

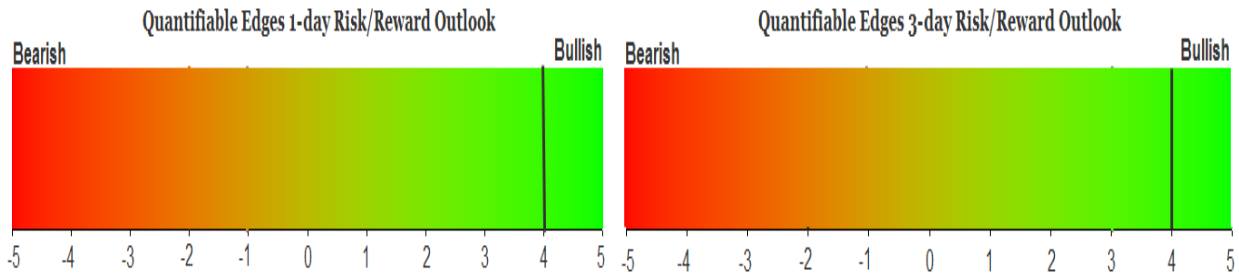
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 3, 2019

Volume 12 Issue 105

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	16

Tonight's Research Points

- The CBI is flashing strong signs of a bounce.
- This week (ending Wednesday) should see a decline in the SOMA, but a brief QT reprieve is likely to follow, which could put a brief breeze at the bulls backs.

Short-term Outlook

The Bottom Line

The Aggregator is bullish and 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						
June 3, 2019	CBI >= 10 and SPX 50-day low	1-5 days	Bullish	4.20%	-3.60%	-7.65%
May 30, 2019	20 low. Then gap dn & close < open > 200	1-5 days	Bullish	2.70%	-1.00%	-2.05%
Active - Long Term						
June 3, 2019	CBI >= 10 and SPX 50-day low	1-18 days	Bullish	7.10%	-4.30%	-8.20%
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			
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			
October 1, 2018	Quantitative Tightening	int term	Bearish			
Dropped Tonight						
March 4, 2019	NASDAQ up 10 weeks in a row	13 weeks	Bullish	11.70%	-2.10%	-4.40%

The Evidence

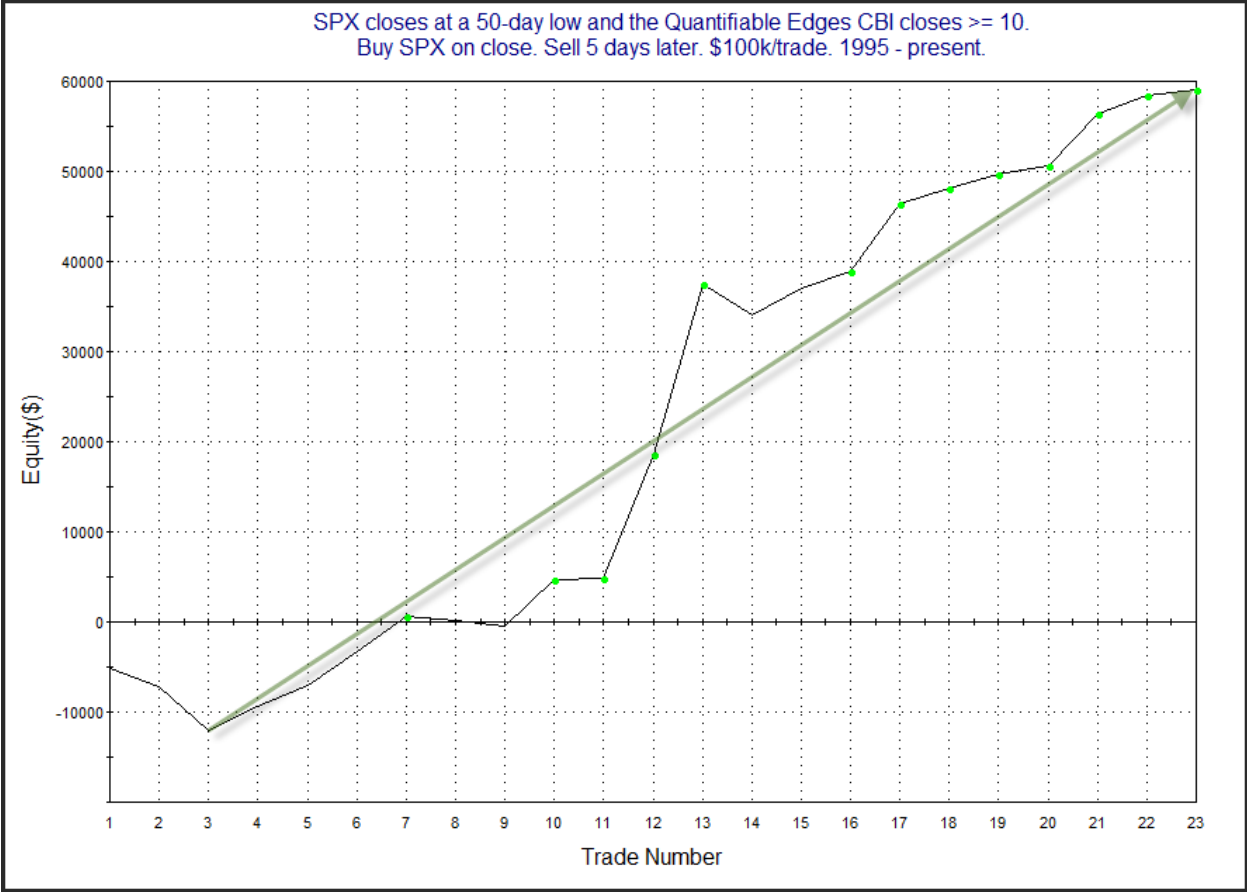
After a Thursday night Trump tweet about placing tariffs on Mexican goods, the market tumbled on Friday. The SPX fell 1.3%, the NASDAQ dropped 1.5%, and the Russell 2000 declined 1.35%. Breadth was negative as the NYSE Up Issues % was 31% and the Up Volume % came in at 23%. NYSE volume rose some from Thursday's level.

