

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 27, 2017

Volume 10 Issue 208

Market Overview



Signals Overview

Aggregator	Aggressive VIX
Long	100% Long XIV

Tonight's Research Points

- No new evidence emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is again bullish, and reward/risk appears nicely favorable.

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

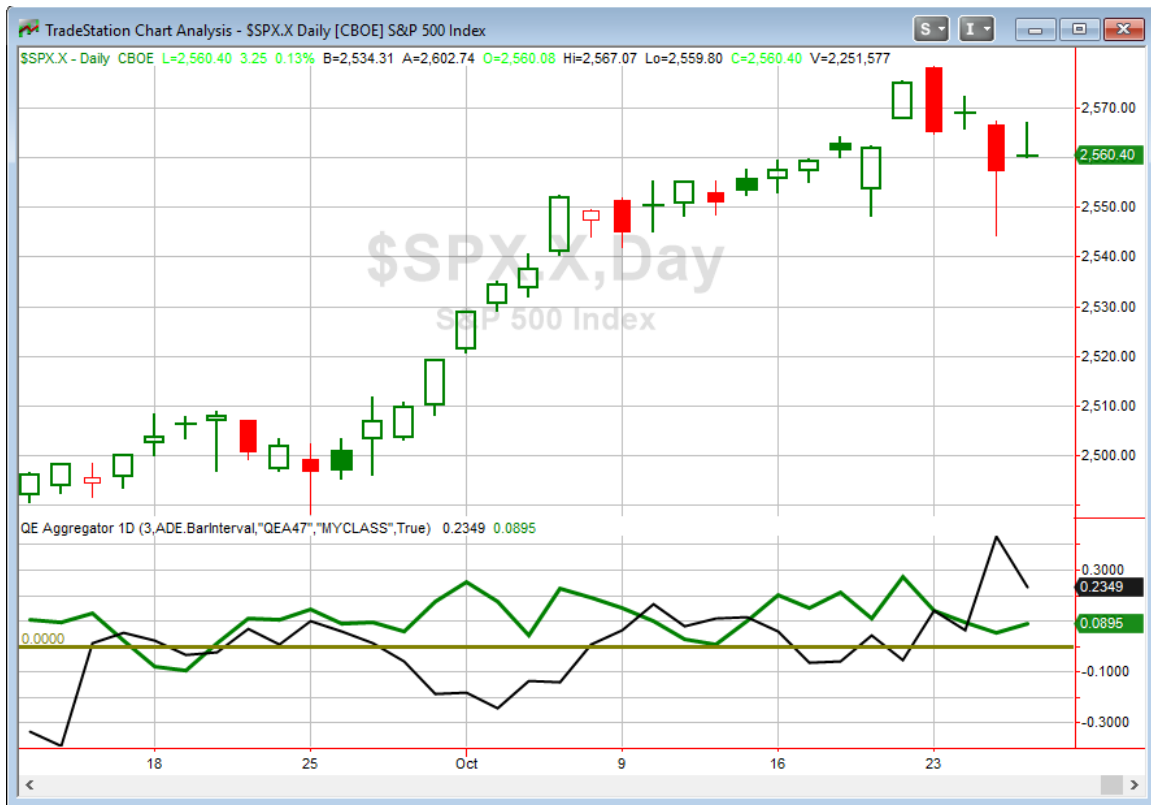
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
October 26, 2017	1st close < 10ma in 15+ days	1-5 days	Bullish			
October 26, 2017	Unfilled up. Unfilled down < 2 ago	1-2 days	Bearish			
October 24, 2017	5up to 50-high. 1 down day.	1-4 days	Bullish			
October 24, 2017	SPX 20-high then clos bottom 10% rng	1-8 days	Bullish			
Active - Long Term						
October 24, 2017	SPX 20-high. NDX big drop	1-50 days	Bullish	6.30%	-2.80%	-5.50%
October 17, 2017	RUT down 3 days. SPX 3-day high	1-10 days	Bullish			
October 4, 2017	RSI(2) crosses over 99	1-15 days	Bullish	2.30%	-1.40%	-2.70%
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 23, 2017	SPX up 6 days, 50-high. Large gain 2day	1-4 days	Bullish			

The Evidence

Thursday was quiet and mixed. The SPX rose 0.1%, NASDAQ declined 0.1% and Russell 2000 gained 0.3%. Breadth was mildly positive as the NYSE Up Issues % was 52% and the Up Volume % came in at 51%. NYSE volume declined some from Wednesday's level.

The very moderate action on Thursday did nothing to inspire new studies. And my exploration of a few ideas came up dry as well. So I won't be adding any studies to the Active List tonight.

I have updated the Aggregator chart below.



With the mix of studies tonight, the green Aggregator Line remained 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 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 list of active studies, expectations are set to remain positive on Friday. It would take some compelling bearish evidence to change this. The Differential Pivot will be 2582.16 on Friday. That is 0.85% above Thursday's close. So SPX would need to close up at least 0.85% on Friday in order to flip from oversold to overbought vs expectations.

Thursday's action did really nothing to change the outlook. There still appears to be a decent upside edge. Unfortunately, the unfilled gap up meant I did not receive a fill on my SPY trade idea. But with the upside edge still intact, I will again look to take on some long exposure.

Intermediate-term Outlook (2 weeks – 2 months) – updated 10/23– neutral

The intermediate-term outlook was last updated in the 10/23 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

HAL @ \$43.42 (bought 1/3 @ limit)

HAL @ \$43.33 (bought 1/3 @ limit)

BLK @ \$469.15 (buy 1/3 @ limit) – *Not filled. Cancel for now.*

New

CELG @ \$99.99 (buy 1/3 @ limit)

Broad Market Large Cap CBI – 4(3)(HAL-2, BLK, CELG)

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.

CELG – buy 1/3 Catapult position @ \$99.99 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots for CELG. (Note when considering whether this trade ideas is appropriate for you that this stock has been especially volatile.)

SPY – buy ¼ index position @ \$255.29 LIMIT. Based on the short-term outlook, I will look to start scaling in to an index position. I have left my entry price here at the same level as last night, which equates to Wednesday’s close.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
HAL(1/3)	10/20/2017	\$43.42	\$41.24	-5.02%		Catapult
HAL(1/3)	10/23/2017	\$42.51	\$41.24	-2.99%		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.