

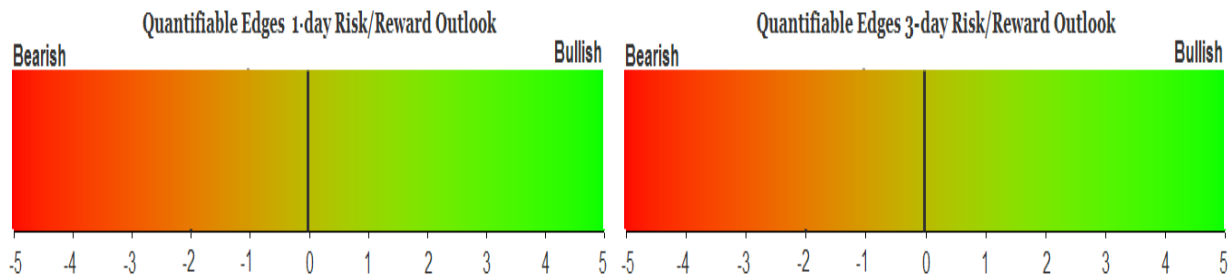
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 19, 2019

Volume 12 Issue 117

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- The strong move up on Tuesday seems to have eliminated a potentially bullish Fed Day edge.

Short-term Outlook

The Bottom Line

The Aggregator is neutral and so am I.

