

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 17, 2019

Volume 12 Issue 74

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Holy Thursday has historically shown a bullish tendency.

Short-term Outlook

The Bottom Line

Evidence still looks bullish for the next few days. But with the market again overbought versus the Differential calculation, the Aggregator is neutral. I am too.

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

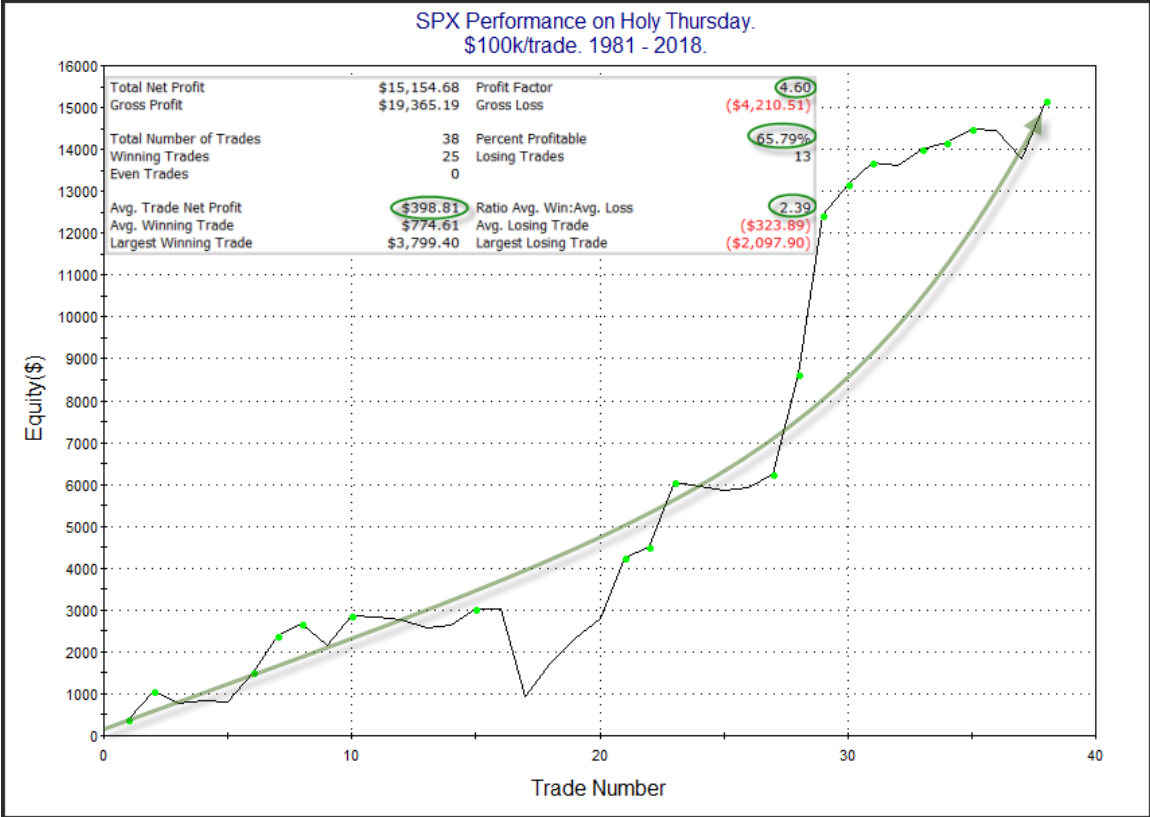
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
April 15, 2019	April Opex week bullish	1-3 days	Bullish			
Active - Long Term						
April 10, 2019	5 up to 50-high, then down 1	1-10 days	Bullish	1.90%	-1.00%	-2.10%
April 8, 2019	SPX > 200ma. RSI(2) > 99	1-15 days	Bullish	2.25%	-1.40%	-2.70%
April 2, 2019	Golden Cross	int term	Bullish			
March 4, 2019	NASDAQ up 10 weeks in a row	13 weeks	Bullish	11.70%	-2.10%	-4.40%
January 9, 2019	Up Issues > 70% for 3 days	1-85 days	Bullish			
January 2, 2019	NASDAQ leading	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			

The Evidence

Tuesday was mild moves up for the indices. The SPX gained 0.1%, the NASDAQ rose 0.3%, and the Russell 2000 climbed 0.2%. Breadth was positive as the NYSE Up Issues % was 53% and the Up Volume % came in at 58%. NYSE volume rose some from Monday's level.

