

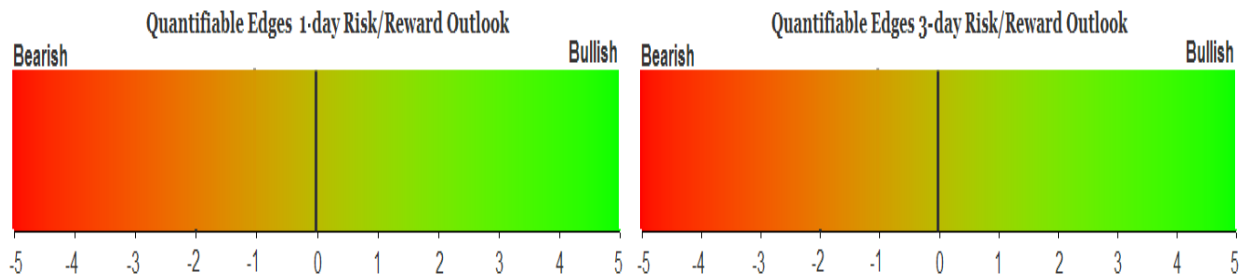
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 12, 2019

Volume 12 Issue 133

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No compelling new short-term evidence emerged.

Short-term Outlook

The Bottom Line

The Aggregator is now neutral, and I am too.

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

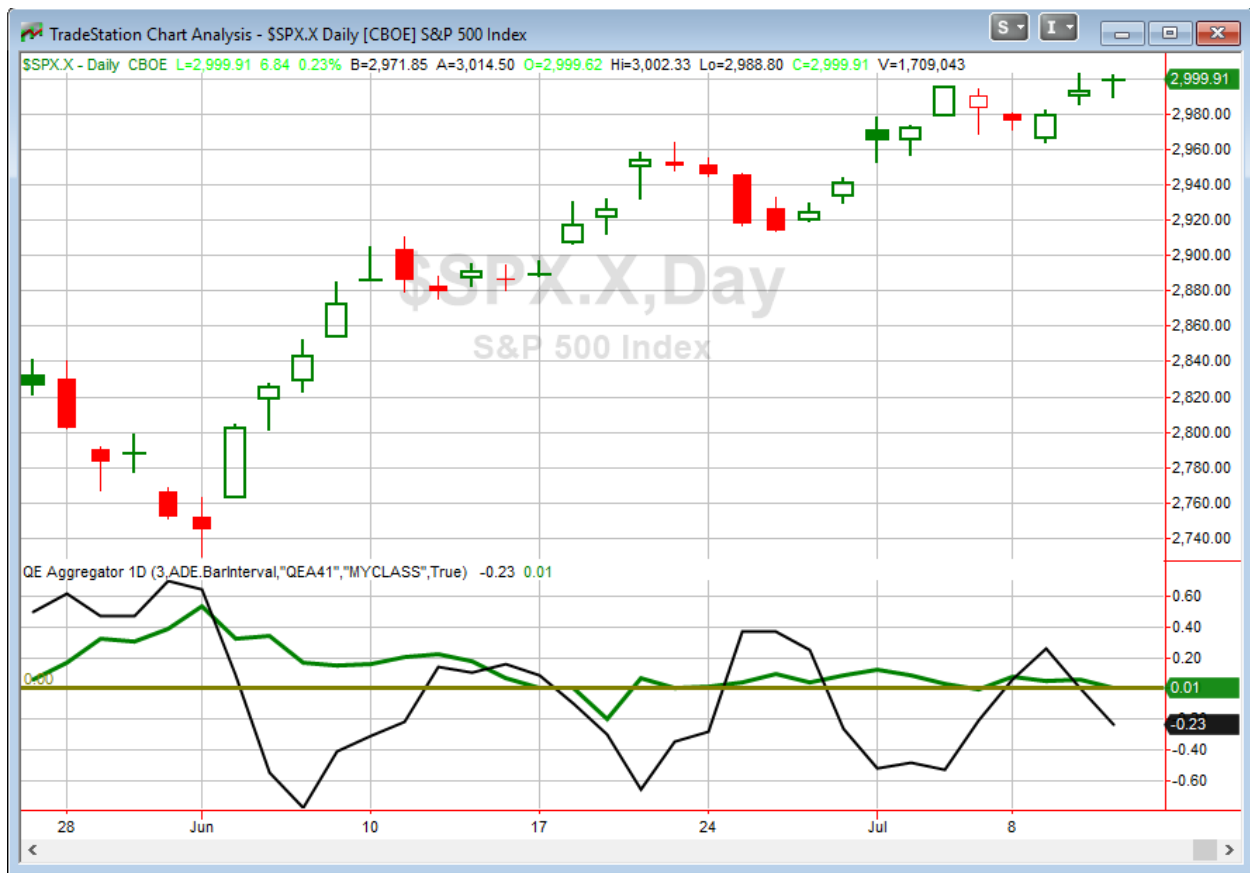
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
July 8, 2019	5-up to 50-high and then 1 down	1-10 days	Bullish			
July 8, 2019	NASDAQ Leading	int term	Bullish			
June 21, 2019	SPX RSI2 crosses over 99.	1-15 days	Bullish			
April 2, 2019	Golden Cross	int term	Bullish			
October 1, 2018	Quantitative Tightening	int term	Bearish			

The Evidence

Thursday put in a mixed performance for the major indices. The SPX finished up 0.2%, the NASDAQ lost 0.1%, and the Russell 2000 fell 0.5%. Breadth was negative as the NYSE Up Issues % was 49% and the Up Volume % came in at 46%. NYSE volume declined some from Wednesday's level.

SPX finished at a new all-time closing high, but just barely missed its first 3000+ close. There has been a slow grind higher over the last few days. During uptrends, slow grinds higher will often appear void of a substantial edge. They don't suggest follow-through momentum, and overbought is neutral in uptrends vs bearish in downtrends. So the lack of compelling evidence that we have seen over the last few days is not surprising. And frankly, having been on vacation the past week, I have welcomed it. But I got back late on Thursday night. So I am ready for a bit more market action that will provide me interesting evidence to study. For now, compelling short-term evidence is lacking.

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



Without any new studies being added tonight, the green Aggregator Line remained just 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 active list is void of studies. So the mild bullish reading from expectations is thanks to the intermediate-term evidence. Of course expectations over the next few days will be highly dependent on any new evidence that emerges. The Differential Pivot will be 2983.05 on Friday. That is 0.6% below Thursday's close. Therefore, SPX will need to close down at least 0.6% on Friday in order to flip from overbought to oversold vs recent expectations.

So with SPX at new all-time highs, even the Differential Line is viewing it as overbought. The last few days have failed to provide a favorable entry point for a new index position. And where the market is now also appears lacking. I'll continue to wait for a more compelling entry opportunity.

*Intermediate-term Outlook (2 weeks – 2 months) – **updated 7/8 – 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

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