The most significant development of indicators we follow appears to be the large spike in the Quantifiable Edges Capitulative Breadth Indicator (CBI). After closing at a somewhat neutral 6 on Thursday, Friday saw the reading spike up to 16. As I discussed in detail in [the CBI Research Paper](#), spikes in the CBI to 10 or higher have been followed by bounces in SPX on a highly reliable basis. And the combination of a CBI spike along with an intermediate-term low in the SPX has been especially powerful. This can be seen in the study below.

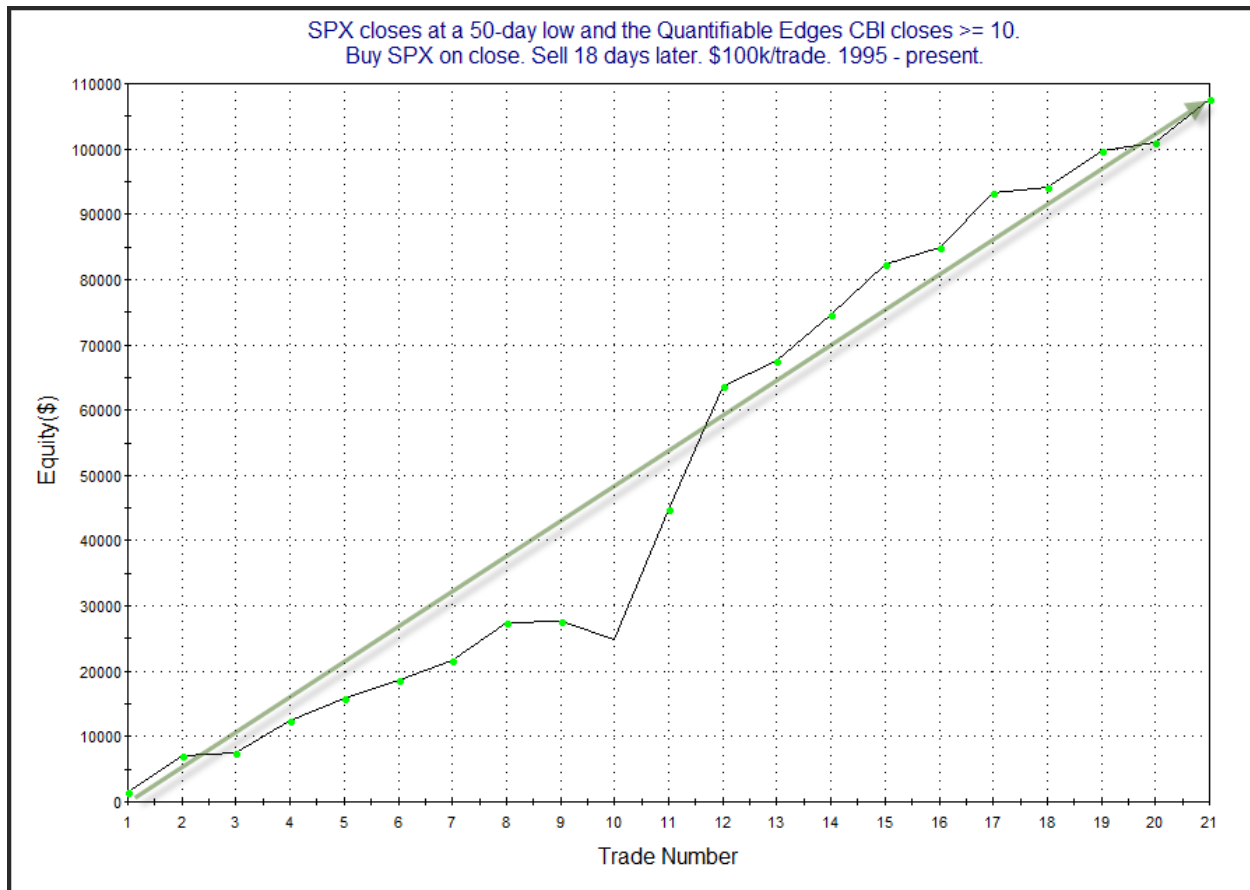
SPX closes at a 50-day low and the Quantifiable Edges CBI closes >= 10.
Buy SPX on close. Sell X days later. \$100k/trade. 1995 - present.

