

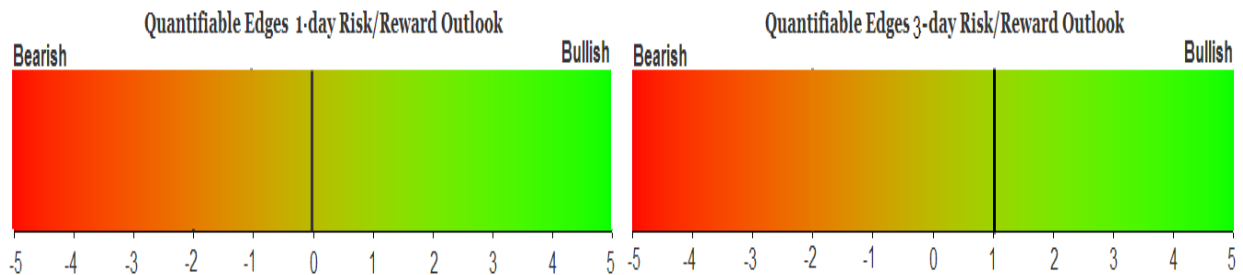
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 23, 2019

Volume 12 Issue 99

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	7

Tonight's Research Points

- No new compelling studies emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. With the CBI still somewhat elevated I still think reward/risk favors the bulls by a small amount. Similar to last night.

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

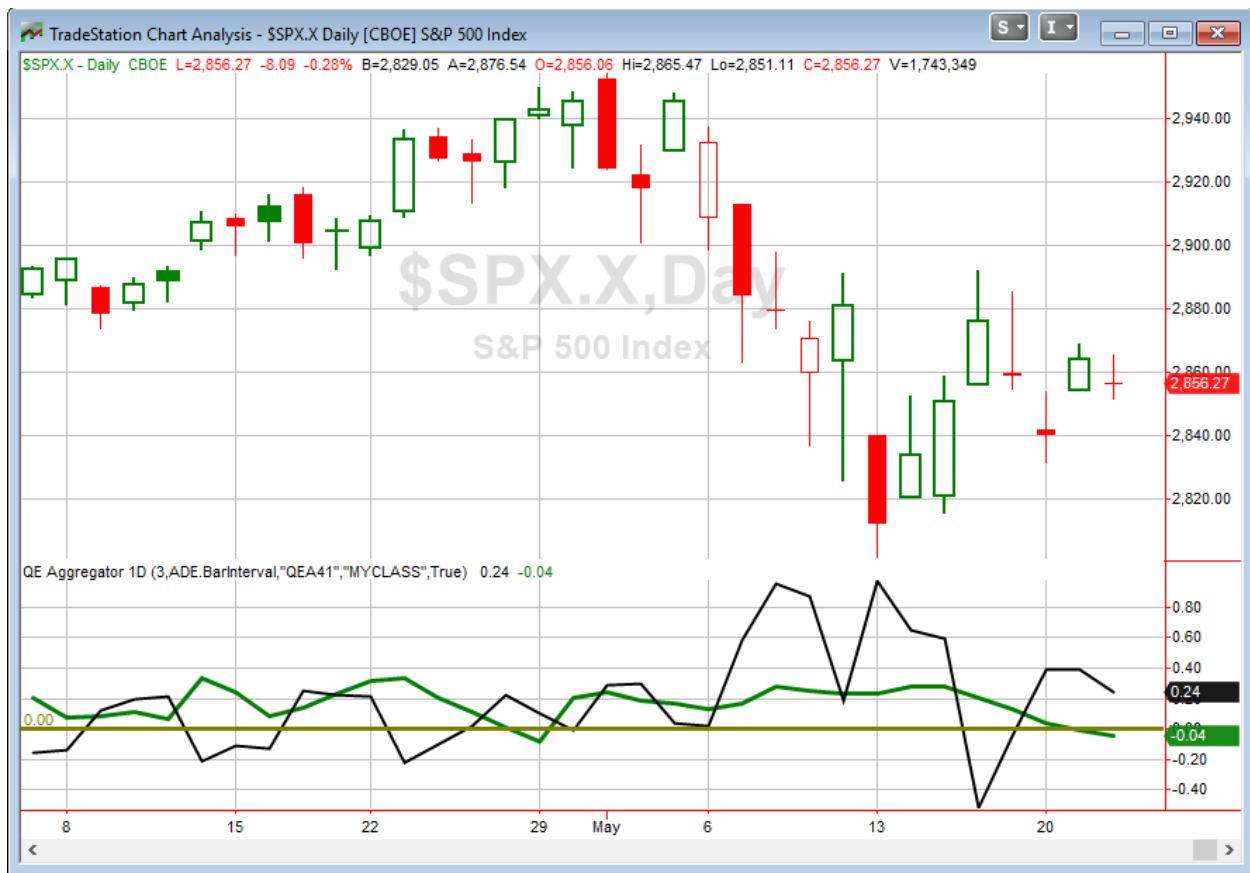
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
May 17, 2019	NDX up 1%. SOX down	1-6 days	Bearish			
May 17, 2019	3 up > 2%. HV 3/10 offset < 0.25	1-6 days	Bullish			
Active - Long Term						
May 17, 2019	3 up > 2%. HV 3/10 offset < 0.25	1-19 days	Bullish			
May 14, 2019	CBI 11+	1-17 days	Bullish			
May 13, 2019	20-low reversal day	1-10 days	Bullish	2.80%	-1.80%	-3.40%
May 8, 2019	1st 10-day low close in 30+ days	1-10 days	Bullish			
April 24, 2019	SPX closes above 50-day Bollinger Bnd	1-50 days	Bullish	5.00%	-4.30%	-8.10%
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%
October 1, 2018	Quantitative Tightening \$50billion/mo	int term	Bearish			

