

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 8, 2019

Volume 12 Issue 194

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new evidence appeared tonight.

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)

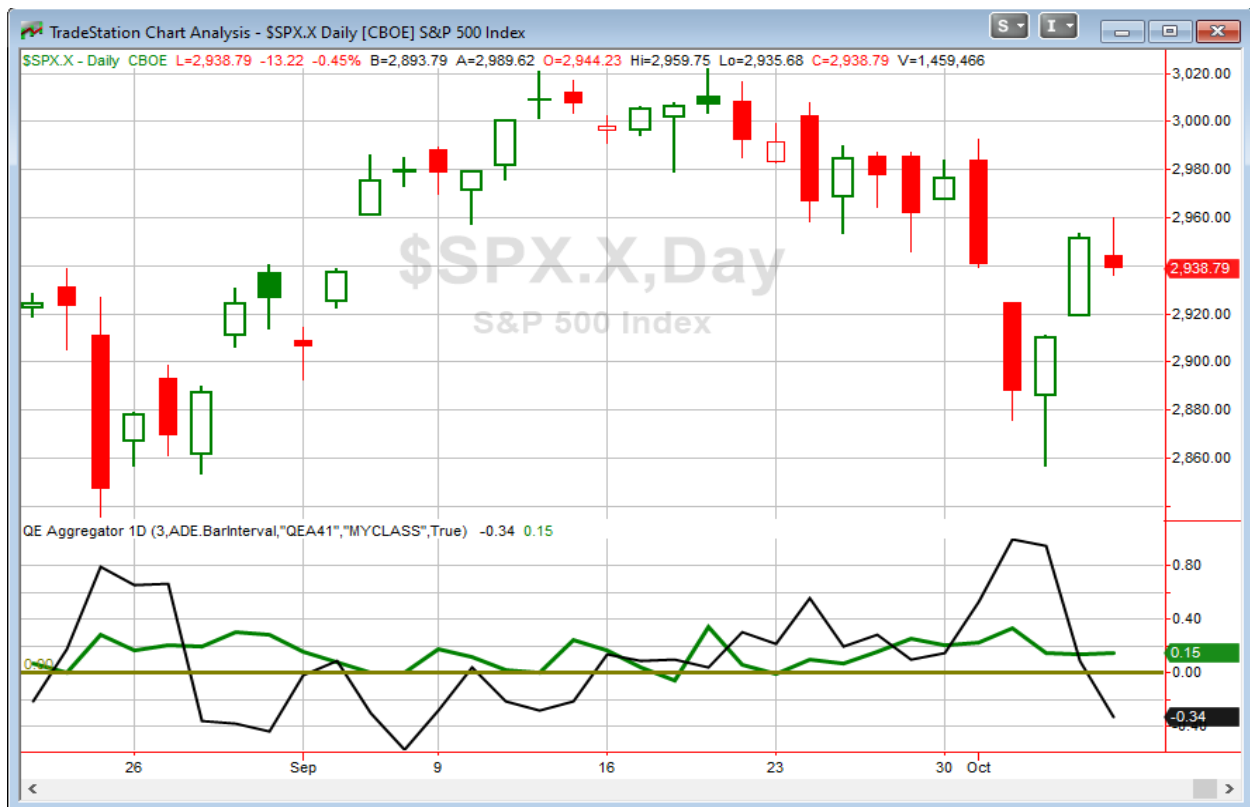
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
October 7, 2019	2 Up from 10-Low < 10ma > 200ma	1-2 days	Bullish			
October 7, 2019	SPX up > 1%. Lowest volume 20 days	1-3 days	Bearish	-1.40%	0.80%	1.55%
October 4, 2019	SPY 20-low yest. 20 intra today thn up	1-7 days	Bullish			
October 3, 2019	20LoGapDn and Close<Open	1-5 days	Bullish			
October 2, 2019	3-high, 3-low, 3-low close > 200	1-5 days	Bullish	1.70%	-1.20%	-2.40%
Active - Long Term						
September 20, 2019	RUT down 3. SPX 3-day high.	1-10 days	Bullish	3.60%	-0.90%	-1.95%
September 13, 2019	DJI up 7 days in a row	1-19 days	Bullish			
September 13, 2019	SPX RSI(2) > 99	1-15 days	Bullish			
September 9, 2019	NYSE Advance/Decline Line breakout	1-40 days	Bullish			
August 26, 2019	SPX down 4 weeks but > 40-week ma	1-10 weeks	Bullish	8.65%	-3.30%	-7.70%
August 1, 2019	QT over.	int term	Neutral			
April 2, 2019	Golden Cross	int term	Bullish			

The Evidence

The market stumbled to open the week. Monday the SPX closed down 0.45%, the NASDAQ lost 0.3%, and the Russell 2000 sank 0.2%. Breadth was negative as the NYSE Up Issues % was 37% and the Up Volume % came in at 38%. NYSE volume rose some from Friday's level.

The Quantifinder came up blank on Monday, which is fairly unusual. But it is not terribly unusual when the market is chopping around and near the middle of its recent range. And that is the case at the time being. The Thursday-Friday bounce petered out and it has stalled around the midpoint of its 10-day range, and right near its 50-day moving average. It could just be a brief pause before the bounce resumes and SPX heads toward the top of its range. Or it could be the end of this bounce, meaning the recent lows will again be tested. Evidence from the last few days is mixed, though it is leaning bullish. But I am not seeing any new evidence tonight suggesting a substantial short-term directional edge. So no new studies are being added to the Active List.

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 dropped below 0. The negative Differential Line reading means SPX is overbought versus recent expectations. So expectations are positive but SPX is still 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 list of active studies, expectations are set to remain bullish on Tuesday. This could change if strong new bearish evidence emerges. Meanwhile, the Differential Pivot will be 2931.10 on Tuesday. That is 0.3% below Monday's close. Therefore, SPX would need to close down 0.3% on Tuesday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator is neutral and new evidence is lacking. I am glad that I used the inverted pivot to take profits a little early on Monday, and I am satisfied being sidelined for the time being. The next market swing does not appear obvious. As I discussed yesterday, we are in a historically volatile week (and month). The market has been very reactive to news, and between Q3 earnings about to begin and trade talks occurring later in the week, there are some pending news items that could easily garner some sharp reactions. I'll wait for a better reward/risk opportunity to emerge before taking on any new index exposure.

Intermediate-term Outlook (2 weeks – 2 months) – *updated 10/7 – bullish*

The intermediate-term outlook was last updated in the 10/7/19 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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
UNH(1/3)	9/27/2019	\$215.48	\$219.05	1.66%	<i>sold on open</i>
UNH(1/3)	9/30/2019	\$213.64	\$219.05	2.53%	<i>sold on open</i>
SPY(1/4)	10/2/2019	\$291.50	\$293.47	0.68%	<i>sold on open</i>
SPY(1/4)	10/3/2019	\$287.81	\$294.75	2.41%	<i>sold @ limit</i>

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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