

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 3, 2018

Volume 11 Issue 233

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- 1st trading day of the month is often bullish – but not under current circumstances.
- Short-term highs below the 200ma are often shortable.
- The SPX Death Cross could arrive this week. Potential impacts are shown.
- QT is strong right now, but will weaken next week and December overall should be a light QT month.

Short-term Outlook

The Bottom Line

With positive expectations and an overbought market the Aggregator is neutral. So am I.

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						
November 30, 2018	1st down after 3+ up from 50-low	1-2 days	Bullish			
November 29, 2018	3up from a 50-day low	1-5 days	Bullish			
November 29, 2018	Gap up. Close top 10% 1 & 10-day range	1-3 days	Bearish			
November 28, 2018	Up Issues & Up Volume < 45%. SPX<200	1-4 days	Bearish			
November 28, 2018	SPX up VIX up Midweek < 200ma	1-4 days	Bearish			
Active - Long Term						
November 8, 2018	FTD with strong breadth & 20-day high	int term	Bullish			
November 1, 2018	Best 6 Month During Pres Yr 3	1-6 months	Bullish	17.70%	-3.10%	-7.20%
October 1, 2018	Quantitative Tightening \$50billion/mo	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

Friday saw gains for the major indices. The SPX and NASDAQ each rose 0.8%, while the Russell 2000 climbed 0.5%. Breadth was positive as the NYSE Up Issues % was 53% and the Up Volume % came in at 54%. NYSE volume rose a good amount from Thursday's level.

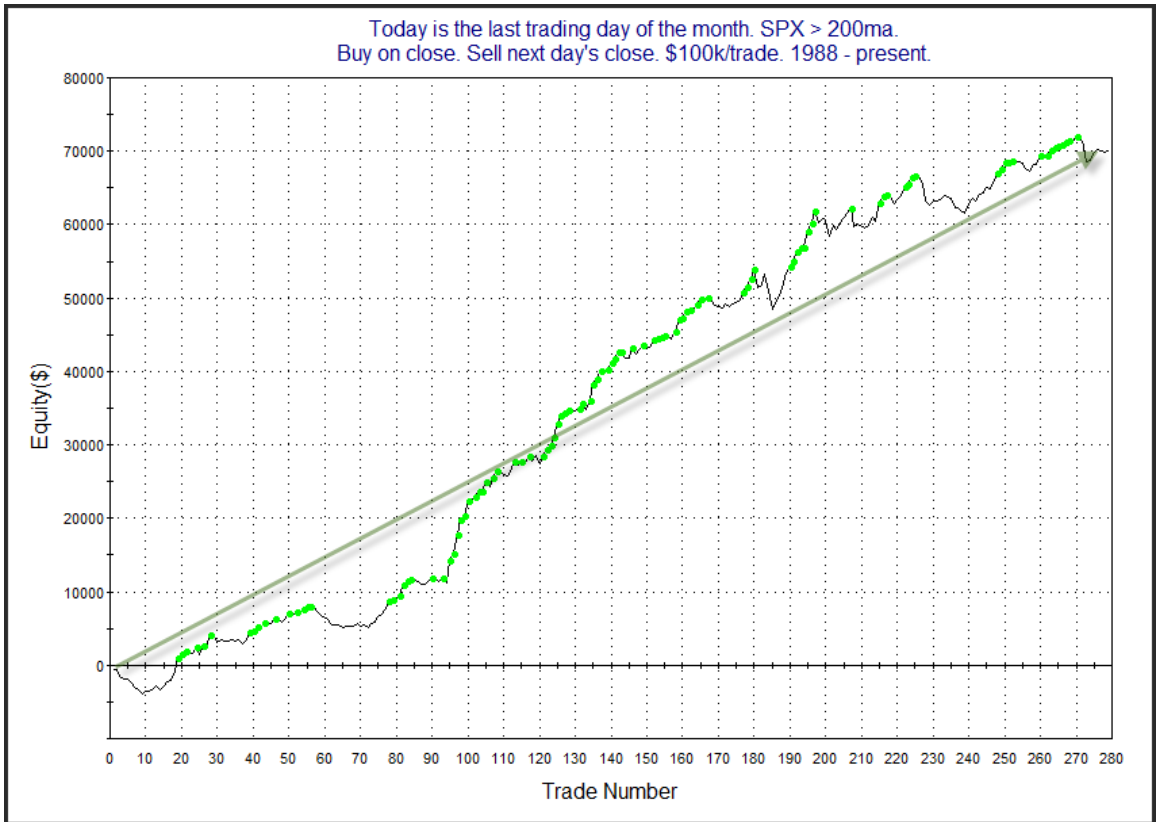
Monday is the 1st trading day of the month. The 1st trading day of the month is renowned for having a bullish tendency, though this edge has weakened some in recent years. It is also notable that this tendency has primarily played out during uptrending markets. During down times the 1st of the month has not been particularly bullish. The studies below are from the 9/1/15 letter. They use the 200ma as our measure of uptrend versus downtrend in order to demonstrate this concept. Stats have all been updated.

This first study shows performance since 1988 of committing for the 1st of the month if the SPX is trading above its 200ma.

Today is the last trading day of the month. SPX > 200ma.
 Buy on close. Sell next day's close. \$100k/trade. 1988 - present.

TradeStation Performance Summary Expand ▾			
All Trades			
Total Net Profit	\$70,253.51	Profit Factor	2.24
Gross Profit	\$127,131.52	Gross Loss	(\$56,878.01)
Total Number of Trades	279	Percent Profitable	61.65%
Winning Trades	172	Losing Trades	107
Even Trades	0		
Avg. Trade Net Profit	\$251.80	Ratio Avg. Win:Avg. Loss	1.39
Avg. Winning Trade	\$739.14	Avg. Losing Trade	(\$531.57)
Largest Winning Trade	\$3,119.10	Largest Losing Trade	(\$2,617.60)

The numbers all look very solid. About 61% of the trades were winners, and the winners were about 1.4 times the size of the losers, making for a profit factor of 2.24. Below is an equity curve that graphically displays the results of this approach.