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

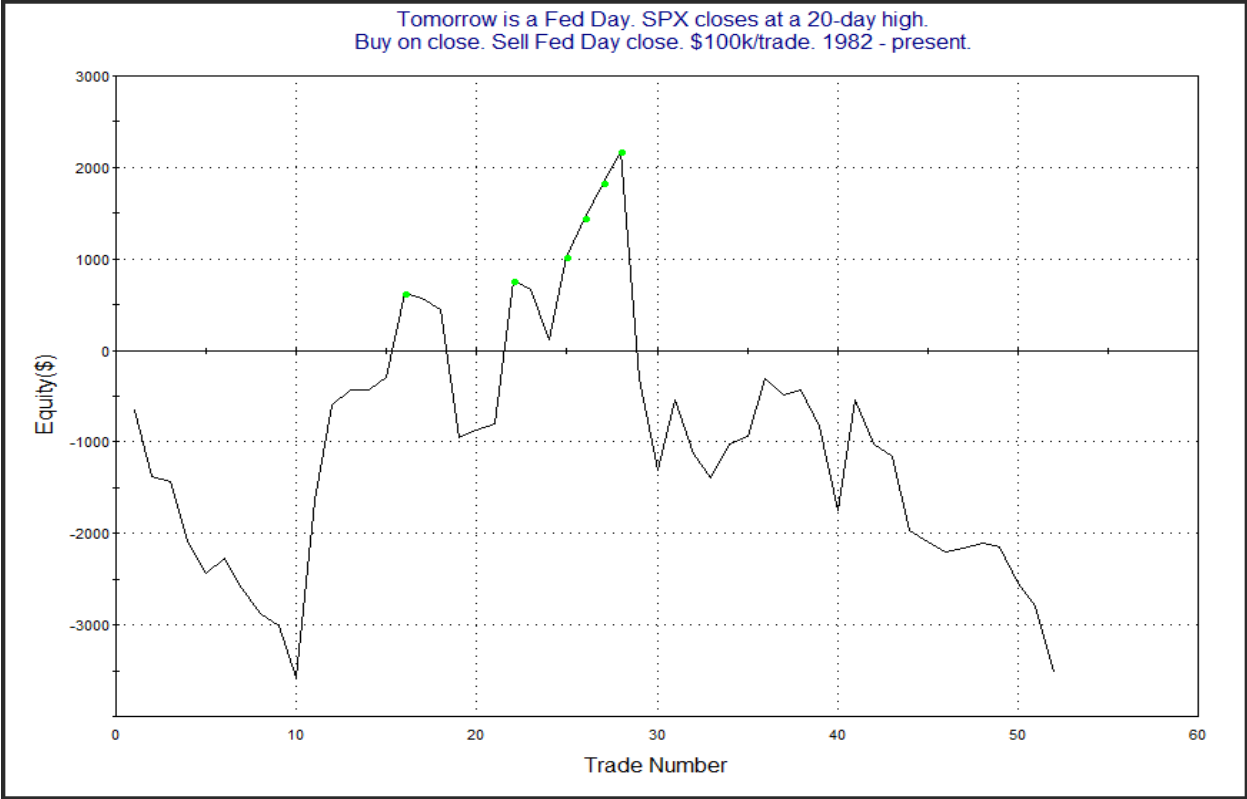
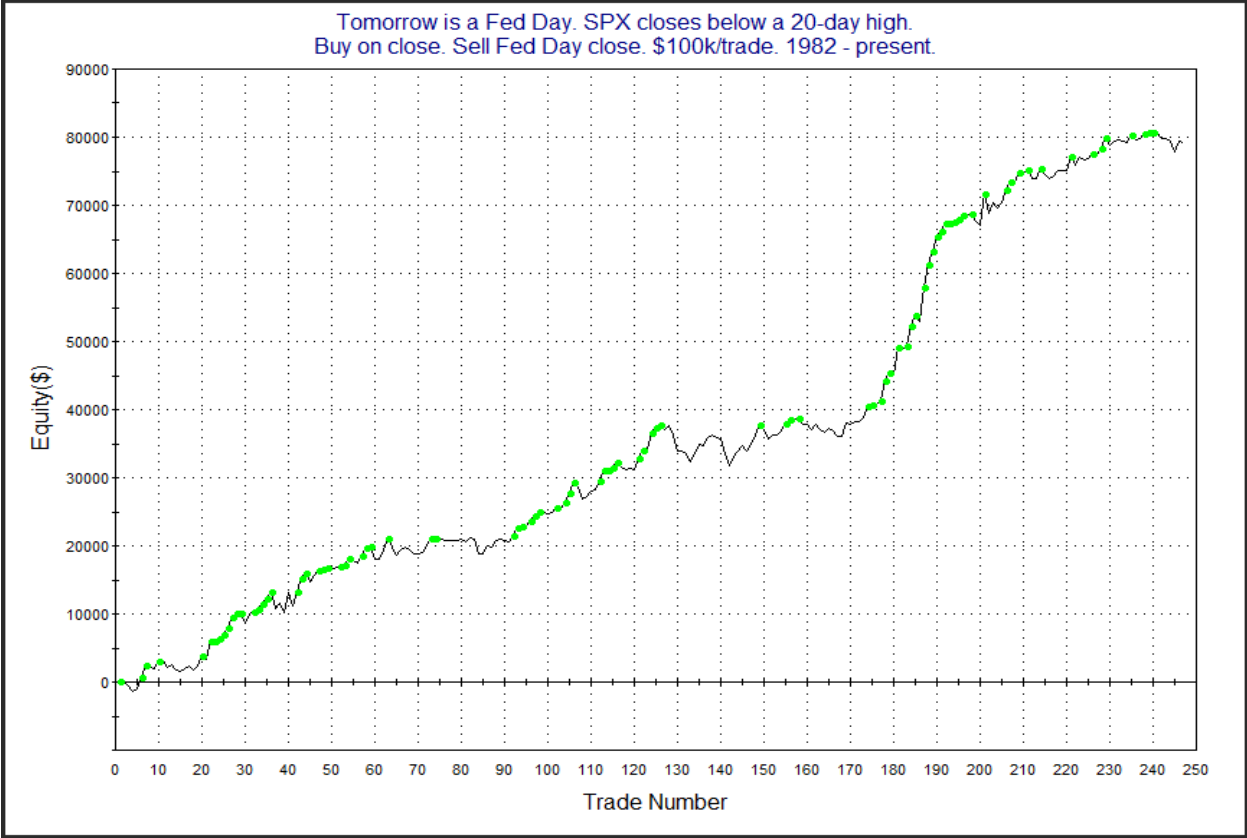
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
June 11, 2019	Up 5 > 200 < 50-high	1-15 days	Bullish	3.00%	-1.70%	-3.20%
June 5, 2019	20-day low to 4-day high	1-20 days	Bullish	3.70%	-2.10%	-4.40%
June 3, 2019	CBI >= 10 and SPX 50-day low	1-18 days	Bullish	7.10%	-4.30%	-8.20%
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			

The Evidence

Trump tweeted that China wants to make a trade deal , and the market jumped higher. The SPX finished up 1.0%, the NASDAQ gained 1.4%, and the Russell 2000 rose 1.1%. Breadth was positive as the NYSE Up Issues % was 71% and the Up Volume % came in at 80%. NYSE volume declined rose from Monday's level.

