

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 27, 2018

Volume 11 Issue 123

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	1

## Tonight's Research Points

- No new compelling evidence emerged tonight.

## *Short-term Outlook*

### *The Bottom Line*

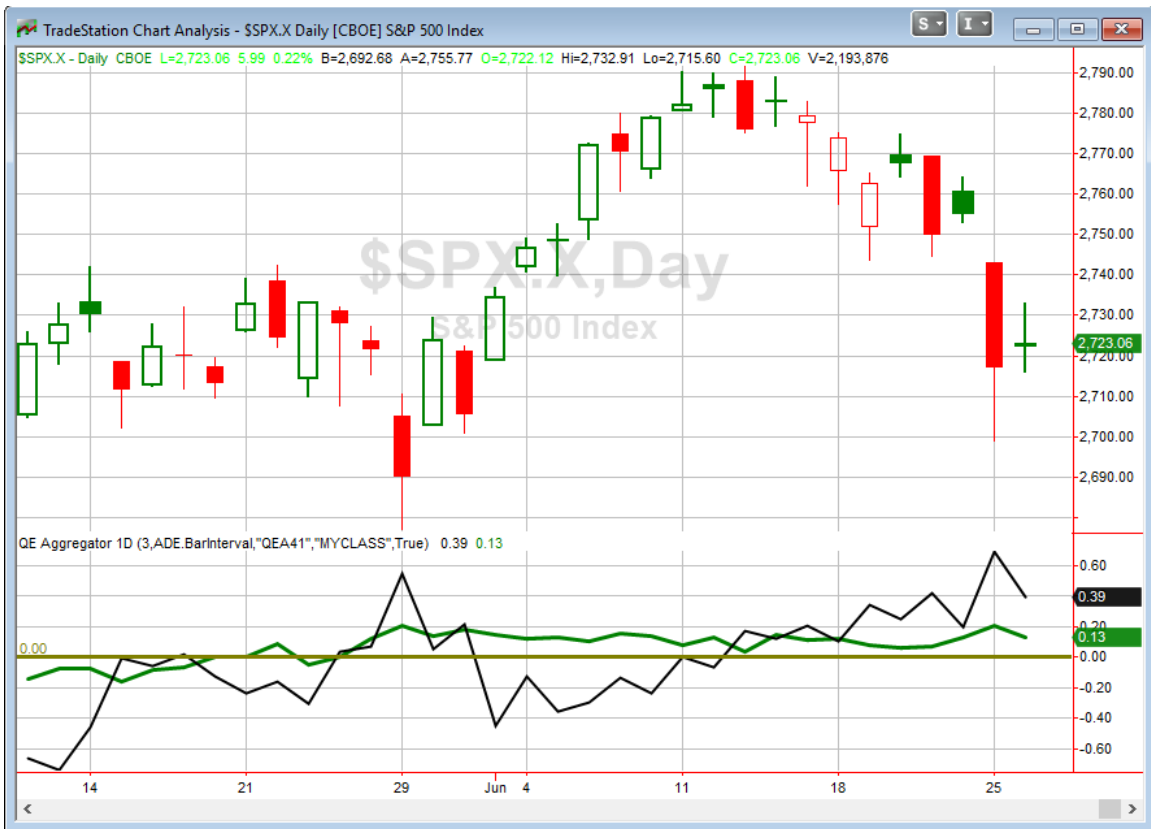
The Aggregator remains bullish, but moderate action on Tuesday and lack of new evidence have me sitting tight with just a small index position.

**The Evidence**

Tuesday saw the market bounce back a little. In the end the SPX finished up 0.2%, the NASDAQ fell 0.4%, and the Russell 2000 gained 0.7%. Breadth was positive as the NYSE Up Issues % was 60.9% and the Up Volume % came in at 60.7%. NYSE volume declined for the 2<sup>nd</sup> day in a row.

The moderate action did nothing to generate compelling new evidence. I did look back at other times SPY left an unfilled gap up from a 10-day low and closed above its 200ma. Results were very inconsistent, which did not surprise me. At this point if there is a strong edge, the Quantifinder will typically note something, and today it came up blank. There are no new studies being added to the Active List.

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 also 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.

With the current studies on the Active List, expectations are slated to remain bullish on Wednesday. This could change if new bearish evidence emerges. The Differential Pivot will be 2761.55 on Wednesday. That is 1.4% above Tuesday's close. Therefore, SPX would need to close up a sizable 1.4% on Wednesday to flip from oversold to overbought versus expectations.

Evidence remains in favor of the bulls. And if you were looking for a reversion to the mean (like a close above a short-term moving average), then we are not there yet. Though no new evidence emerged tonight, previous studies suggest more upside and there remains plenty of room to the upside before SPX would be considered overbought versus expectations. I am a little wary that the bounce did not come in stronger. I am also not a fan of the low CBI reading. And the lack of new evidence has me less than enthusiastic about adding more exposure right here. I will keep my small current long position, and I will wait to see how Wednesday unfolds before determining my next move.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 6/25– neutral***

The intermediate-term outlook was last updated in the 6/25/18 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*

***OpenCatapult Triggers***

LMT – 1/3 @ \$298.77 (bought @ limit)

***Broad Market Large Cap CBI – 1 (LMT)***

### **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.* QQQ trade idea from last night was not filled. I will cancel it for now.

### **Current Open Trade Ideas**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
EWZ	5/30/2018	\$35.33	\$32.15	-9.00%		Sell on close > \$32.62
SPY(1/4)	6/21/2018	\$274.24	\$271.60	-0.96%		Aggregator
LMT (1/3)	6/26/2018	\$298.77	\$299.08	0.10%		Catapult

*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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