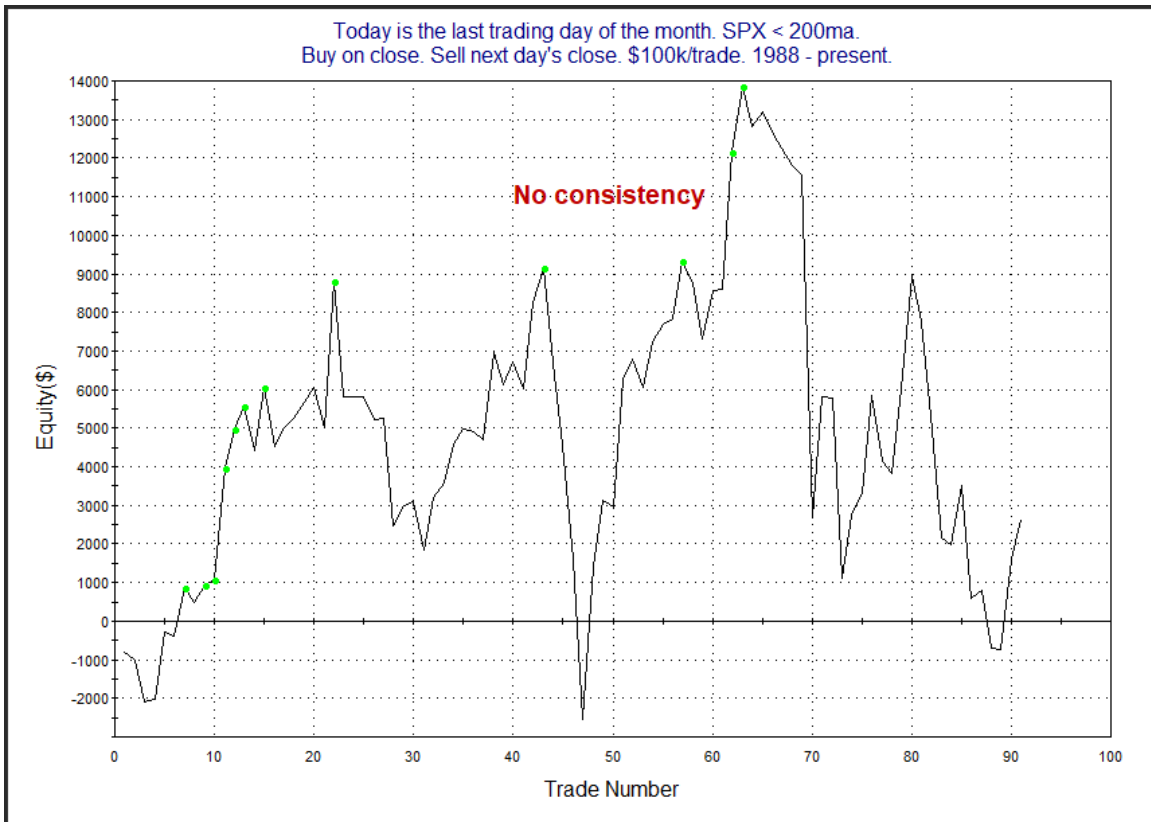
As I noted, recent years have not done as well, but the overall slope still appears up.

Next let's look at times like now when the SPX is below its 200ma.

Today is the last trading day of the month. SPX < 200ma.
Buy on close. Sell next day's close. \$100k/trade. 1988 - present.

TradeStation Performance Summary				Expand
All Trades				
Total Net Profit	\$2,634.00	Profit Factor	1.04	
Gross Profit	\$62,744.75	Gross Loss	(\$60,110.75)	
Total Number of Trades	91	Percent Profitable	53.85%	
Winning Trades	49	Losing Trades	42	
Even Trades	0			
Avg. Trade Net Profit	\$28.95	Ratio Avg. Win:Avg. Loss	0.89	
Avg. Winning Trade	\$1,280.51	Avg. Losing Trade	(\$1,431.21)	
Largest Winning Trade	\$3,980.86	Largest Losing Trade	(\$8,883.33)	

The numbers here net out to a positive number, but just barely. It certainly doesn't appear to be anything you would want to base a trade on. Below is an equity curve.