X Days	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
20	108,701.23	21	19	2	90.48	5,743.45	17,878.08	-212.15	-228.29	27.07	257.20	5,176.25
19	105,023.53	21	18	3	85.71	6,065.71	17,534.88	-1,386.42	-2,993.00	4.38	26.25	5,001.12
18	107,715.42	21	20	1	95.24	5,523.17	20,061.36	-2,748.00	-2,748.00	2.01	40.20	5,129.31
17	106,563.90	21	19	2	90.48	5,943.30	21,217.68	-3,179.43	-4,214.00	1.87	17.76	5,074.47
16	92,465.04	21	19	2	90.48	5,230.32	15,329.16	-3,455.52	-6,614.00	1.51	14.38	4,403.10
15	83,344.38	21	17	4	80.95	5,343.66	17,338.20	-1,874.45	-5,572.00	2.85	12.12	3,968.78
14	65,486.60	22	18	4	81.82	4,552.47	15,991.80	-4,114.46	-14,731.00	1.11	4.98	2,976.66
13	69,421.92	22	17	5	77.27	5,122.13	19,377.60	-3,530.87	-11,946.00	1.45	4.93	3,155.54
12	70,992.30	22	17	5	77.27	5,150.94	17,982.36	-3,314.74	-8,812.00	1.55	5.28	3,226.92
11	78,802.79	22	16	6	72.73	5,847.52	20,758.32	-2,459.58	-9,945.00	2.38	6.34	3,581.95
10	70,058.36	22	17	5	77.27	4,629.24	16,319.16	-1,727.75	-4,118.00	2.68	9.11	3,184.47
9	69,180.50	22	17	5	77.27	4,448.16	12,246.96	-1,287.65	-1,765.40	3.45	11.75	3,144.57
8	55,518.04	23	18	5	78.26	3,956.46	15,615.60	-3,139.66	-5,568.00	1.26	4.54	2,413.83
7	58,461.57	23	17	6	73.91	4,258.81	12,720.84	-2,323.02	-4,980.00	1.83	5.19	2,541.81
6	56,381.37	23	17	6	73.91	4,372.45	18,349.11	-2,991.71	-8,839.00	1.46	4.14	2,451.36
5	59,131.07	23	17	6	73.91	4,447.65	18,981.60	-2,746.48	-5,174.95	1.62	4.59	2,570.92
4	50,965.82	24	17	7	70.83	3,991.93	17,851.68	-2,413.85	-4,365.00	1.65	4.02	2,123.58
3	37,825.74	30	21	9	70.00	3,527.76	13,853.40	-4,028.58	-9,701.00	0.88	2.04	1,260.86
2	35,951.30	34	22	12	64.71	3,366.37	13,116.84	-3,175.73	-8,631.00	1.06	1.94	1,057.39
1	36,410.05	47	28	19	59.57	2,974.99	11,558.43	-2,467.88	-7,577.02	1.21	1.78	774.68

Over the next 1 day to 4 weeks the numbers suggest a strong upside edge. Below is a look at both the 5-day and 18-day profit curves.



After failing on the 1st 3 instances, the 5-day results have shown a strong, steady rise over the last 20 instances. Now the 18-day curve.



This has looked very impressive from the start, with only 1 instance ever failing, and the rest showing steady gains. These curves act as confirmation of the bullish numbers.

In the Quant Edges Swing Trading Course we have discussed how accelerations near a low area can be a sign of exhaustion for the decline. So I took the above study and added a requirement that today must be the biggest % drop of the last 10 days. Results of that can be seen below.

Quantifiable Edges CBI closes >= 10. SPX closes at a 50-day low on the biggest % drop in 10 days.
Buy SPX on close. Sell X days later. \$100k/trade. 1995 - present.

X Days	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
20	75,562.83	10	8	2	80.00	9,498.39	17,878.08	-212.15	-228.29	44.77	179.09	7,556.28
19	79,881.79	10	8	2	80.00	10,131.01	17,534.88	-583.14	-640.50	17.37	69.49	7,988.18
18	89,015.26	10	10	0	100.00	8,901.53	20,061.36	0.00	0.00	100.00	100.00	8,901.53
17	86,808.64	10	10	0	100.00	8,680.86	21,217.68	0.00	0.00	100.00	100.00	8,680.86
16	78,254.81	10	10	0	100.00	7,825.48	15,329.16	0.00	0.00	100.00	100.00	7,825.48
15	73,330.48	10	9	1	90.00	8,247.05	17,338.20	-893.00	-893.00	9.24	83.12	7,333.05
14	62,676.42	10	9	1	90.00	7,018.71	15,991.80	-492.00	-492.00	14.27	128.39	6,267.64
13	57,428.59	10	8	2	80.00	7,479.66	19,377.60	-1,204.35	-1,478.70	6.21	24.84	5,742.86
12	59,049.68	10	8	2	80.00	7,673.01	17,982.36	-1,167.19	-1,442.50	6.57	26.30	5,904.97
11	62,314.95	10	7	3	70.00	9,413.09	20,758.32	-1,192.24	-1,964.16	7.90	18.42	6,231.50
10	52,238.17	10	8	2	80.00	6,918.21	16,319.16	-1,553.77	-2,483.50	4.45	17.81	5,223.82
9	52,510.81	10	9	1	90.00	5,944.31	12,246.96	-988.00	-988.00	6.02	54.15	5,251.08
8	53,792.42	10	9	1	90.00	6,099.32	15,615.60	-1,101.50	-1,101.50	5.54	49.84	5,379.24
7	41,718.13	10	8	2	80.00	5,581.50	12,720.84	-1,466.92	-2,852.00	3.80	15.22	4,171.81
6	40,349.16	10	10	0	100.00	4,034.92	8,417.64	0.00	0.00	100.00	100.00	4,034.92
5	44,935.55	10	9	1	90.00	5,376.08	18,981.60	-3,449.18	-3,449.18	1.56	14.03	4,493.56
4	28,054.37	10	6	4	60.00	5,532.64	17,851.68	-1,285.37	-2,476.48	4.30	6.46	2,805.44
3	20,077.43	10	5	5	50.00	5,407.40	13,853.40	-1,391.92	-2,594.34	3.88	3.88	2,007.74
2	12,091.64	10	7	3	70.00	3,491.79	13,116.84	-4,116.96	-5,855.85	0.85	1.98	1,209.16
1	12,919.36	11	6	5	54.55	3,841.13	6,281.88	-2,025.49	-3,884.00	1.90	2.28	1,174.49

Instances are low, but these are some very impressive numbers. Over the next week the average gain was 4.5%, and the average 18-day move was an 8.9% gain. Below I have listed all 10 instances along with the 18-day performance.