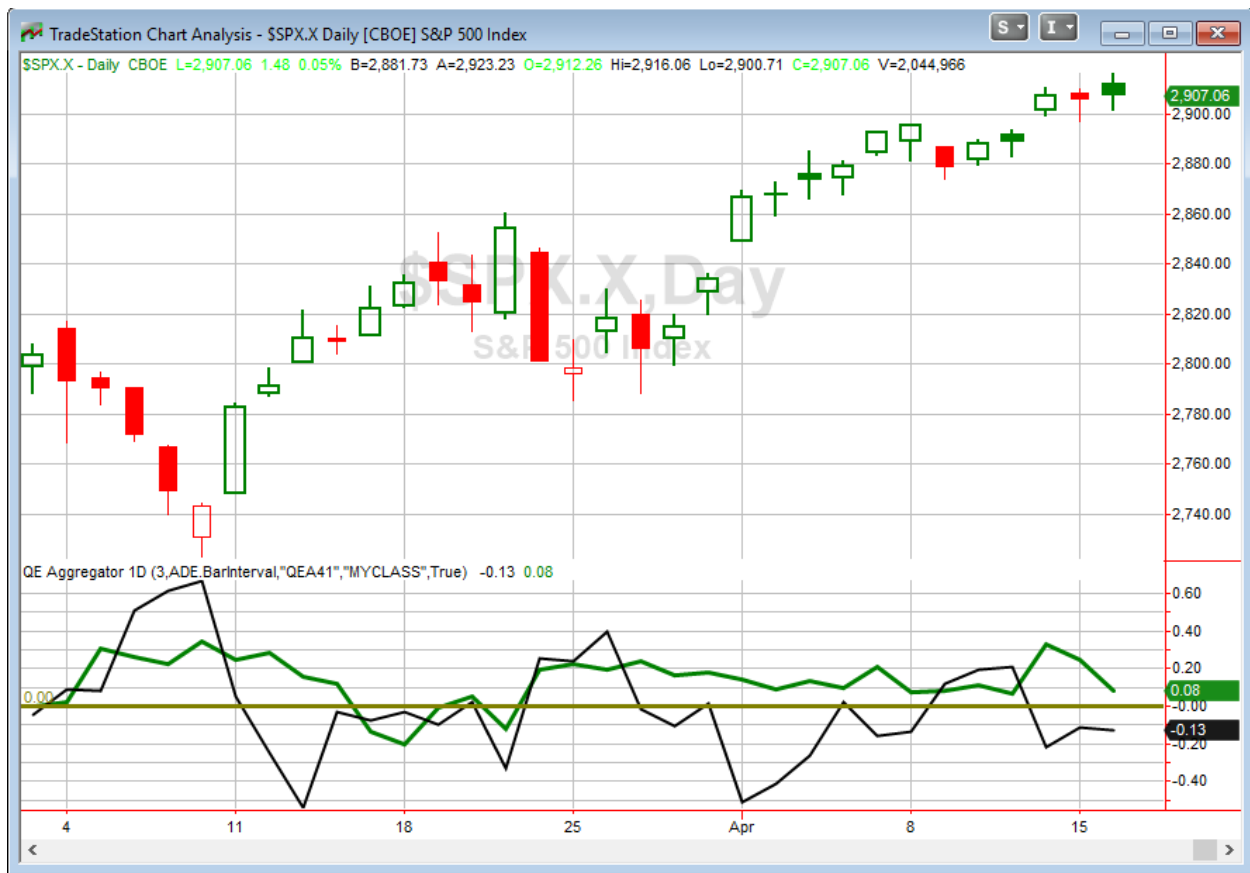
The mild creep higher again left me without much new evidence to consider. (I am ok with this since I prefer writing short letters when on vacation.) None of the Quantifinder studies triggered for Wednesday. But I did re-run the study below in anticipation of Holy Thursday coming up. It was last seen in the 3/29/18 letter.

Stock market performance leading up to and around many holidays has often been bullish. This is something I have written about several times over the years. Holy Thursday is one such day that has done quite well. I have shown Holy Thursday stats a few times in the past. The chart and statistics below are all updated through last year.



The stats are impressive, and so is the overall curve with new highs being made again last year. Perhaps the most impressive stat to me is that the up days have been 2.4x the size of the down days. This suggests people will often go into the long Easter weekend with enthusiasm. This study will be added to the Active List tomorrow evening for Thursday.

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



Without any new studies being added tonight, 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 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 zero. Therefore, the Aggregator signal stayed flat at the close.

Based on the current active studies, expectations are set to remain bullish on Wednesday. Of course, this could change if compelling new bearish evidence emerges. The Differential Pivot will be *inverted* at 2922.28 on Wednesday. That is 0.5% *above* Tuesday'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 close up over 0.5% in order to remain overbought. Anything short of that and it will be considered "oversold" vs expectations as of Wednesday's close.

Again tonight the Aggregator is neutral and I am as well. I don't love taking on new long index position with the SPX already overbought. And short evidence remains lacking. So like last night, I'll continue to wait until a more favorable reward/risk opportunity emerges.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/15 – bullish

The intermediate-term outlook was last updated in the 4/15/19 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

None

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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