

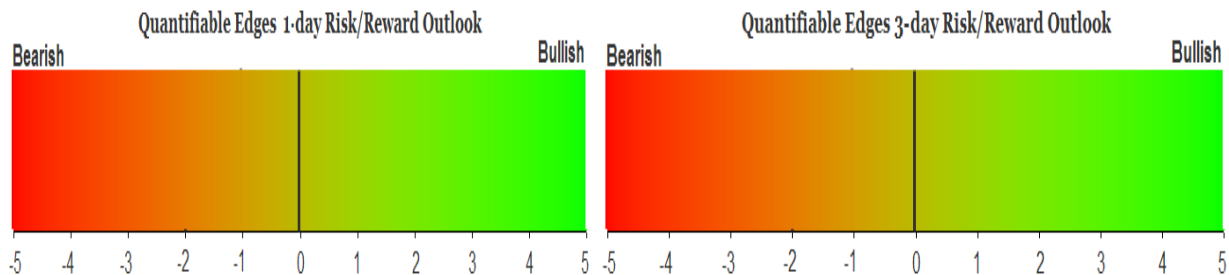
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 22, 2019

Volume 12 Issue 162

## Market Overview



## Signals Overview

<b>Aggregator</b>	<b>CBI Reading</b>
<b>Flat</b>	<b>3</b>

## Tonight's Research Points

- No new evidence emerged on Wednesday.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral and so am I. Again.

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

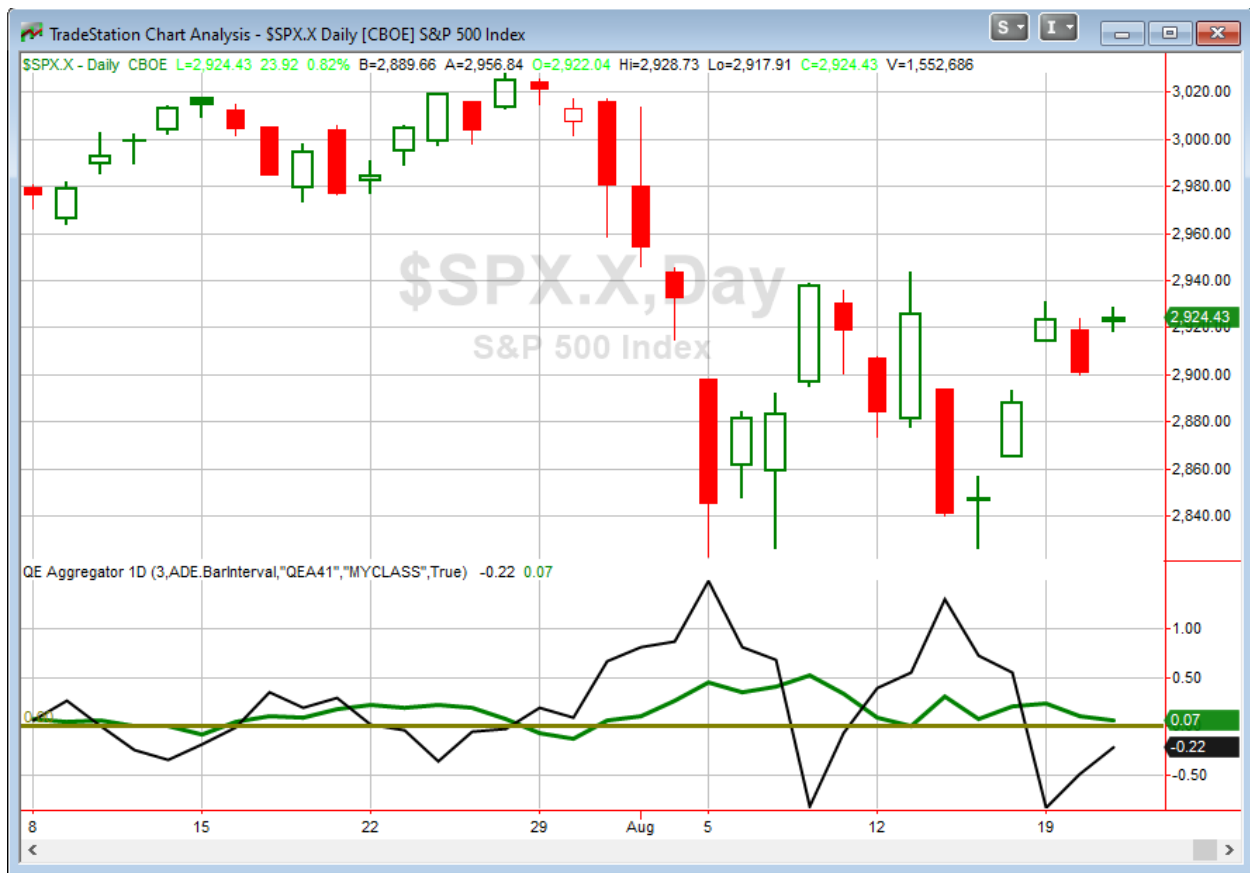
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
August 19, 2019	Up 2 from 20-low. Close < 3 ago > 200	1-4 days	Bullish	1.90%	-1.00%	-1.85%
<b>Active - Long Term</b>						
August 13, 2019	3rd 1% dn day in last 10. Close > 200ma	1-20 days	Bullish			
August 7, 2019	SPX < lower Bollinger Band 4 days	1-18 days	Bullish	6.30%	-3.80%	-7.75%
August 5, 2019	4+ Hindenburg Omen Signals	1-35 days	Bearish			
August 5, 2019	QQQ down 5. Today biggest drop.	1-20 days	Bullish	10.60%	-4.40%	-7.70%
August 2, 2019	1st 10-low close in 30+ days	1-6 days	Bullish			
August 1, 2019	QT over.	int term	Neutral			
July 8, 2019	NASDAQ Leading	int term	Bullish			
April 2, 2019	Golden Cross	int term	Bullish			
<b>Dropped Tonight</b>						
August 21, 2019	SPY down 0.5% but still yest gap unfilled	1 day	Bearish			
August 16, 2019	CBOE Equity Put/Call > 0.9. SPX>200	1-4 days	Bullish			

