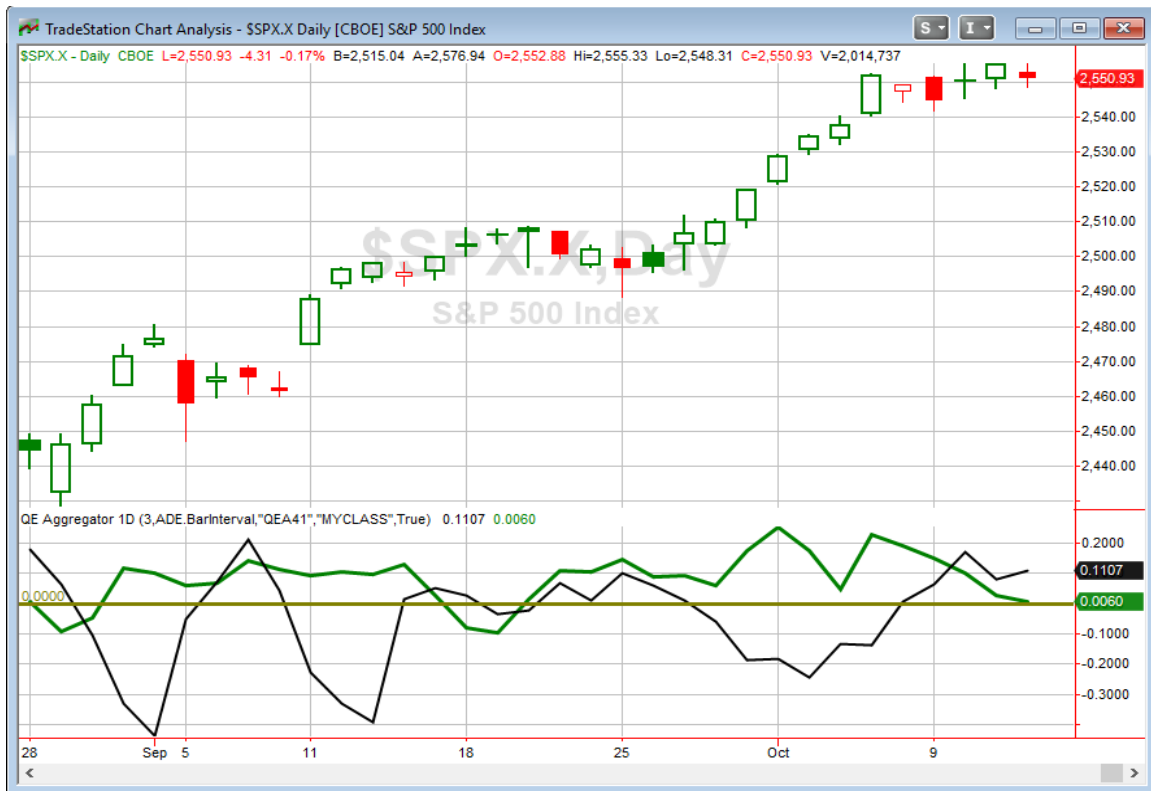
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
October 9, 2017	5 up & 50-high, then 1 down	1-10 days	Bullish	1.90%	-1.00%	-2.20%
October 4, 2017	RSI(2) crosses over 99	1-15 days	Bullish	2.30%	-1.40%	-2.70%
October 2, 2017	NASDAQ leading	int term	Bullish			
October 2, 2017	SOMA reduction begins	int term	Bearish			
September 19, 2017	SPX breaks 50-day Upper Bollinger Band	1-50 days	Bullish	4.85%	-4.10%	-7.80%
April 26, 2016	Golden Cross	int term	Bullish			
July 22, 2013	New High Divergence (Study of Tops)	int term	Bearish			
Dropped Tonight						
October 12, 2017	SPY up < 0.25%. Top 10% daily range/	1 day	Bearish			
October 9, 2017	3higher Hi Low Close. Lower close only	1-4 days	Bullish	1.40%	-0.70%	-1.40%
October 9, 2017	5 up & 50-high, then 1 down	1-4 days	Bullish	1.15%	-0.80%	-1.60%

The Evidence

Thursday saw all the major indices post small losses. The SPX finished down 0.2%, the NASDAQ fell 0.2%, and the Russell 2000 dipped 0.1%. Breadth was mixed as the NYSE Up Issues % was 50.3% and the Up Volume % came in at 37.7%. NYSE volume rose a little bit for the 3rd day in a row.

The market has not made much progress over the last several days, with a lot of chop back and forth. So it is not terribly surprising that nothing compelling emerged in the Quantifinder. I am also not seeing anything about the quiet, choppy, grinding market that is suggesting a strong short-term edge. So there are no new studies to add to the Active List tonight.

I have updated the Aggregator chart below.



Without anything new being added tonight, the green Aggregator Line remained just slightly above zero. Positive readings mean net expectations from the Active List are for upside over the next few days. Meanwhile, the black Differential Line held above 0. The positive Differential Line reading means SPX is “oversold” versus recent expectations. So expectations are positive but 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.

All 3 short-term studies that were active last night expired on Thursday afternoon. This left us with no short-term studies on the Active List – just intermediate-term studies. The intermediate-term studies are leaving expectations positive. But expectations over the next few days will be largely dependent on any new studies that emerge. The Differential Pivot will be 2562.01 on Friday. That is 0.4% above Thursday’s close. Therefore, SPX would need to close up at least 0.4% in order to move from oversold to overbought versus expectations on Friday.

The mild dip in the market really did nothing to change my outlook from last night. There still appears to be a bit of a short-term bullish edge. But I am not inclined to chase a market that is hovering right near new highs. So I will continue to wait for more favorable reward/risk before looking to take on new exposure.

Intermediate-term Outlook (2 weeks – 2 months) – updated 10/9– somewhat bullish

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

None

Broad Market Large Cap CBI – 0

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. The trade idea from last night did not receive a fill and is cancelled.

Current Open Trade Ideas

None.

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.