

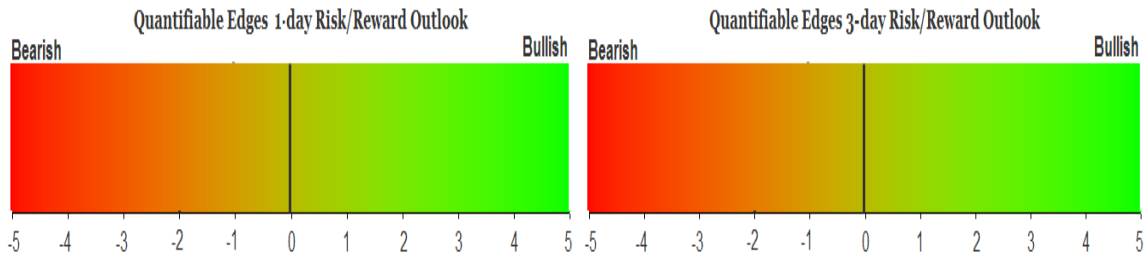
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 6, 2018

Volume 11 Issue 108

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new evidence emerged tonight.

Short-term Outlook

The Bottom Line

Like last night, evidence suggests we could see some more upside. But with the market again overbought, reward/risk is not great. I am waiting for a more favorable buying opportunity.

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

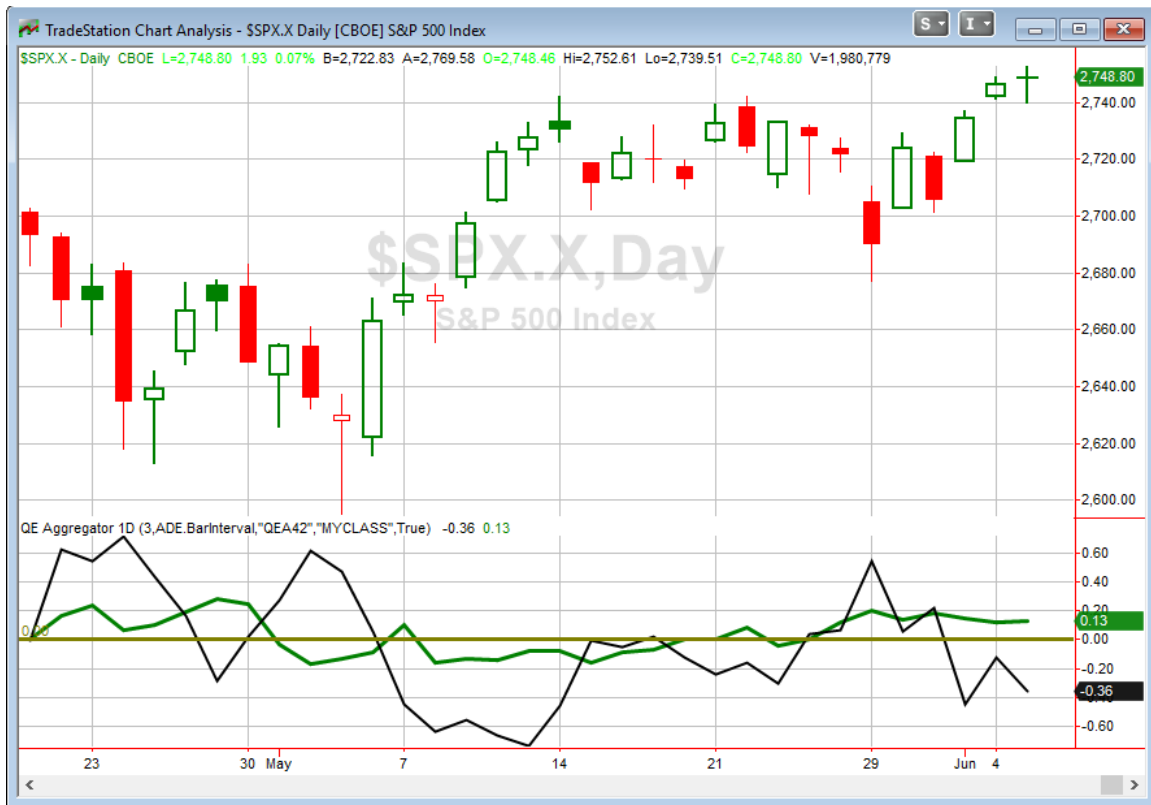
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
June 5, 2018	SPY 2 unfilled up gaps	1-3 days	Bullish	0.80%	-0.60%	-1.20%
June 5, 2018	SPX 50-day breakout over intra high	1-4 days	Bullish	1.00%	-0.65%	-1.40%
June 4, 2018	SPX 50-day breakout with lower volume	1-5 days	Bullish			
June 4, 2018	SPY 50-day breakout w/ unfilled gap	1-5 days	Bullish			
Active - Long Term						
May 7, 2018	NASDAQ leading	int term	Bullish			
April 2, 2018	SOMA reduction intensifies to \$30billion	int term	Bearish			
February 15, 2018	FTD with moderate breadth & volume	int term	Bearish			
January 8, 2018	1st 4 days of year close higher	1-250 days	Bullish	15.90%	-5.70%	-11.10%
April 26, 2016	Golden Cross	int term	Bullish			
July 22, 2013	New High Divergence (Study of Tops)	int term	Bearish			

The Evidence

Tuesday saw most of the indices post mild gains once again. The SPX rose 0.1%, the NASDAQ rallied 0.4%, and the Russell 2000 climbed 0.7%. Breadth was positive as the NYSE Up Issues % was 59% and the Up Volume % came in at 53%. NYSE volume rose a little from Monday's level.

The grind higher over the last few days is no longer producing strong edges. The Quantifinder, with its 1200+ studies, came up blank tonight. And my attempts to find an edge also failed. So without any new and compelling evidence emerging, I will keep it short tonight.

I have updated [the Aggregator chart](#) below.



Without any new evidence emerging 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 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.

With the current studies on the Active List, expectations are slated to remain bullish on Wednesday. It would take some strong new bearish evidence in order to change this. The Differential Pivot will be 2747.65 on Wednesday. That is 0.04% below Tuesday's close. Therefore, SPX would only need to close down 0.04% (about 1 point) on Wednesday in order to change to "oversold" versus recent expectations.

As recent studies have suggested was probable, we have seen some bullish follow-through on the breakout the last couple of days. This has the market overbought, the Aggregator formation neutral, and reward/risk not terribly favorable. I am sidelined and will continue to wait for a more appealing setup to emerge.

Intermediate-term Outlook (2 weeks – 2 months) – updated 6/4– neutral

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

OpenCatapult 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.](#)

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
EWZ	5/30/2018	\$35.33	\$34.97	-1.02%		Sell on close > \$36.42

A complete list of [Quantifiable Edges trade idea results since the inception of the letter in 2008](#) can be found [here](#).

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