

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 4, 2019

Volume 12 Issue 170

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling studies emerged tonight.

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)

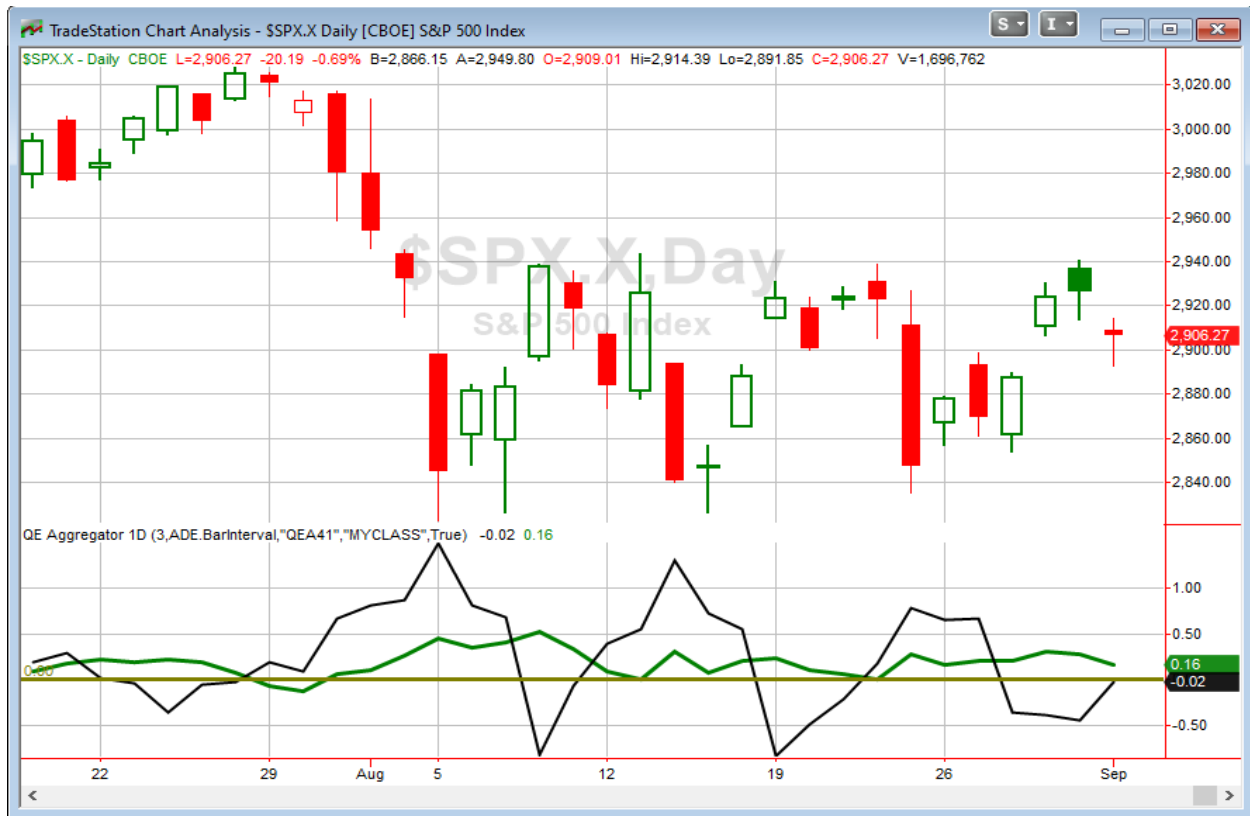
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
September 3, 2019	1% drop then 5-day consolidation	1-3 days	Bullish	1.25%	-0.80%	-1.70%
September 3, 2019	20-day decline going into Labor Day	1-2 days	Bullish			
August 29, 2019	Reverse dn. Reverse up. Close >200 <10	1-5 days	Bullish	1.80%	-1.10%	-2.30%
Active - Long Term						
August 26, 2019	SPX down 4 weeks but > 40-week ma	1-10 weeks	Bullish	8.65%	-3.30%	-7.70%
August 13, 2019	3rd 1% dn day in last 10. Close > 200ma	1-20 days	Bullish			
August 5, 2019	4+ Hindenburg Omen Signals	1-35 days	Bearish			
August 1, 2019	QT over.	int term	Neutral			
April 2, 2019	Golden Cross	int term	Bullish			
Dropped Tonight						
August 26, 2019	Big Friday selloff	1-6 days	Bullish			
September 3, 2019	SPY close low in range last day of month	1 day	Bullish			

The Evidence

Tuesday saw a tough start to September, as the market gapped down and never recovered. The SPX lost 0.7%, the NASDAQ fell 1.1%, and the Russell 2000 dropped 1.5%. Breadth was negative as the NYSE Up Issues % was 38% and the Up Volume % came in at 33%. NYSE volume rose some as traders came back to work after the holiday weekend.

Over the weekend I discussed how the market was trying to break out of its recent range. Well, it has some more work to do after Tuesday. And the choppy action the past several days has done nothing to trigger compelling new evidence tonight. So I am going to keep this letter especially short. I will not be adding any new studies to the Active List.

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



With today's new evidence to consider, 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 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.

Based on the current list of active studies, expectations are slated to remain bullish on Wednesday. This could change if compelling new bearish evidence emerges. The Differential Pivot will be *inverted* at 2945.34 on Wednesday. That is 1.3% *above* Tuesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up over 1.3% on Wednesday in order to remain "overbought" vs expectations. Anything less than that and it will flip to "oversold" as of Wednesday's close.

So the Aggregator is neutral. Evidence is leaning long, but SPX is still considered short-term overbought despite Tuesday's decline. Regardless of whether the Differential is showing an overbought or oversold reading, I am not likely to get very excited about either side of the market while SPX is sitting in the middle of its range. This is especially true with its volatile and news-reactive behavior as of late. This seems like a good time to remain mostly sidelined and await a more compelling reward/risk opportunity.

Intermediate-term Outlook (2 weeks – 2 months) – updated 9/3– slightly bullish

The intermediate-term outlook was last updated in the 9/3/19 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

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.

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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