***The Evidence***

Wednesday saw the market reverse Tuesday's selloff. But the gains primarily all came before the market even opened. Intraday action was muted. The SPX finished up 0.8%, the NASDAQ rose 0.9%, and the Russell 2000 rallied 0.8%. Breadth was positive as the NYSE Up Issues % was 71% and the Up Volume % came in at 70%. NYSE volume declined for the 5<sup>th</sup> day in a row.

The back and forth action over the last couple of days has not done anything to trigger compelling studies suggesting a strong directional edge. The market has been locked in a wide trading range over the last couple of weeks. We are now nearing the upper end of that trading range, and perhaps a break or failure in the next few days will trigger more compelling evidence. But the Quantifinder showed little, and my other investigations of similar gapping and price movement patterns over the last couple of days came up empty as well. So there are not any new studies 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 modestly above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile, the black Differential Line held 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 stayed flat at the close.

The last remaining short-term study is set to expire on Thursday. If no new studies emerge, then expectations will remain bullish due to the intermediate-term evidence. But expectations over the next few days will be heavily influenced by any new studies that emerge. The Differential Pivot will be *inverted* at 2938.88 on Thursday. That is 0.5% *above* Wednesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX will need to close up at least 0.5% in order to remain overbought. Anything less than that and it will be considered oversold versus recent expectations as of Thursday's close.

Nothing really has changed for me. Evidence is weak, the market is choppy and volatile, and the Aggregator is neutral. I don't see an edge worth trying to play. Like the last couple of days, I will remain sidelined, awaiting amore compelling reward/risk setup before considering any new index positions.

**Intermediate-term Outlook (2 weeks – 2 months) – updated 8/19– slightly bullish**

The intermediate-term outlook was last updated in the 8/19/19 Letter. It can be found in the most recent weekly letter on the website.

<http://quantifiableedges.com/current-weekly-letter/>

**Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

***OpenCatapult Triggers***

KHC @ \$25.96 (bought 1/3 @ limit)

KHC @ \$25.52 (bought 1/3 @ limit)

KHC @ \$25.06 (buy 1/3 @ limit) – *Not filled. Cancel for now.*

***Broad Market Large Cap CBI – 3(KHC-3)***

**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
KHC(1/3)	8/14/2019	\$25.85	\$25.67	-0.70%	*div adjusted
KHC(1/3)	8/15/2019	\$25.50	\$25.67	0.67%	*div adjusted

*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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