The Evidence

The market started off with a gap down. After a fair amount of wiggling around the indices finished lower. The SPX lost 0.3%, the NASDAQ declined 0.45%, and the Russell 2000 fell 0.9%. Breadth was negative as the NYSE Up Issues % was 38% and the Up Volume % came in at 31%. NYSE volume rose some from Tuesday's level.

I am going to keep the commentary brief tonight. I am not seeing anything compelling as far as new evidence is concerned. The Quantifinder is simply noting the VIX is a bit stretched to the downside, but that is not unusual when the market has recently undergone a bit of a scare. The market has been chopping around the last few days, and SPX is near the middle of its 10-day range, closing in the 60th percentile on Wednesday. Mid-range is often a place where few compelling studies emerge, and that is what we are seeing tonight. So nothing is being added to the active list.

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



Without any new short-term studies being added today, the green Aggregator Line remained below zero. Negative readings mean net expectations are for downside over the next few days. Meanwhile, the black Differential Line held above 0. The positive Differential Line reading means SPX is oversold versus recent expectations. So expectations are negative but SPX is oversold. 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 list of active studies, expectations are set to remain bearish on Thursday. This could easily change if new bullish evidence emerges. The Differential Pivot will be *inverted at* 2850.86 on Thursday. That is 0.2% *below* 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 close down at least 0.2% on Thursday in order to remain oversold versus expectations. Anything other than that and it will flip to "overbought" as of Thursday's close.

The situation is basically the same as last night. The Aggregator remains neutral. Though with the CBI still at 7, there may still be some upside left in the rebound from last week. I continue to hold the small long SPY position. But again, I will look to get out of it if SPX closes above the

Differential Pivot. I've been looking to hold onto it until the CBI returned to neutral, but that has been slow to happen, and I am not interested in holding if the Aggregator turns outright bearish.

Intermediate-term Outlook (2 weeks – 2 months) – updated 5/20 – somewhat bullish

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

OpenCatapult Triggers

INTC – 1/3 @ \$51.11 (bought @ limit)

INTC – 1/3 @ \$51.04 (bought @ limit)

INTC – 1/3 @ \$50.76 (bought @ limit)

MMM – 1/3 @ \$184.75 (bought @ limit)

MMM – 1/3 @ \$178.59 (bought @ limit)

MMM – 1/3 @ \$178.59 (bought @ limit)

BLK – 1/3 @ \$442.78 (buy @ limit) – *not filled – cancel for now*

Broad Market Large Cap CBI – 7(INTC-3, MMM-3, BLK)

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
INTC(1/3)	4/30/2019	\$51.00	\$44.00	-13.73%		Catapult
INTC(1/3)	5/1/2019	\$51.04	\$44.00	-13.79%		Catapult
INTC(1/3)	5/2/2019	\$50.76	\$44.00	-13.32%		Catapult
MMM(1/3)	5/3/2019	\$184.75	\$169.74	-8.12%		Catapult
SPY(1/4)	5/8/2019	\$287.53	\$285.63	-0.66%		<i>sell on SPX close >= 2850.86</i>
MMM(1/3)	5/9/2019	\$177.30	\$169.74	-4.26%		Catapult
MMM(1/3)	5/10/2019	\$175.02	\$169.74	-3.02%		Catapult

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

This report has been prepared by Quantifiable Edges, LLC and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy securities. While information contained herein is believed to be accurate at the time of publication, we make no representation as to the accuracy or completeness of any data, studies, or opinions expressed and it should not be relied upon as such. Robert Hanna, Quantifiable Edges, LLC or clients of Quantifiable Edges, LLC may have positions or other interests in securities (including derivatives) directly or indirectly which are the subject of this report. This report is provided solely for the information of Quantifiable Edges, LLC clients and prospects who are expected to make their own investment decisions without reliance upon this report. Neither Quantifiable Edges, LLC nor any officer or employee of Quantifiable Edges, LLC accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Quantifiable Edges, LLC.

Copyright © 2019 Quantifiable Edges, LLC.