

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 24, 2019

Volume 12 Issue 141

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- No compelling studies emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is now neutral. I am too.

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

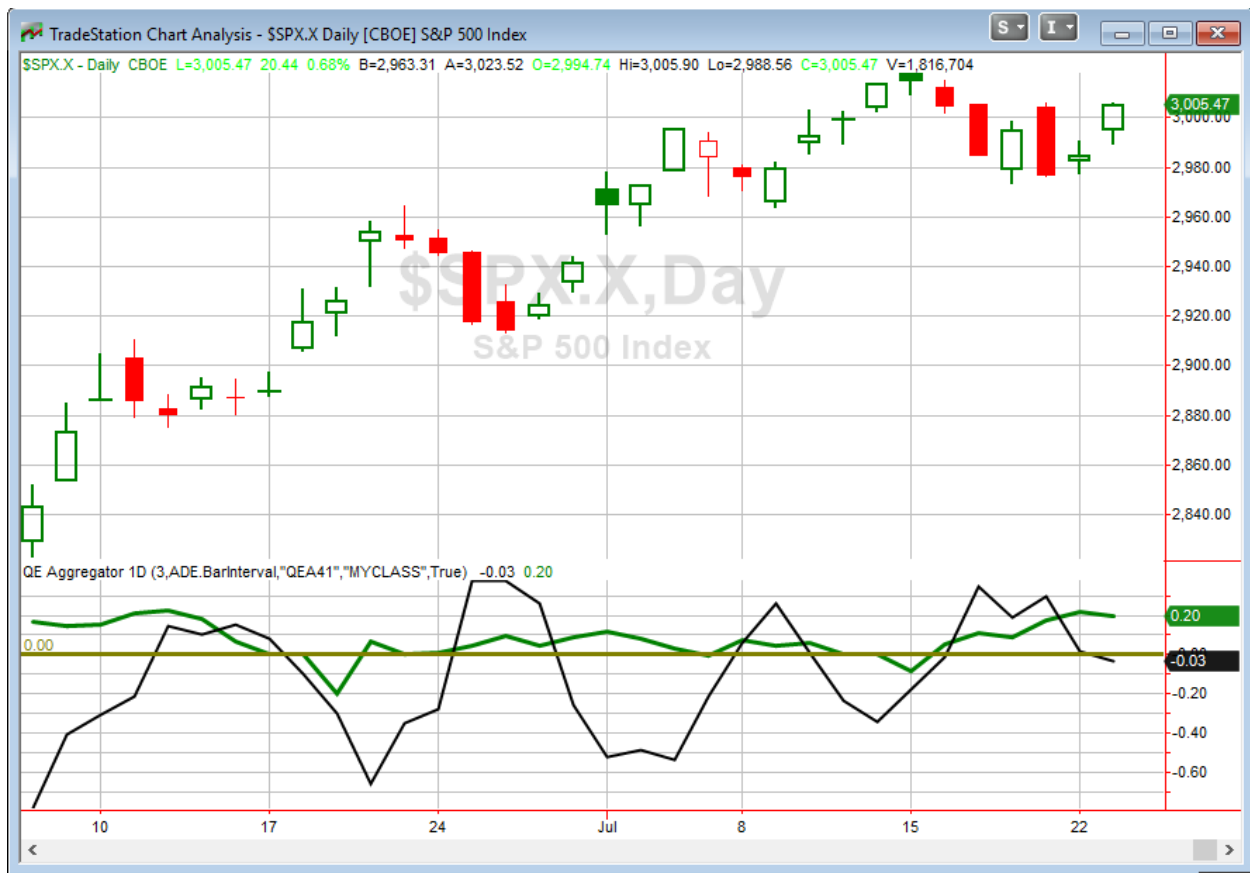
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
July 22, 2019	Bottom 10% daily 2x in 3 days <10>200	1-8 days	Bullish	2.90%	-1.30%	-2.80%
July 18, 2019	Bottom 10% daily, 5-low > 200	1-4 days	Bullish			
Active - Long Term						
July 8, 2019	5-up to 50-high and then 1 down	1-10 days	Bullish			
July 8, 2019	NASDAQ Leading	int term	Bullish			
April 2, 2019	Golden Cross	int term	Bullish			
October 1, 2018	Quantitative Tightening	int term	Bearish			

The Evidence

Tuesday saw some nice gains for the market. The SPX finished up 0.7%, the NASDAQ rose 0.6%, and the Russell 2000 climbed 0.7%. Breadth was positive as the NYSE Up Issues % was 65% and the Up Volume % came in at 70%. NYSE volume rose some from Monday's level.

The move over the last couple of days has basically been just what the studies showed was likely. This is leaving SPX neither strongly overbought nor oversold. SPX is now near the upper portion of its recent range, but not at a new high or any kind of extreme level. Studies have been lacking the last couple of days. And with the slow summer market conditions and the grind higher, studies will likely continue to be sparse until prices make a strong break one way or the other. There were no studies that appeared in the Quantifinder tonight, and my examination of the current setup did not reveal anything compelling either. No new studies are being added to the Active List tonight.

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



Without any new studies being added tonight, 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 dipped 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.

Based on the current active list of studies, expectations are currently slated to remain positive on Wednesday. Of course, this could change if compelling new bearish studies emerge. The Differential Pivot will be 2987.76 on Wednesday. That is 0.6% below Tuesday's close. Therefore, SPX will need to close down about 0.6% on Wednesday in order to move from overbought to oversold versus recent expectations.

So the Aggregator is now neutral. I am too. SPX is overbought, but the small amount of short-term evidence we have is suggesting it could still rally further. This does not set up a favorable reward/risk scenario for either the long or the short side. I will stand aside and wait for the next compelling opportunity to arise before taking on new index exposure.

Intermediate-term Outlook (2 weeks – 2 months) – updated 7/22 – bullish

The intermediate-term outlook was last updated in the 7/22/19 Letter. It can be found in the [most recent weekly letter on the website](#).

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

OpenCatapult Triggers

ORCL – 1/3 @ \$57.99 (bought @ limit)

Broad Market Large Cap CBI – 1(ORCL)

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	Notes
SPY(1/4)	7/18/2019	\$297.19	\$300.03	0.96%	<i>sold on close</i>
ORCL(1/3)	7/18/2019	\$57.69	\$57.45	-0.42%	Catapult
LMT(1/3)	7/19/2019	\$356.21	\$357.80	0.45%	<i>sell on open</i>

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