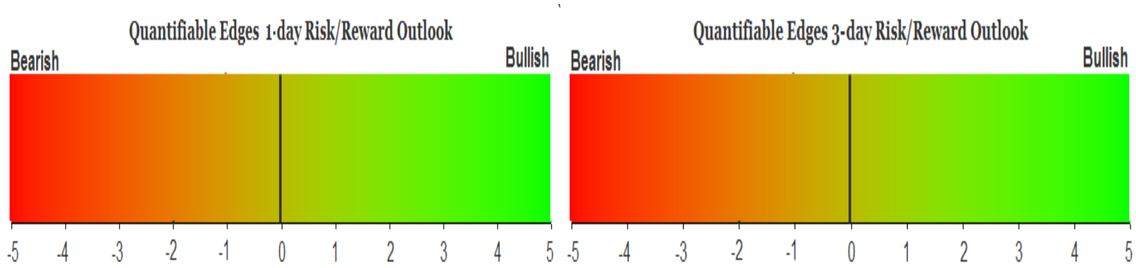
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 9, 2018 Volume 11 Issue 153

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling evidence emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is neutral and I am too.

Quantifiable Edges, LLC 10 Boyden Rd., Medfield, Massachusetts 02052 781-956-6952

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						
July 10, 2018	SPX up 2% in 3 days. HV Off < 0.25	1-19 days	Bullish	4.20%	-2.20%	-4.80%
July 1, 2018	SOMA reduction intensifies to $40billion	int term	Bearish			
June 7, 2018	SPX > 50-day Bollinger Band	1-50 days	Bullish	5.00%	-4.10%	-7.80%
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			
Dropped Tonight						
July 31, 2018	***SPX down 3 days. Today is Monday***	***1-8 days***	***Bullish***	***2.10%***	***-1.30%***	***-2.50%***

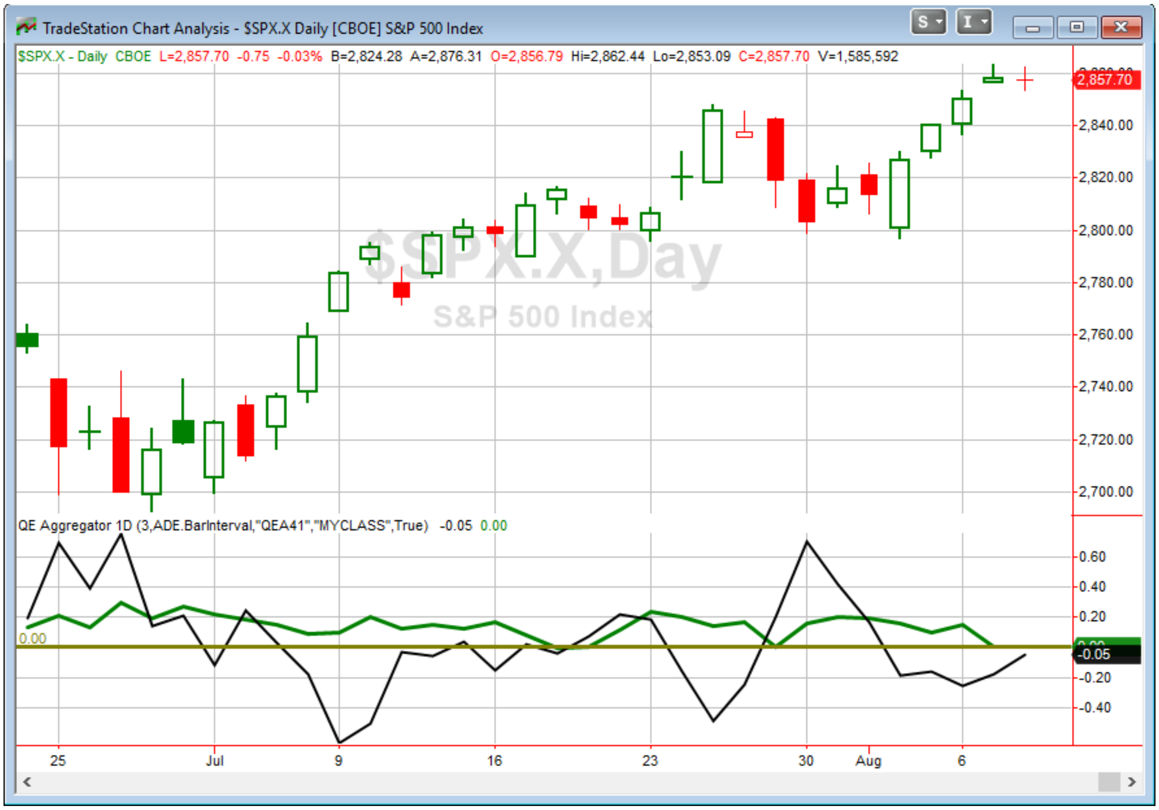
The Evidence

Wednesday was mixed and mild for the market. The SPX closed down 0.03%, the NASDAQ 0.06%, and the Russell 2000 lost 0.08%. Breadth was negative as the NYSE Up Issues % was 46% and the Up Volume % came in at 42%. NYSE volume declined some from Tuesday's level.

Nothing compelling triggered in the Quantifinder today. August blahs are definitely upon us. Dull markets can be dangerous though. As I discussed last night, very tight consolidations can lead to sharp breakouts (in either direction). Wednesday closed out this SOMA reporting week. (We will know the final numbers on Thursday afternoon.) I have been expecting the SOMA to come in around flat, perhaps up slightly. But this upcoming week is going to see a sizable drop in the SOMA, due to a large treasury expiration on the 15th. While the QT reprieve could possibly last a few more days, there is a headwind coming for the bulls. More on SOMA measures tomorrow night. Tonight there are no new studies being added to the Active List.

I have updated the Aggregator chart below.

Quantifiable Edges, LLC 10 Boyden Rd., Medfield, Massachusetts 02052 781-956-6952



With nothing new being added tonight, the green Aggregator Line again closed right at zero. This means expectations are flat. Meanwhile the black Differential Line held below 0. The negative Differential Line reading means SPX is overbought versus recent expectations. So expectations are flat and SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines fail to close on the same side of 0. Therefore, the Aggregator signal stayed flat at the close.

With the intermediate-term outlook neutral and no active short-term studies, expectations for the next few days will be highly dependent on any new studies that emerge. Differential Pivot will be *inverted at* 2862.14 on Thursday. That is 0.2% above Wednesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to rise about 0.2% in order to remain overbought. Anything less than that and it will be considered "oversold" versus expectations as of Thursday's close.

This seems to be one of those dull summer waiting games. The market has been grinding higher and sideways on low volume. I am not seeing any compelling signs yet of an imminent pullback, but the conditions that would allow for one (poor seasonality, low liquidity) are here. I do not believe this is a good time to get aggressive. I'll continue to watch and wait for a high probability setup to emerge.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/6– neutral, but approaching mildly bearish

The intermediate-term outlook was last updated in the 7/23 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

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
F(1/3)	*7/23/2018*	*$10.56*	*$10.05*	*-4.83%*		*sold on open*

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

Quantifiable Edges, LLC 10 Boyden Rd., Medfield, Massachusetts 02052 781-956-6952