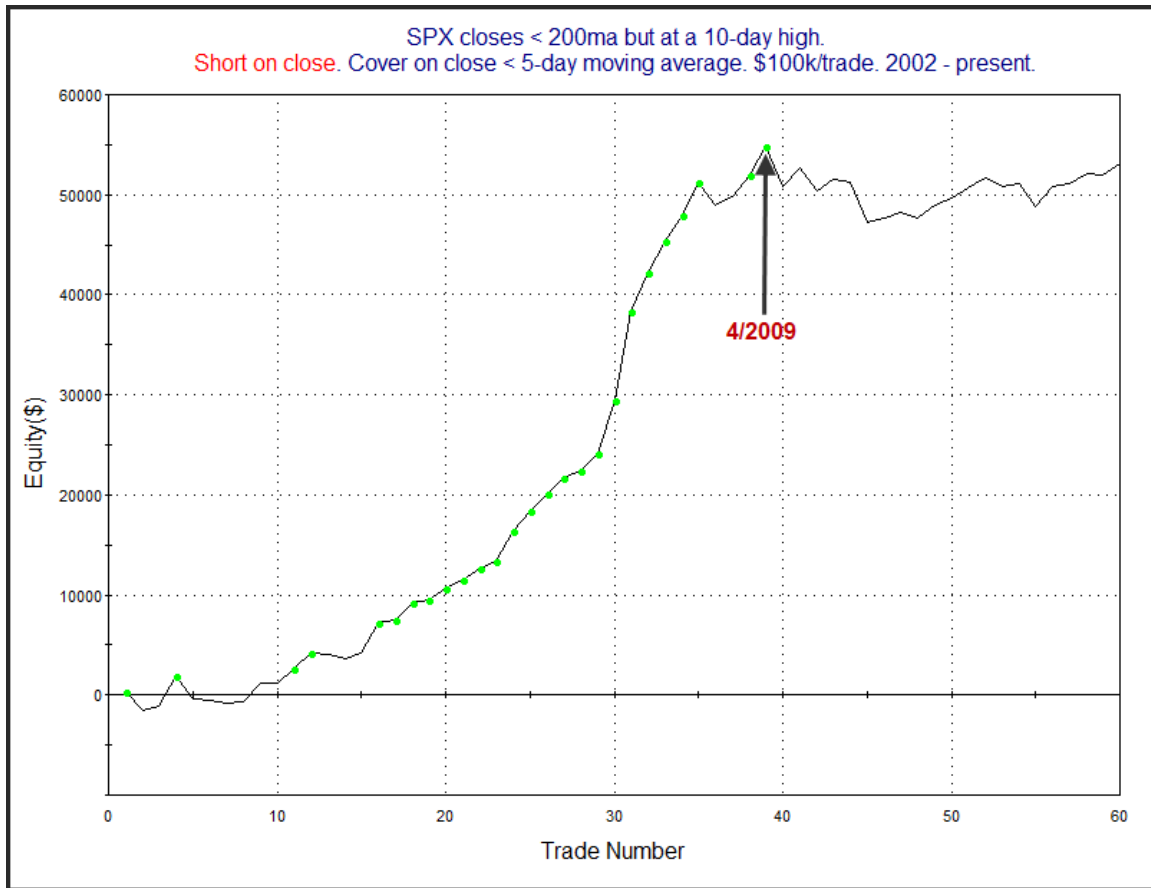


The extremely inconsistent results confirm this setup to be unreliable. So turn of the month does not appear to be providing a strong edge for Monday.

SPX closed at a 10-day high on Friday. New short-term (and intermediate-term) highs will sometimes get traders excited. When the market is in long-term downtrend mode, this excitement is often misplaced. In the 11/7/18 letter I showed hypothetical results of a number of “systems” that looked to sell short when the SPX made X-day highs but was below the 200ma. I have updated the results table of those little systems below.

SPX closes < 200ma but at an X-day high. Short on close. Cover on close < Y-day moving average. \$100k/trade. 2002 - present.													
X	Y	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Avg Winning Trade	All: Max Winning Trade	All: Avg Losing Trade	All: Max Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	5	39,261.27	106	71	35	66.98	1,804.83	9,455.49	-2,539.48	-9,743.92	0.71	1.44	370.39
10	10	65,046.79	49	34	15	69.39	2,860.47	9,986.13	-2,147.28	-6,035.85	1.33	3.02	1,327.49
10	5	53,061.11	60	44	16	73.33	1,704.59	8,883.33	-1,371.30	-4,097.68	1.24	3.42	884.35
15	5	44,757.93	49	37	12	75.51	1,590.42	5,245.02	-1,173.98	-4,058.40	1.35	4.18	913.43
15	10	44,054.08	38	27	11	71.05	2,414.44	9,986.13	-1,921.43	-5,083.17	1.26	3.08	1,159.32
20	5	31,034.33	38	27	11	71.05	1,638.03	5,245.02	-1,199.32	-4,058.40	1.37	3.35	816.69
20	10	23,450.45	27	18	9	66.67	2,265.99	9,986.13	-1,926.37	-5,083.17	1.18	2.35	868.54

Stats here are solid across the board. The Win Rate, Profit Factors, and Average Trade stats all suggest a good chance at market dip. Hitting new short-term highs is generally not something that bulls should get excited about while the long-term trend appears down. And in looking at some of the curves, I will note that the edge has not appeared as strong in recent years. Below is a look at the 10-day high entry / 5ma exit performance curve.



It topped out a bit when the bear market ended in early 2009, and there were a few losing trades in 2009. Since then it has worked its way back higher, but the gains have not been as impressive. That is the difference between shorting in a real bear market vs shorting during a few moderate corrections.

Of course while the SPX is currently below its 200ma, it will only need to rise less than 2 points to cross above it on Monday. So the “downtrend” as described by the setup is tenuous. But I will also note that the SPX is likely to see its 50ma cross below its 200ma in the next 3-4 days. This will trigger a “Death Cross”, which I will discuss some in the intermediate-term section below. Bottom line is some long-term trend identifiers are currently a bit mixed, and they could flip and remain mixed in the coming days. So the long-term trend is not exactly clear at the moment. And that can impact short-term studies like the ones we see here today.

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



Today the green Aggregator Line remained above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile, the black Differential Line is again 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 side of zero. Therefore, the Aggregator signal stayed flat at the close.

With the current active studies, expectations are slated to remain bullish on Monday. This could change if compelling new bearish evidence emerges. The Differential Pivot will be 2732.99 on Monday. That is 1.0% below Friday's close. So SPX would need to close down at least 1.0% on Monday in order to flip from overbought to oversold versus recent expectations.

The Aggregator is neutral and so am I. We are overbought, and could certainly see a pullback in the next few days, which would be normal behavior when under the 200ma. Of course we could easily bust through the 200ma in the next few days as well. The bearish studies have been overwhelmed by the strong move off the 50-day low. And it was that strong move coming from such a low area that warned us that the bounce could be stronger than otherwise expected. So there is not a lot of clarity right now from a short-term perspective. This has me neutral and sidelined. I will remain patient until the next strongly favorable reward/risk opportunity arises.

Intermediate-term Outlook (2 weeks – 2 months) – updated 11/26– neutral

Combo #1	Combo #2	Combo #3
Long	Long	Long

Above is the status of the different Combination Signals from the Quantifiable Edges Market Timing Course. Signals are long-term in nature. All 3 can be either flat or long. None of them look to short. More information on these signals can be found in the [Quantifiable Edges Market Timing Course](#), which is included with all annual subscriptions. Detailed descriptions of these combination approaches can be found in [Lesson 8](#). Subscribers may also download detailed hypothetical historical performance reports covering 12/31/71 – 3/7/14 in [Lesson 11, Course Downloads](#). (You must go through the course first in order to access the Downloads.) *This week the Combo Systems all remained “Long”.*

This was a big bounce-back week for the market. The SPX rose 4.8%, the NASDAQ rallied 5.6%, and the Russell 2000 gained 3.0%. There were not any new studies that emerged in the last few days with intermediate-term significance. But as I mentioned above, the SPX is nearing a Death Cross (when the 50ma crosses below the 200ma), so I thought I would discuss that in some detail.