Quantifiable Edges CBI closes ≥ 10 . SPX closes at a 50-day low on the biggest % drop in 10 days. Buy SPX on close. Sell 18 days later. \$100k/trade. 1995 - present.

Date/Time	Signal	Price	% Profit	Run-up Drawdown
8/31/1998	Buy	\$957.55	9.11%	\$11,289.20
9/25/1998	Sell	\$1,044.75		(\$1,825.20)
7/19/2002	Buy	\$847.75	8.48%	\$8,477.82
8/14/2002	Sell	\$919.62		(\$8,432.19)
11/20/2008	Buy	\$752.44	20.20%	\$21,966.12
12/17/2008	Sell	\$904.42		(\$1,453.32)
3/2/2009	Buy	\$700.82	18.84%	\$18,762.46
3/26/2009	Sell	\$832.86		(\$4,832.26)
5/20/2010	Buy	\$1,071.59	4.01%	\$4,384.95
6/16/2010	Sell	\$1,114.61		(\$2,865.33)
6/29/2010	Buy	\$1,041.24	7.08%	\$7,081.92
7/26/2010	Sell	\$1,115.01		(\$2,911.68)
8/8/2011	Buy	\$1,119.46	7.59%	\$9,901.25
9/1/2011	Sell	\$1,204.42		(\$1,594.88)
8/21/2015	Buy	\$1,970.89	0.98%	\$2,498.50
9/17/2015	Sell	\$1,990.20		(\$5,194.00)
10/24/2018	Buy	\$2,656.10	1.30%	\$5,884.85
11/19/2018	Sell	\$2,690.73		(\$1,944.72)
12/24/2018	Buy	\$2,351.10	11.99%	\$13,623.54
1/22/2019	Sell	\$2,632.90		(\$189.84)

The net results are quite impressive. But the setup did not always trigger an immediate and lasting bottom. The Christmas Eve 2018 trigger worked great, but other instances, like 2002 and 2015 saw quite a bit of drawdown before the rally emerged. So there is a strong chance of a rally on the way, but there may still be some pain to endure before that rally arrives.

Of course it was not just the price of SPX that saw a large acceleration on Friday. The CBI had an exceptional 1-day spike. A total of 10 or more is generally considered bullish. But Friday saw the CBI rise by 10 points on just that day. That is a very strong 1-day change. Below I examined all other instances where the CBI spiked by at least 10 points in 1 day.

Quantifiable Edges CBI rises at least 10 points today.
Buy SPX on close. Sell X days later. \$100k/trade. 1995 - present.

X Days	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
20	40,610.46	8	6	2	75.00	6,892.64	11,091.04	-372.68	-549.36	18.49	55.48	5,076.31
19	45,400.92	8	7	1	87.50	6,577.35	10,589.43	-640.50	-640.50	10.27	71.88	5,675.12
18	53,479.20	8	8	0	100.00	6,684.90	11,462.87	0.00	0.00	100.00	100.00	6,684.90
17	48,027.86	8	8	0	100.00	6,003.48	13,569.22	0.00	0.00	100.00	100.00	6,003.48
16	49,806.65	8	8	0	100.00	6,225.83	12,790.54	0.00	0.00	100.00	100.00	6,225.83
15	44,960.30	8	7	1	87.50	6,550.47	12,962.55	-893.00	-893.00	7.34	51.35	5,620.04
14	40,272.82	8	7	1	87.50	5,823.55	13,557.89	-492.00	-492.00	11.84	82.86	5,034.10
13	29,873.13	8	6	2	75.00	5,380.31	11,864.57	-1,204.35	-1,478.70	4.47	13.40	3,734.14
12	15,352.82	8	5	3	62.50	4,867.24	9,367.85	-2,994.46	-6,649.00	1.63	2.71	1,919.10
11	17,666.30	8	4	4	50.00	6,214.09	9,953.92	-1,797.52	-3,613.35	3.46	3.46	2,208.29
10	20,713.73	8	5	3	62.50	4,803.71	10,874.74	-1,101.61	-2,483.50	4.36	7.27	2,589.22
9	26,444.18	8	6	2	75.00	4,810.74	10,693.46	-1,210.13	-1,432.26	3.98	11.93	3,305.52
8	35,034.90	8	7	1	87.50	5,162.34	10,967.44	-1,101.50	-1,101.50	4.69	32.81	4,379.36
7	31,359.09	8	6	2	75.00	5,715.49	8,809.59	-1,466.92	-2,852.00	3.90	11.69	3,919.89
6	30,646.55	8	8	0	100.00	3,830.82	7,493.25	0.00	0.00	100.00	100.00	3,830.82
5	30,822.74	8	8	0	100.00	3,852.84	7,739.42	0.00	0.00	100.00	100.00	3,852.84
4	10,546.62	8	4	4	50.00	3,315.12	5,439.43	-678.46	-1,087.43	4.89	4.89	1,318.33
3	16,840.05	8	5	3	62.50	4,275.65	9,601.81	-1,512.74	-2,513.78	2.83	4.71	2,105.01
2	20,380.27	10	8	2	80.00	3,924.95	10,183.87	-5,509.67	-5,855.85	0.71	2.85	2,038.03
1	27,117.25	12	8	4	66.67	4,595.32	11,558.43	-2,411.32	-3,884.00	1.91	3.81	2,259.77

Some very strong numbers here. Over the next week the average instance gained 3.85%, and the average 18-day % gain was 6.7%. Below is a look at all the individual instances.