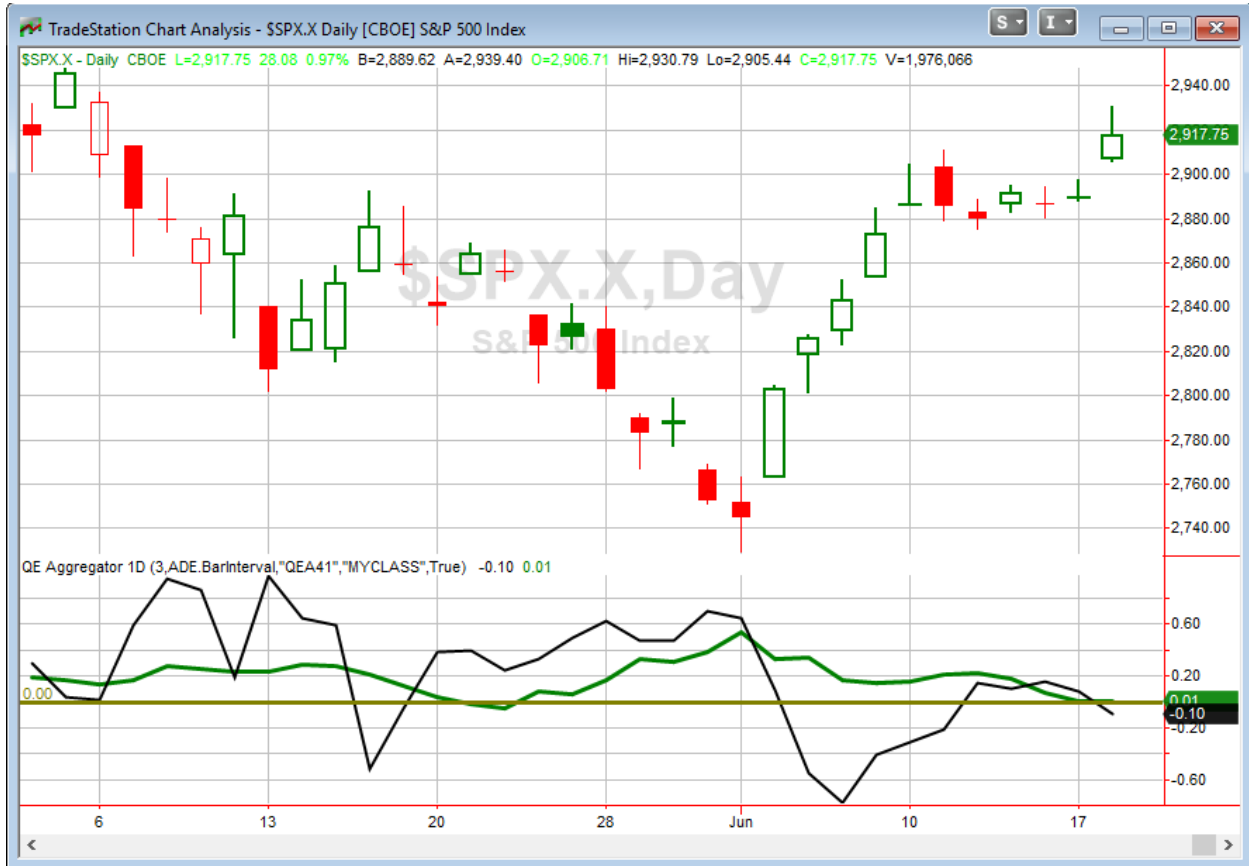
The timing of Trump's tweets has been poor for my trading. I took a long position a little ahead of the Mexican tariff tweet. Ultimately, that trade worked out, but a bit later would have been much better. And now on a day where I was looking to hopefully get in at the end of the day, Trump tweets positive news and sends the market much higher and out of my entry range. So it has been a bit frustrating, but that happens sometimes when you're a trader.

As I mentioned last night, Wednesday is a Fed Day. Fed Days have historically shown an upside tendency. I have documented this tendency in great detail over the years. Based on what the market did Tuesday, this does not seem to be the most favorable Fed Day setup. A big reason for this is that SPX closed at a 20-day high on Tuesday. Fed Day bullishness has often occurred when a Fed announcement has helped to alleviate market stress. When the market closes at a 20-day high, it typically means there isn't a lot of worry present. Under these circumstances, the upside inclination has also not been present. I last showed this in the 6/13/18 subscriber letter. Below are charts that compare Fed Days that close below 20-day highs to those that close at 20-day highs.



The new high on Tuesday appears to eliminate the bullish Fed Day edge. And if it continues to head lower in this manner I may need to begin viewing it as a bearish setup.

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



Even without the Fed Day setting up as we hoped, 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 dropped 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 turned flat at the close.

The short-term list of active studies is bare, but the intermediate term list is keeping expectations mildly positive. Expectations over the next few days will be greatly impacted by any new studies that emerge. The Differential Pivot will be 2900.47 on Wednesday. That is 0.6% below Tuesday's

close. Therefore, SPX will need to close down at least 0.6% on Wednesday to flip from overbought to oversold vs recent expectations.

The aggregator is neutral, the current market set up does not appear to suggest a strong edge, and The Fed announcement on Wednesday is a wild card that could produce volatility in either direction. This is not a I probability situation where I would confidently be taking positions. I am flat right now, but things can quickly change and I will remain vigilant and prepared for the next compelling opportunity.

*Intermediate-term Outlook (2 weeks – 2 months) – **updated 6/17– somewhat bullish***

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 tonight

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.