In the past I have used Tradestation data and looked back to 1960 when examining Death Crosses. Today I decided to use Amibroker with my Norgate database, which goes back to 1928, and examine Death Crosses back as far as I can. This made for an interesting starting point, because the 1st instance, in 1929, came shortly after the 1929 market crash that was followed by the Great Depression. It was also followed by the most substantial decline – by far. Let’s first look at a list of all the Death Cross formations and how the SPX performed while they were in effect.

Symbol	Trade	Date	Price	Exit date	Exit Price	#days	% chg	Max Drawdn
SSPX	Death Cross	11/22/1929	21.53	9/19/1932	7.34	708	-65.91%	-79.56%
SSPX	Death Cross	3/27/1933	6.09	5/18/1933	8.89	38	45.98%	-3.94%
SSPX	Death Cross	5/31/1934	9.61	5/23/1935	10.07	245	4.79%	-16.13%
SSPX	Death Cross	5/21/1937	16.27	7/27/1938	12.25	298	-24.71%	-47.76%
SSPX	Death Cross	3/31/1939	10.98	9/18/1939	12.47	118	13.57%	-5.10%
SSPX	Death Cross	3/20/1940	12.14	12/13/1940	10.69	186	-11.94%	-25.95%
SSPX	Death Cross	2/21/1941	9.76	8/18/1941	10.13	124	3.79%	-4.71%
SSPX	Death Cross	11/18/1941	9.26	8/14/1942	8.58	188	-7.34%	-19.33%
SSPX	Death Cross	12/1/1943	11.13	3/13/1944	12.24	73	9.97%	0.00%
SSPX	Death Cross	8/28/1946	16.73	7/25/1947	16.08	228	-3.89%	-17.69%
SSPX	Death Cross	1/22/1948	14.42	5/14/1948	16.39	79	13.66%	-4.02%
SSPX	Death Cross	12/1/1948	15.01	8/31/1949	15.22	192	1.40%	-9.73%
SSPX	Death Cross	5/11/1953	24.91	12/21/1953	24.95	156	0.16%	-8.83%
SSPX	Death Cross	10/26/1956	46.27	6/3/1957	47.37	149	2.38%	-8.39%
SSPX	Death Cross	9/26/1957	42.57	5/8/1958	43.99	156	3.34%	-8.43%
SSPX	Death Cross	10/30/1959	57.52	12/30/1959	59.77	41	3.91%	-2.26%
SSPX	Death Cross	2/15/1960	55.17	1/4/1961	58.36	224	5.78%	-5.38%
SSPX	Death Cross	5/7/1962	66.02	1/3/1963	63.72	167	-3.48%	-22.22%
SSPX	Death Cross	7/22/1965	83.85	9/17/1965	90.05	41	7.39%	-0.66%
SSPX	Death Cross	4/28/1966	91.13	2/3/1967	87.36	195	-4.14%	-20.68%
SSPX	Death Cross	2/27/1968	90.53	5/17/1968	96.9	57	7.04%	-3.91%
SSPX	Death Cross	3/13/1969	98.39	5/27/1969	103.57	52	5.26%	-1.35%
SSPX	Death Cross	6/23/1969	96.23	10/22/1970	83.38	339	-13.35%	-28.70%
SSPX	Death Cross	9/24/1971	98.15	1/26/1972	102.5	87	4.43%	-8.98%
SSPX	Death Cross	4/18/1973	111.54	3/6/1975	83.69	476	-24.97%	-45.35%
SSPX	Death Cross	12/1/1976	102.49	1/4/1977	105.7	24	3.13%	-0.85%
SSPX	Death Cross	3/3/1977	100.88	5/22/1978	99.09	308	-1.77%	-14.30%
SSPX	Death Cross	12/13/1978	96.06	3/21/1979	101.25	68	5.40%	-3.56%
SSPX	Death Cross	4/22/1980	103.43	6/17/1980	116.03	40	12.18%	-2.53%
SSPX	Death Cross	7/2/1981	128.64	9/28/1982	123.24	314	-4.20%	-20.55%
SSPX	Death Cross	2/3/1984	160.91	9/12/1984	164.68	154	2.34%	-8.48%
SSPX	Death Cross	11/18/1986	236.78	11/25/1986	248.17	6	4.81%	-0.54%
SSPX	Death Cross	11/5/1987	254.48	6/28/1988	272.31	163	7.01%	-13.06%
SSPX	Death Cross	2/26/1990	328.67	5/25/1990	354.58	64	7.88%	-1.43%
SSPX	Death Cross	9/7/1990	323.4	2/15/1991	369.06	113	14.12%	-8.93%
SSPX	Death Cross	4/19/1994	442.54	9/15/1994	474.81	104	7.29%	-0.84%
SSPX	Death Cross	9/29/1998	1049.02	12/8/1998	1181.38	50	12.62%	-11.98%
SSPX	Death Cross	11/4/1999	1362.64	11/11/1999	1381.46	6	1.38%	-0.57%
SSPX	Death Cross	10/30/2000	1398.66	5/14/2003	939.28	635	-32.84%	-45.05%
SSPX	Death Cross	8/18/2004	1095.17	11/5/2004	1166.17	57	6.48%	-1.48%
SSPX	Death Cross	7/19/2006	1259.81	9/12/2006	1313	39	4.22%	-1.83%
SSPX	Death Cross	12/21/2007	1484.46	6/23/2009	895.1	378	-39.70%	-55.08%
SSPX	Death Cross	7/2/2010	1022.58	10/22/2010	1183.08	79	15.70%	-0.65%
SSPX	Death Cross	8/12/2011	1178.81	1/31/2012	1312.41	118	11.33%	-8.83%
SSPX	Death Cross	8/28/2015	1988.87	12/21/2015	2021.15	80	1.62%	-5.88%
SSPX	Death Cross	1/11/2016	1923.67	4/25/2016	2087.79	73	8.53%	-5.90%