Quantifiable Edges CBI rises at least 10 points today.
Buy SPX on close. Sell 5 days later. \$100k/trade. 1995 - present.

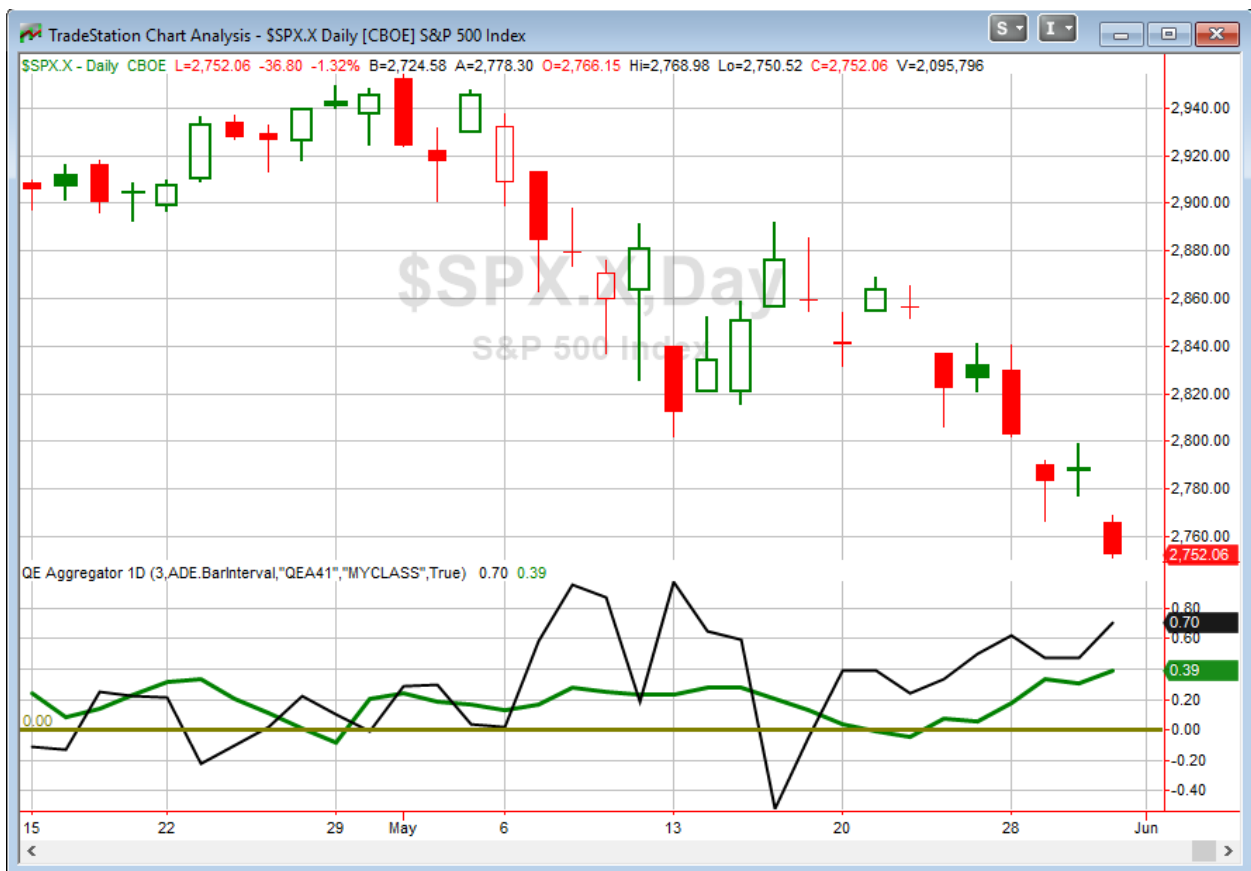
Date/Time	Signal	Price	% Profit	Run-up Drawdown
8/31/1998	Buy	\$957.55	6.88%	\$6,853.60
9/8/1998	Sell	\$1,023.45		(\$1,825.20)
9/21/2001	Buy	\$965.80	7.78%	\$7,739.42
9/28/2001	Sell	\$1,040.94		\$0.00
7/19/2002	Buy	\$847.75	0.60%	\$746.46
7/26/2002	Sell	\$852.84		(\$8,432.19)
10/9/2008	Buy	\$909.92	4.01%	\$14,648.51
10/16/2008	Sell	\$946.43		(\$7,643.08)
5/20/2010	Buy	\$1,071.59	2.94%	\$2,969.49
5/27/2010	Sell	\$1,103.06		(\$2,865.33)
8/8/2011	Buy	\$1,119.46	7.60%	\$7,567.67
8/15/2011	Sell	\$1,204.49		(\$1,594.88)
8/21/2015	Buy	\$1,970.89	0.91%	\$1,129.50
8/28/2015	Sell	\$1,988.87		(\$5,194.00)
2/5/2018	Buy	\$2,648.94	0.27%	\$2,913.01
2/12/2018	Sell	\$2,656.00		(\$4,301.25)

Like the last test, the bounces have typically been strong, but they have not always been immediate. 2002, 2008, and 2015 all show some additional scaring selling before the big reversal arrived.

