

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 25, 2019

Volume 12 Issue 79

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling evidence emerged on Wednesday.

Short-term Outlook

The Bottom Line

The Aggregator formation is again neutral. I am too.

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

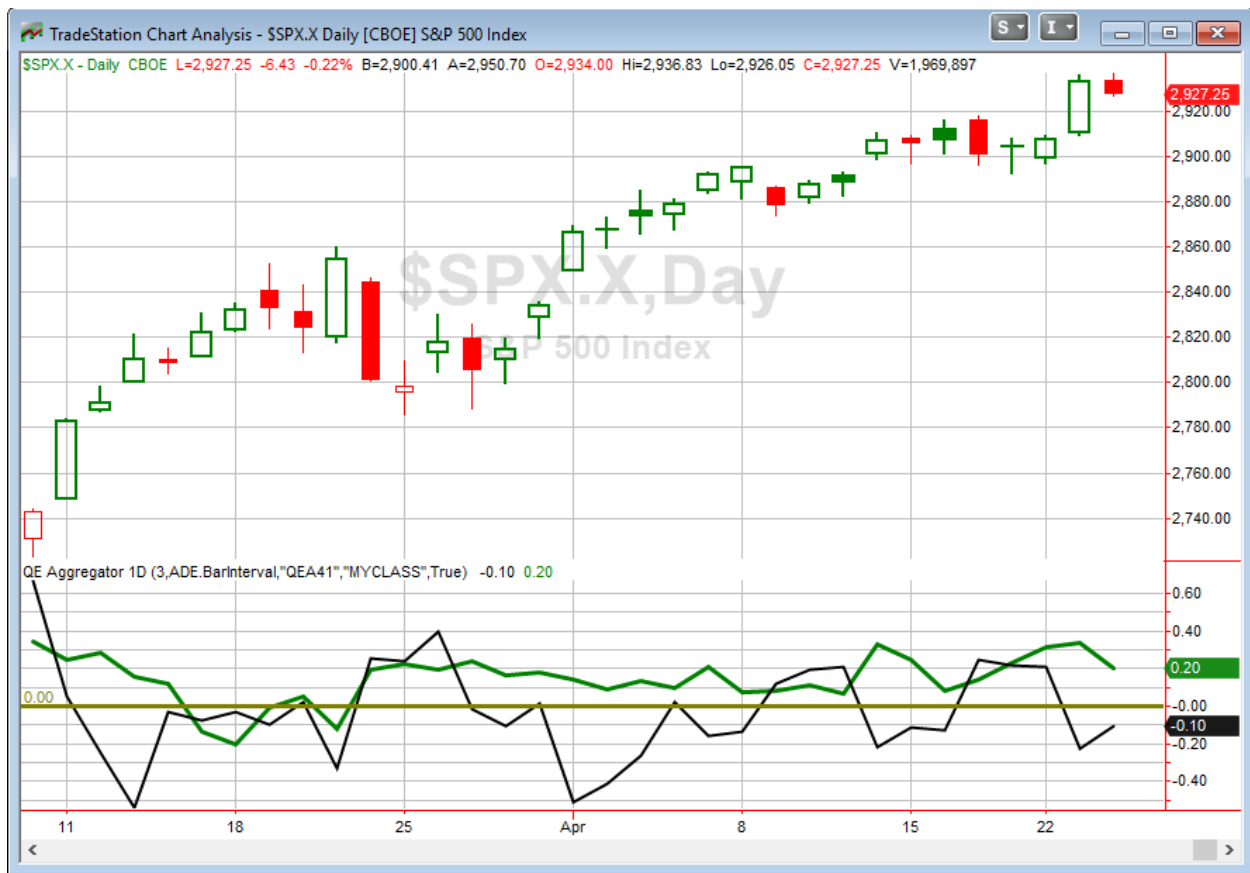
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
April 23, 2019	RUT down 3 days. SPX 3-day high	1-4 days	Bullish	2.30%	-0.60%	-1.30%
April 23, 2019	50-day high, then 5 closes inside rng	1-3 days	Bullish	1.10%	-0.70%	-1.40%
April 18, 2019	3-high, 3-low, 3-low close > 200ma	1-5 days	Bullish			
Active - Long Term						
April 24, 2019	SPX closes above 50-day Bollinger Bnd	1-50 days	Bullish	5.00%	-4.30%	-8.10%
April 23, 2019	RUT down 3 days. SPX 3-day high	1-10 days	Bullish	3.80%	-0.90%	-2.00%
April 23, 2019	50-day high, then 5 closes inside rng	1-10 days	Bullish	2.20%	-1.10%	-2.40%
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

After closing at new highs on Tuesday, Wednesday saw the market put in mixed results. The SPX and NASDAQ both declined 0.2%, while the Russell 2000 rose 0.2%. Breadth was also mixed as the NYSE Up Issues % was 50.2% and the Up Volume % came in at 37.5%. NYSE volume declined some from Tuesday's level.

The quiet pullback after Tuesday's new high day did nothing to trigger studies in the Quantifinder. Though I toyed with a few ideas, I was not overly surprised that I was not able to uncover anything compelling. A digestion day after a big up day is not unusual, and it is also not necessarily predictive. So I am going to keep it short tonight.

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



Without any new evidence to consider 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 Thursday. Of course, this could change if compelling new bearish evidence emerges. The Differential Pivot will be *slightly inverted at 2928.00* on Thursday. That is less than 1 point *above* Wednesday's close. An inverted pivot means the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up a little under 1 point in order to remain overbought. If it fails to do so, it will be considered "oversold" versus expectations as of Thursday's close.

So the Aggregator is again neutral. And while evidence continues to point higher, SPX is overbought, and new evidence based on Wednesday's action is lacking. I am not enthused about taking on new index positions with the current setup. I will continue to wait for a more compelling reward/risk scenario to emerge. With the current bullish studies and the inverted pivot, it could be as early as Thursday where we see a long-side edge emerge.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/22 – bullish

The intermediate-term outlook was last updated in the 4/22/19 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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