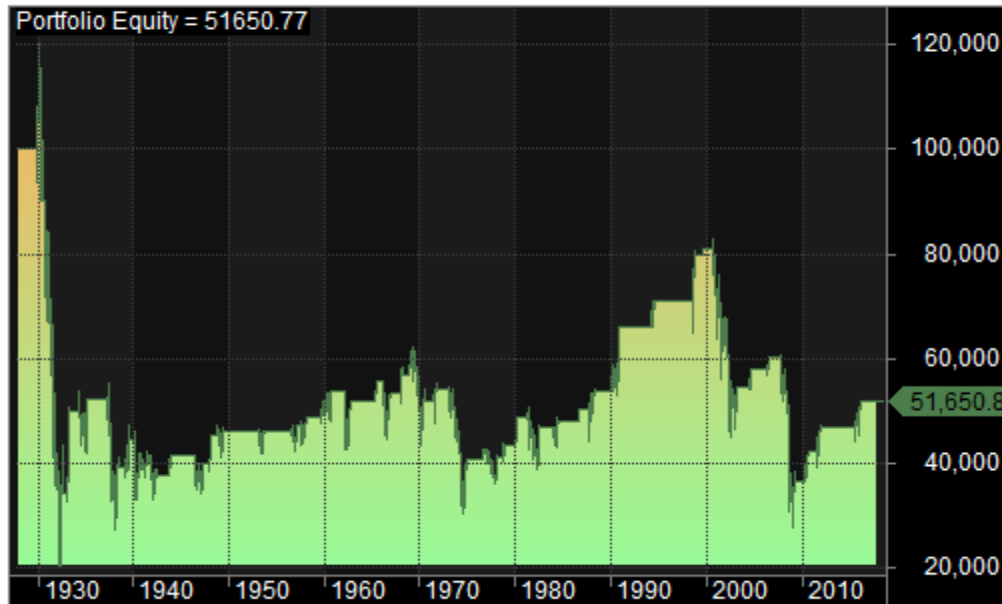
Below are summary stats for the above trades.

SPX Death Cross. Performance per trade. \$100k/trade. 1929 - present.	
Statistics	
All trades	46
Avg. Profit/Loss	44.92
Avg. Profit/Loss %	0.45%
Avg. Bars Held	162.83
<hr/>	
Winners	33 (71.74 %)
Total Profit	25891.14
Avg. Profit	784.58
Avg. Profit %	7.85%
Avg. Bars Held	93.03
Max. Consecutive	8
Largest win	4597.70
# bars in largest win	38
<hr/>	
Losers	13 (28.26 %)
Total Loss	-23824.99
Avg. Loss	-1832.69
Avg. Loss %	-18.33%
Avg. Bars Held	340.00
Max. Consecutive	1
Largest loss	-6590.80
# bars in largest loss	708

Interestingly, 33 of the 46 instances (72%) actually saw the SPX realize gains while the Death Cross was in effect. The problem is the losing trades were very large. And even most of the winners saw a sizable round-trip lower before they were able to carve out some gains. The average drawdown for these 46 trades would have been 13.3%. And there were 5 separate instances that saw drawdowns of at least 45%.

Even though the giant losers were relatively rare, their impact is large. And the fact that the 1st instance was the worst instance also provides a great example how devastating large drawdowns can be. The profit curve below shows a hypothetical portfolio of only being invested in the market during SPX Death Crosses.

\$100k hypothetical portfolio invested only during "Death Cross" formations.
\$0 commission. \$0 interest on cash when out of market. 1929 - present.



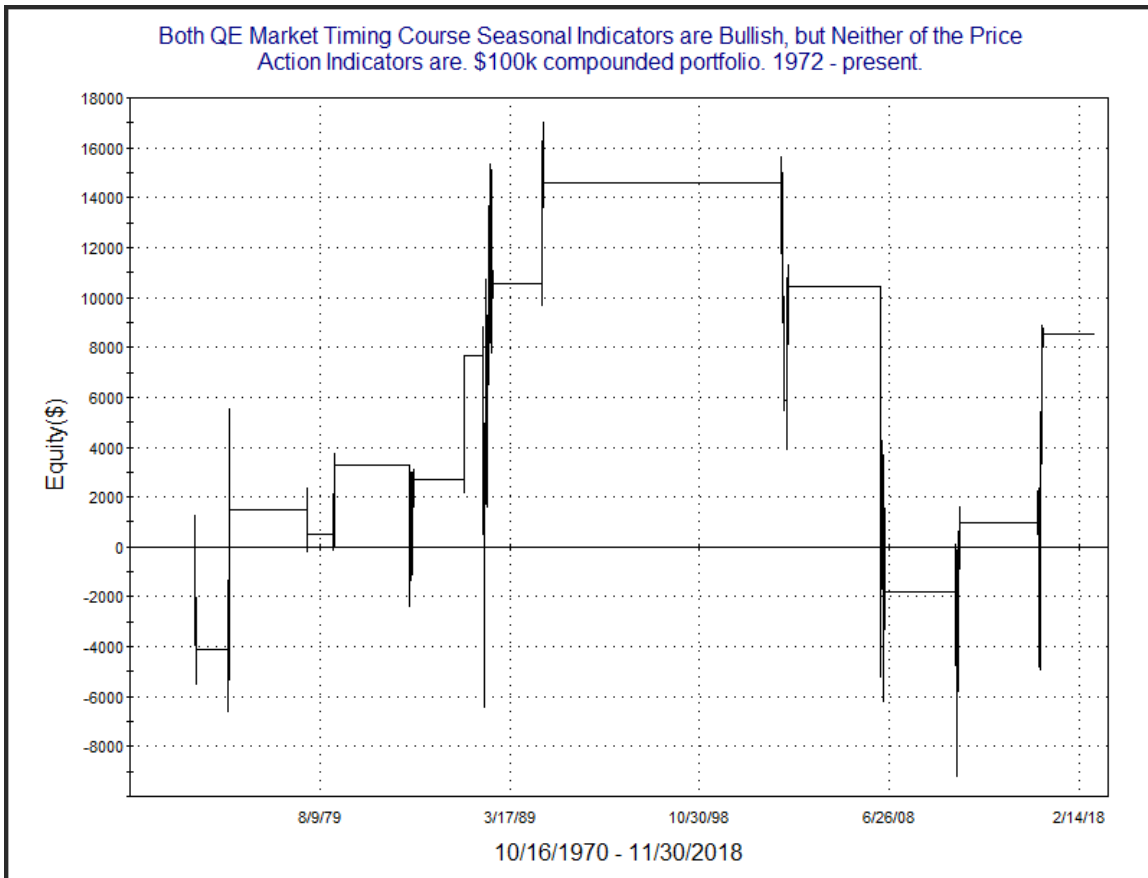
The 1st instance from 1929 – 1933 saw the portfolio rise to \$120k before falling down as low as about \$20k and then finishing that trade with a value of about \$34k. And it has never managed to get back to breakeven. The 72% “win rate” on the Death Cross tells me it is NOT a reliable timing device. But the few instances of massive losses show just how valuable it can be to protect gains and avoid large portions of nasty bear markets. If we get into a big bear market, I won’t actually be sitting out of the market for several years. But it does allow us to adjust strategies, exposure and other risk parameters. Those subscribers that have been with us since 2008 know that the 2008 bear was one of our best trading years for several strategies. The Death Cross / Golden Cross on its own is not a great system. But it can help us put the market into a context where we can better evaluate opportunities. And I have also found it helpful when combining with other timing indicators, as I’ve done in the Market Timing Course.