However I look at it, the CBI spike is suggesting a strong bounce is on the way. But it may not be a smooth ride.

I'll also note that news of a government antitrust suit against Google could add a little more fuel to the bearish fire on Monday. The worst should arrive soon. But it may not be here immediately.

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



With the CBI spike now under consideration, the green Aggregator Line moved further above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile, the black Differential Line is also far above 0. The positive Differential Line reading means SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator signal stayed long at the close.

Based on the current list of active studies, expectations are set to remain bullish on Monday. It would take some very compelling bearish evidence in order to change this. The Differential Pivot will be 2798.15 on Monday. That is 1.7% above Friday's close. Therefore, SPX would need to close up a 1.7% on Monday in order to flip from oversold to overbought versus expectations.

So the Aggregator is showing a strong bullish formation. Evidence is pointing to a sharp move higher, but perhaps not before additional pain arrives. I am partially long. I may look to up my index exposure on Monday if there is a large gap down at the open or a weak close. Of course I will also be adding some Catapult trade ideas from the spiking CBI. I'll also note that if a big reversal does not arrive on Monday, we could see the CBI continue to rise very quickly. A move to 26 or 30 or even a little more could occur on Monday with even a moderate amount of additional selling. Traders looking to take advantage of the potential upside reversal may want to consider either a scale-in approach or taking a day-trade type approach to time their entry. It's a scary market, but it is also highly likely that we see a sizable bounce arrive fairly soon.

Intermediate-term Outlook (2 weeks – 2 months) – updated 6/3– somewhat bullish

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

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 saw no changes to the Combo System statuses.*

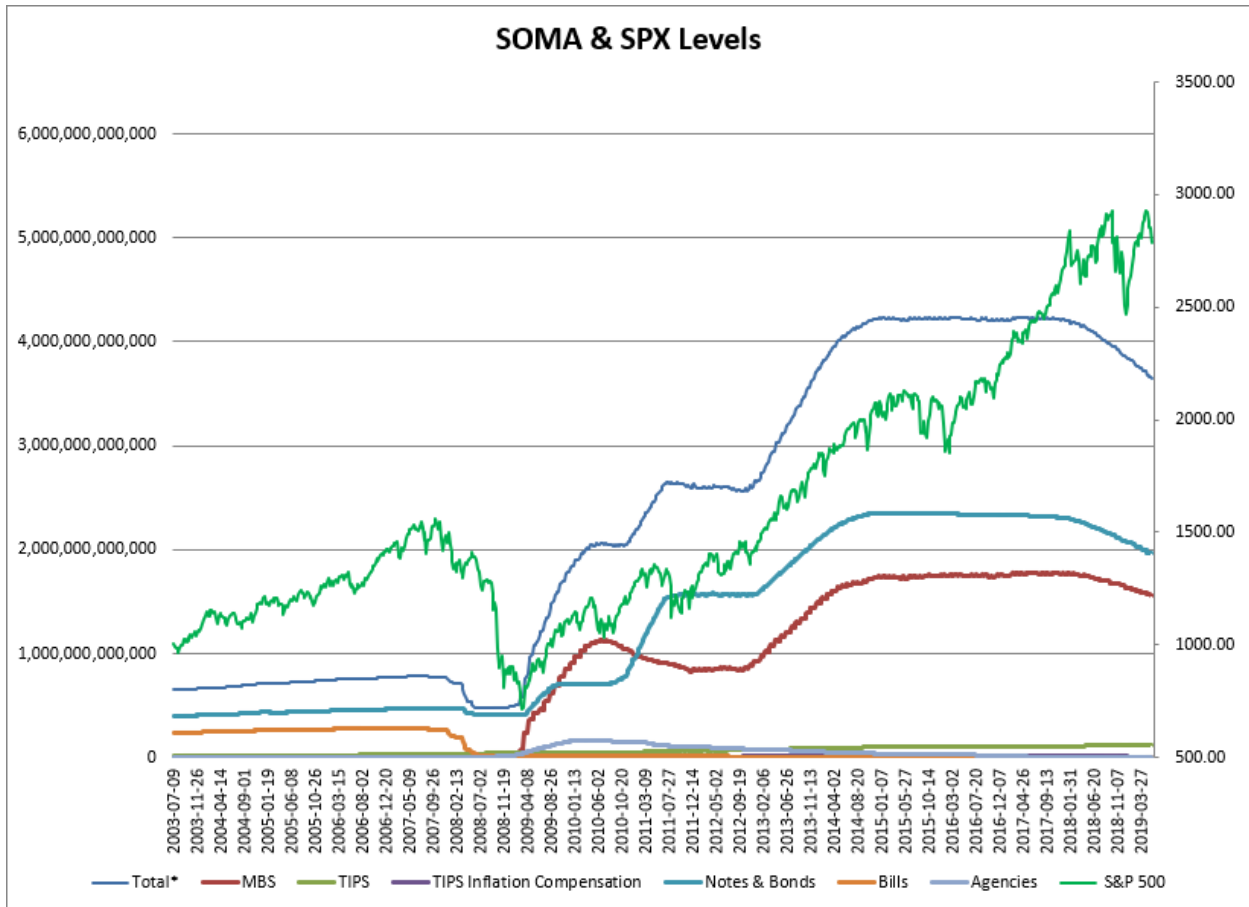
This was the 4th down week in a row for most of the major indices (6th for the Dow). SPX finished the week down 2.6%, the NASDAQ fell 2.4% and the Russell 2000 declined 3.2%. While the Golden Cross is still in effect, the SPX and NASDAQ both fell below their 200-day moving averages. The uptrend is certainly now in doubt.