So today I decided I would review how the market has performed when both Price Action indicators were neutral/negative while both Seasonality indicators were bullish.

Both QE Market Timing Course Seasonal Indicators are Bullish, but Neither of the Price Action Indicators are. \$100k/trade. 1972 - present.

TradeStation Performance Summary Expand ▾			
All Trades			
Total Net Profit	\$10,085.08	Profit Factor	1.38
Gross Profit	\$36,517.09	Gross Loss	(\$26,432.01)
Total Number of Trades	18	Percent Profitable	50.00%
Winning Trades	9	Losing Trades	9
Even Trades	0		
Avg. Trade Net Profit	\$560.28	Ratio Avg. Win:Avg. Loss	1.38
Avg. Winning Trade	\$4,057.45	Avg. Losing Trade	(\$2,936.89)
Largest Winning Trade	\$7,604.61	Largest Losing Trade	(\$10,939.76)

Stats here are basically neutral. The market has not made much headway in either direction when Seasonality has been 2x bullish but has not had any support from Price Action. It does not appear to be the kind of setup in which traders would want to be very aggressive in either direction. Below is a look at a profit curve of a portfolio that includes compounding.

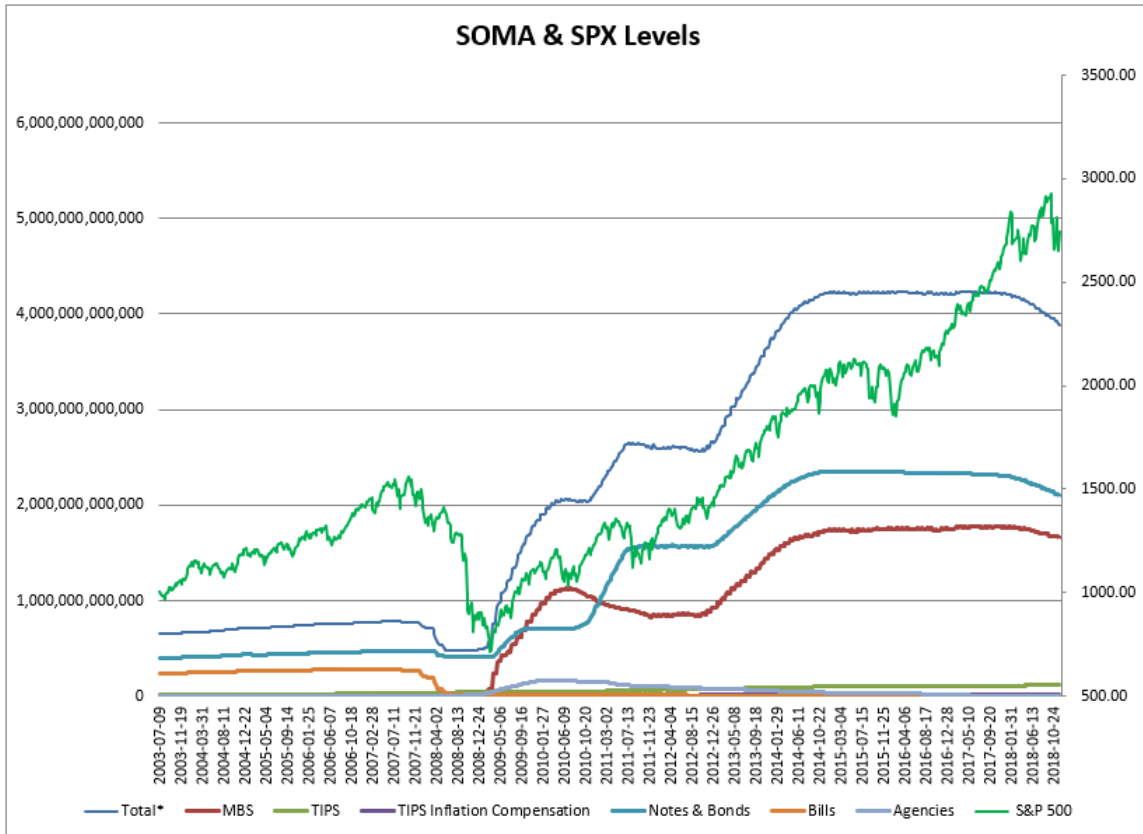


Lots of zig-zags through zero again highlight the inconsistency.

As I typically do each week, I have updated our Fed SOMA charts below. Below is a description for those who are new to these charts or who may want a refresher.

SOMA stands for System Open Market Account. It is the account at the Fed that contains all of its bond purchase holdings. We have tracked Fed purchases for several years, and as is evident in the charts below, the stock market has consistently reacted positively when the Fed has been buying securities in the open market and increasing the size of its account. When the account has declined, the market has struggled. The obvious takeaway has been “don’t fight the Fed”. As far as intermediate-term indicators go, this has been as good as anything in recent years.

In October 2017 the Fed began reducing the size of the SOMA by not reinvesting some maturities in MBS and treasuries. That program is expected to continue for the next few years. Below is a long-term view of SOMA and SPX (back to 2003).



The table below is from the Fed’s website and shows the changes this past week.

Summary T-Bills T-Notes and T-Bonds FRN TIPS Agencies

Security Type	Total (in Thousands)
US Treasury Bills (T-Bills)	
US Treasury Notes and Bonds (Notes/Bonds)	2,098,138,838.5
US Treasury Floating Rate Notes (FRN)	17,245,206.4
US Treasury Inflation-Protected Securities (TIPS)*	115,578,709.4
Federal Agency Securities**	2,409,000.0
Agency Mortgage-Backed Securities***	1,653,467,689.7
Total SOMA Holdings	3,886,839,444.0
Change From Prior Week	-8,362,118.8

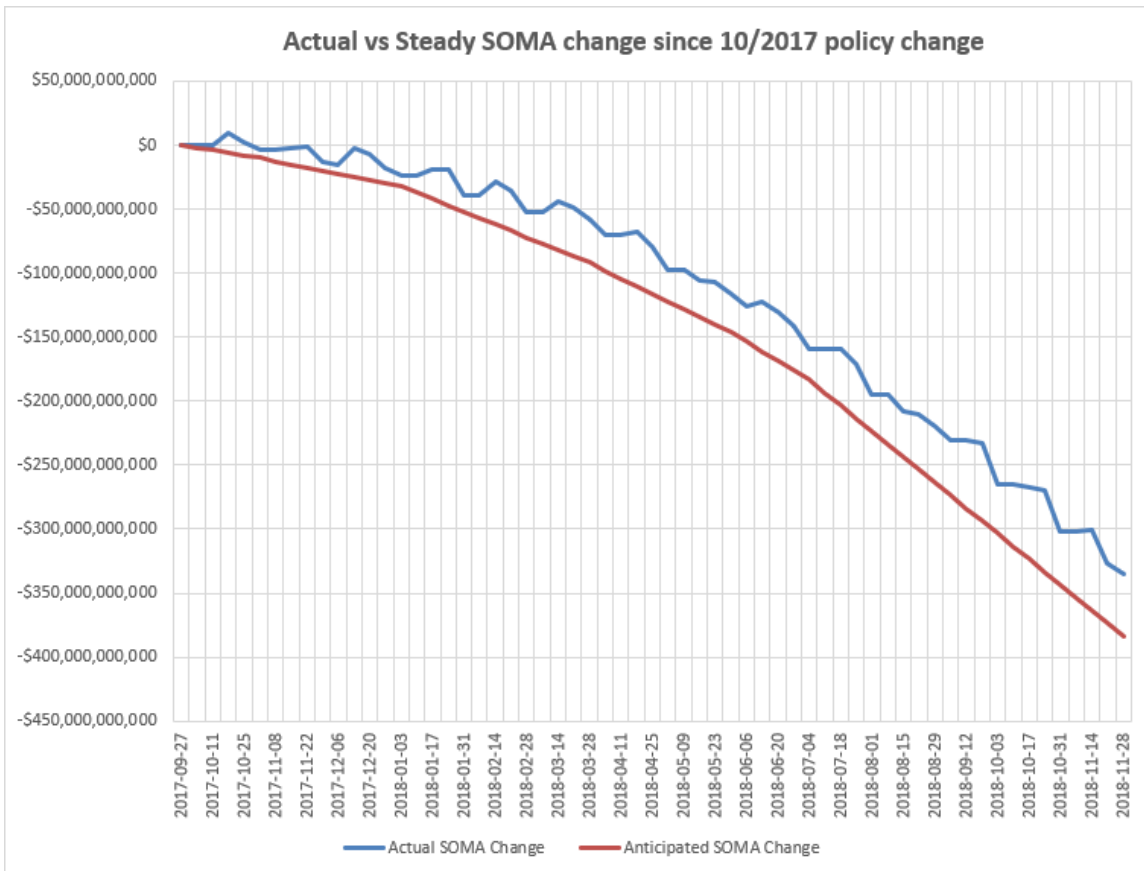
*Does not reflect inflation compensation of 22,154,388.5

**Fannie Mae, Freddie Mac and Federal Home Loan Bank

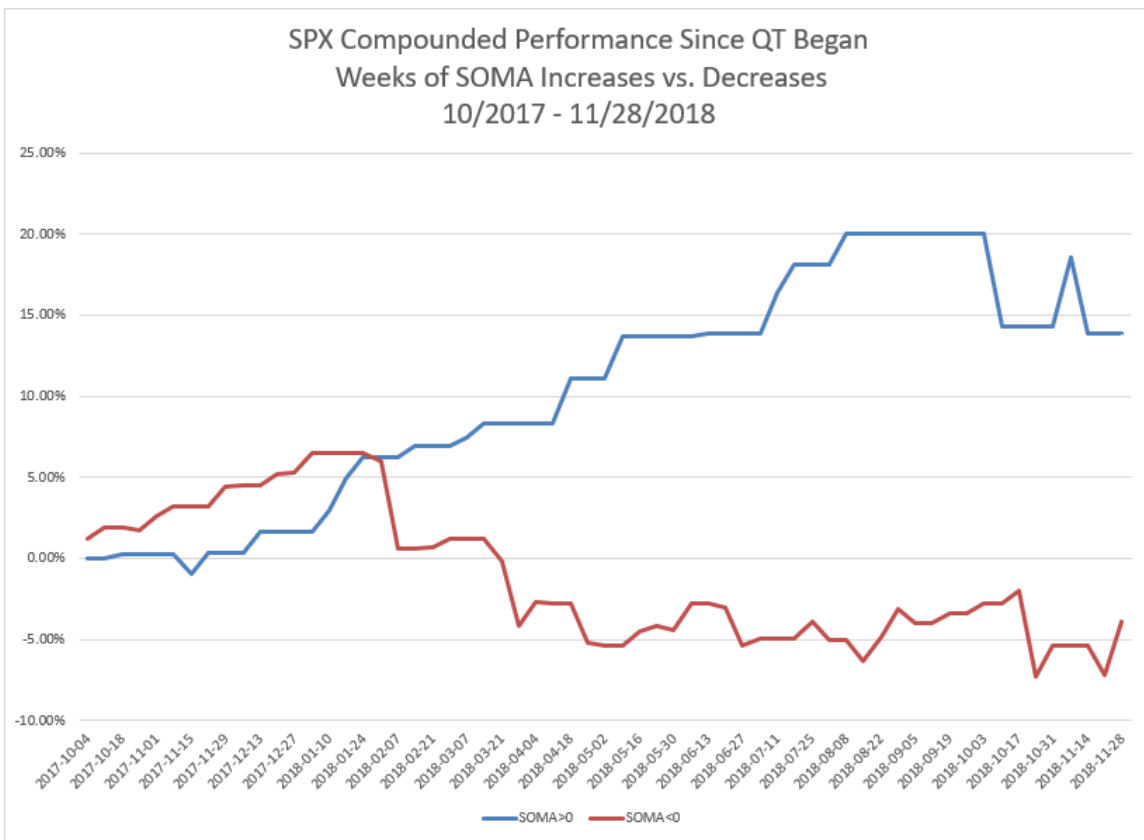
***Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. Current face value of the securities, which is the remaining principal balance of the securities.