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. 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.

« As of 05/22/2019

DOMESTIC SECURITIES HOLDINGS AS OF

May 29, 2019

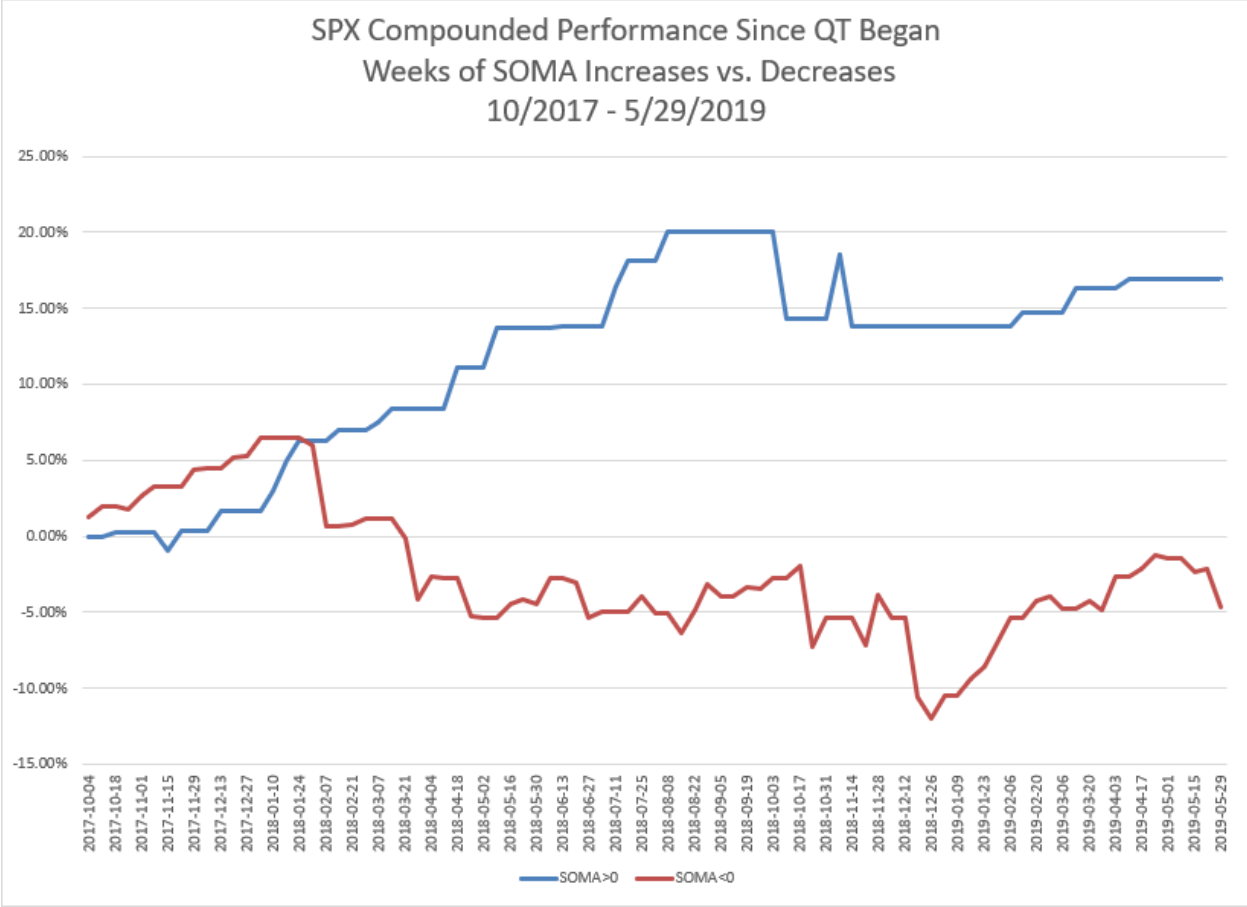
Security Type	Total (in Thousands)
US Treasury Bills (T-Bills)	50,000.0
US Treasury Notes and Bonds (Notes/Bonds)	1,963,636,766.7
US Treasury Floating Rate Notes (FRN)	12,928,660.3
US Treasury Inflation-Protected Securities (TIPS)*	115,360,957.4
Federal Agency Securities**	2,347,000.0
Agency Mortgage-Backed Securities***	1,555,405,270.6
Total SOMA Holdings	3,649,728,655.0
Change From Prior Week	-9,022,509.0

*Does not reflect inflation compensation of 22,767,445.7
**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 05/30/2019 4:30pm.

The Fed's SOMA this past week (Wednesday to Wednesday) saw a decline of \$9 billion. This in-line with expectations. Meanwhile the SPX fell 2.6% over this same time period. That is a sizable decline, even for a week in which there was a large SOMA contraction.

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 year and a half. Despite some brief struggles last September and October, expansion weeks (blue line) have seen strong gains. Meanwhile, weeks with QT (red line) have been net losers, though the chart has recovered quite a bit since Christmas. Since October 2017 the blue “expansion week” strategy would have posted a 17.0% gain while the red “contraction week” strategy would have lost 4.7%. That is a substantial difference in performance. So how might the next few weeks of Quantitative Tightening (QT) play out? Let’s first look at the T-Note and T-Bond Maturity Table below, from the Fed’s website.

« As of 05/22/2019

DOMESTIC SECURITIES HOLDINGS AS OF
May 29, 2019

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
5/31/19	912828SX9	1.125	16,864,388.8	58.15%		
5/31/19	912828XS4	1.250	3,127,905.4	10.74%		
5/31/19	912828WL0	1.500	64,464.5	0.18%		
6/30/19	912828TC4	1.000	18,152,081.7	61.96%		
6/30/19	912828XV7	1.250	3,160,424.3	10.84%		
6/30/19	912828WS5	1.625	150,000.0	0.43%		
7/15/19	912828S43	0.750	1,563,173.6	6.11%		

We see here the next bunch of treasuries are not due to expire until June 30th, when we will see a \$21 billion expiration. The Fed is only going to abstain from rolling over \$15 billion of treasuries this month, and it appears it will all happen at the end of the month.

Weeks where there are no treasuries expiring, 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.

Of course with the large treasury expiration that happened on the 31st, this Wednesday's report will show a decline in the SOMA. But since the beginning of 2018, weeks ending on or near the 12th have almost always either shown a rise in the SOMA, or come in breakeven. So there appears there is a good chance of a QT reprieve coming up here, which could also provide some aid to the bulls.

Bullish evidence has become more moderate. And the long-term trend is now in doubt. Still we are seeing some bullish studies, including the CBI studies shown in the short-term section today. But concerns remain. The Hindenburg Omen signals discussed last week are a warning sign that we'll need to continue to monitor. The NASDAQ continues to lag. And of course the current QT policy remains a concern, though it is only going to last a few months longer. I still think the bulls have the upper hand, but not by much. I will remain "somewhat bullish". That could change to neutral in the coming weeks if we do not get an impressive bounce. In general, the somewhat bullish outlook means I will be a bit more aggressive with long than short opportunities for the time being.

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

OpenCatapult Triggers

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 (bought @ limit)
NVDA – 1/3 @ \$139.11 (bought @ limit)
BK – 1/3 @ \$43.25 (bought @ limit)

New

NVDA – 1/3 @ \$135.46 (buy @ limit)
BK – 1/3 @ \$42.69 (buy @ limit)
HAL – 1/3 @ \$21.29 (buy @ limit)
IBM – 1/3 @ \$126.99 (buy @ limit)
MS – 1/3 @ \$42.69 (buy @ limit)
OXY – 1/3 @ \$49.77 (buy @ limit)
SLB – 1/3 @ \$34.69 (buy @ limit)
SPG – 1/3 @ \$162.09 (buy @ limit)
WBA – 1/3 @ \$49.34 (buy @ limit)
XOM – 1/3 @ \$70.77 (buy @ limit)

Broad Market Large Cap CBI – 16(MMM-3, BLK, NVDA-2, BK-2, HAL, IBM, MS, OXY, SLB, SPG, WBA, XOM)

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.

SPY – Buy ¼ index position @ \$274.25 LIMIT ON OPEN. If not filled on open, cancel order and look to buy @ \$274.70 LIMIT ON CLOSE. Based on the short-term outlook above, I will look to take on a 3rd lot of SPY if it gaps down large or closes down a decent amount on Monday.

I will be looking to enter the following Catapults:

NVDA – 1/3 @ \$135.46 (buy @ limit)
BK – 1/3 @ \$42.69 (buy @ limit)
HAL – 1/3 @ \$21.29 (buy @ limit)
IBM – 1/3 @ \$126.99 (buy @ limit)
MS – 1/3 @ \$42.69 (buy @ limit)
OXY – 1/3 @ \$49.77 (buy @ limit)
SLB – 1/3 @ \$34.69 (buy @ limit)
SPG – 1/3 @ \$162.09 (buy @ limit)
WBA – 1/3 @ \$49.34 (buy @ limit)
XOM – 1/3 @ \$70.77 (buy @ limit)

Note the Catapults could continue to spike dramatically if selling continues in the next few days. One way I have looked to manage exposure in the past with Catapults is to set a max positions per day. For instance, with 10 signals, if someone only wanted to take on the amount of exposure they would typically allocate to 5, then they could take positions that are 50% smaller than usual.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
MMM(1/3)	5/3/2019	\$184.75	\$159.75	-13.53%		Catapult
SPY(1/4)	5/8/2019	\$287.53	\$275.27	-4.26%		Aggregator
MMM(1/3)	5/9/2019	\$177.30	\$159.75	-9.90%		Catapult
MMM(1/3)	5/10/2019	\$175.02	\$159.75	-8.72%		Catapult
BLK(1/3)	5/29/2019	\$426.39	\$415.56	-2.54%		Catapult
SPY(1/4)	5/29/2019	\$278.27	\$275.27	-1.08%		Aggregator
NVDA(1/3)	5/31/2019	\$137.14	\$135.46	-1.23%		Catapult
BK(1/3)	5/31/2019	\$42.58	\$42.69	0.26%		Catapult

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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