Data posted on 11/29/2018 4:30pm.

And now a zoomed-in view since October comparing steady reductions to actual.



The Fed’s SOMA this past week (Wednesday to Wednesday) posted a decline of \$8 billion. The decline was in line with what we were expecting. Meanwhile, the SPX managed to rise 3.5% during the week ending 11/28. That is a strong rise – especially for a week in which the SOMA had a sizable contraction. The “Actual vs Steady” chart shows that the decline in the SOMA this past week was about average, with the Quantitative Tightening (QT) rate being \$50 billion / month. The market has typically encountered difficulty during SOMA contractions, and flourished when the SOMA has seen expansions. I discuss this in detail in the Fed-Based Quantifiable Edges for Stock Market Trading Research Paper. This next chart shows compounded results since QT began of being long SPX during SOMA expansion weeks vs SOMA contraction weeks. It is updated from last week.



You can see here the sharp contrast in expansion weeks versus contraction weeks over the last 14 months. Despite some recent struggles, expansion weeks (blue line) have seen strong gains. Meanwhile, weeks with QT (red line) have been net losers. Since October 2017 the blue “expansion week” strategy would have posted a 13.9% gain while the red “contraction week” strategy would have lost 3.9%. This past week’s rise saw the red line avoid a new low. So how might the next few weeks of QT play out? Let’s first look at the T-Note and T-Bond Maturity Table below, from the Fed’s website.

« As of 11/14/2018

DOMESTIC SECURITIES HOLDINGS AS OF
November 22, 2018

Summary T-Bills T-Notes and T-Bonds FRN TIPS Agencies						
Maturity Date	CUSIP	Coupon (%)	Par Value (in Thousands)	% of Total Outstanding ¹	Change in Par from Prior Week ²	Change in Par from Prior Year ²
11/30/18	912828U40	1.000	2,767,228.7	9.62%		
11/30/18	912828A34	1.250	5,652,000.0	16.15%		
11/30/18	912828RT9	1.375	16,496,968.3	54.42%		
12/31/18	912828U99	1.250	3,457,357.0	11.74%		
12/31/18	912828RY8	1.375	12,695,123.4	42.41%		
12/31/18	912828A75	1.500	2,057,000.0	5.88%		

We had a fairly sizable treasury expiration occur on Friday. And much of that expiration will roll off the books. So this week ending on 12/5 I expect to see another sizable QT number.

More notable about the table above is that the next treasury expiration does not occur until 12/31. And it is not a terribly large expiration either. The current Fed policy calls for rolling off up to \$30 billion per month in treasuries (and \$20 billion in AMBS). But December will only see about \$18 billion in treasuries expire. So it will be a light month for QT overall.

For the week ending the 12th, any QT will be due to AMBS securities coming off the books. Compared to treasuries, AMBS flows are a little more difficult to anticipate. This is because 1) amounts may vary depending on loan pre-payments, and 2) there is a lag of 1-3 months to settle. For those interested in details, AMBS policies and procedures are described in more detail at the Fed's website: <https://www.newyorkfed.org/markets/ambs-treasury-faq>. I have found that examining past months will often provide clues as to the flows we can anticipate during similar periods of the current month.

There has only been one other month since October 2017 where the reporting week ended on the 12th. That was in September, and it saw a slight rise in the SOMA. Weeks that ended on the 11th came in July, April and 10/17. July saw a slight rise to the SOMA

while the other two saw a slight decline. Both June and last December saw weeks end on the 13th, and both of those saw rises to the SOMA. Based on all this, it appears that the market will have a decent chance at a QT reprieve, and even a slight rise to the SOMA for the week starting Thursday and ending 12/12. This could be thrown off slightly by the market closure this upcoming Wednesday due to the national day of mourning in honor of President Bush.

Evidence remains mixed and fluid this week. With positive seasonality and the Golden Cross still hanging on, all 3 Market Timing Course combo signals remain long. And the FTD study from a few weeks ago remains active and bullish until we break the 10/29 intraday lows. But QT is a concern and the Death Cross is coming. The 2nd half of December is typically strong, and we could see a Santa rally take us into 2019. The lack of strong QT in December could also help out. But right now evidence is not overly compelling for either the bulls or the bears. I am keeping my bias neutral. This means I will not be very aggressive on either the long or the short side, but am willing to take trades in either direction if short-term reward/risk appears favorable.

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
<i>GE(1/3)</i>	<i>11/13/2018</i>	<i>\$7.99</i>	<i>\$7.66</i>	<i>-4.13%</i>		<i>sold on open</i>
<i>SPY(1/4)(S)</i>	<i>11/28/2018</i>	<i>\$274.58</i>	<i>\$273.81</i>	<i>0.28%</i>		<i>covered on open</i>

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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