

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 15, 2019

Volume 12 Issue 199

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- Low Columbus Day volume is typical, and not something to read into.

## *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
<b>Active - Short Term</b>						
October 14, 2019	Up 2% in 3 days. 3/10 Ofst HV < 0.25	1-6 days	Bullish			
October 14, 2019	5-day high. Btm 10% close. Up day.	1-3 days	Bullish			
October 14, 2019	October Opex Week	1-4 days	Bullish			
<b>Active - Long Term</b>						
October 9, 2019	3rd 1% Drop in 10 days > 200ma	1-20 days	Bullish	3.85%	-3.00%	-5.70%
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			
<b>Dropped Tonight</b>						
October 14, 2019	Columbus Day with Momentum	1 day	Bullish			
October 10, 2019	SPX up > 0.5%. Lowest volume 20 days	1-3 days	Bearish	-1.40%	0.80%	1.60%
October 4, 2019	SPY 20-low yest. 20 intra today thn up	1-7 days	Bullish			

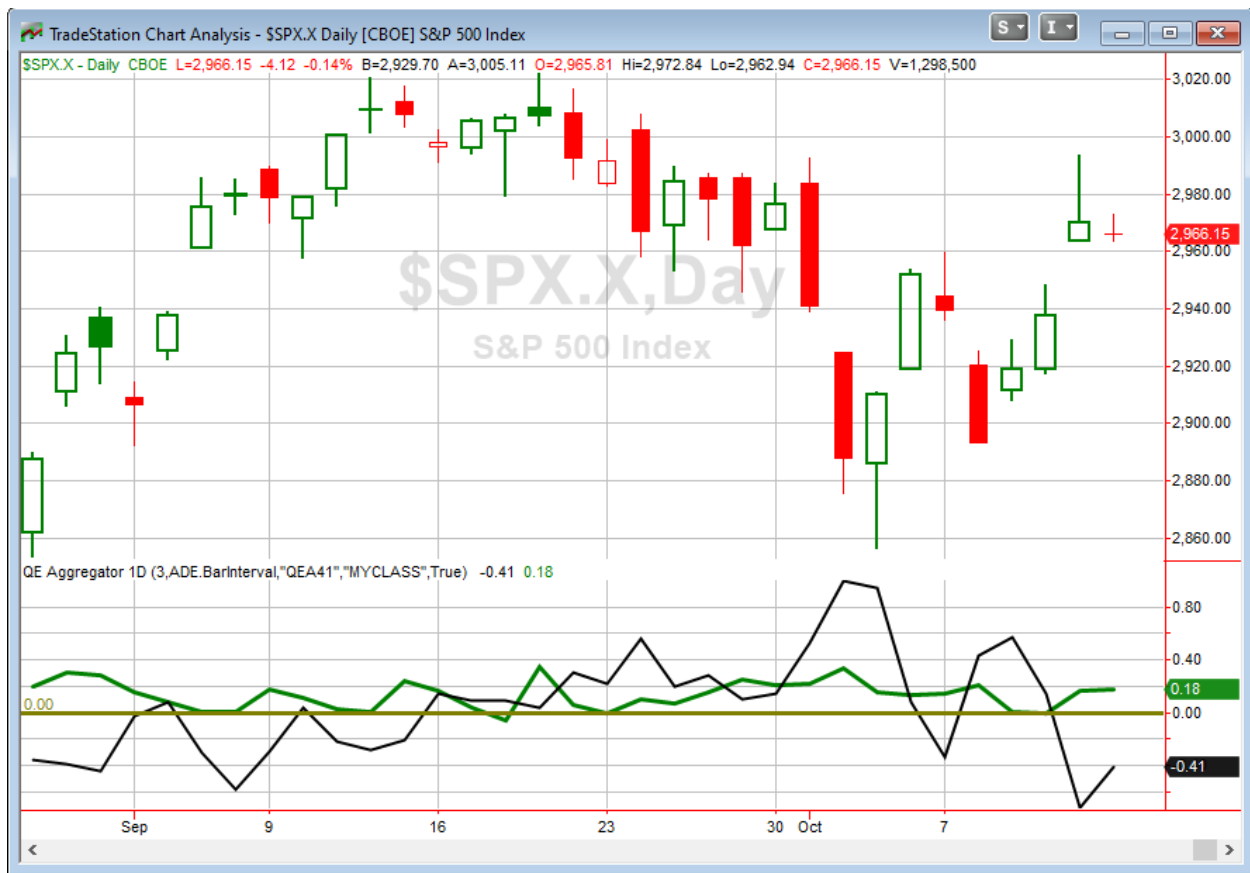
***The Evidence***

With banks and the bond market closed for Columbus Day, Monday was extremely quiet. The SPX lost 0.1%, the NASDAQ also fell 0.1%, and the Russell 2000 dropped 0.4%. Breadth was negative as the NYSE Up Issues % was 45% and the Up Volume % came in at 39%. NYSE volume rose came in at the lightest level in a long while.

There were a few volume-related studies that appeared on the Quantifinder tonight. Of course as a bond holiday it is understood that volume will typically be a bit light. But is the extremely low level really attributable to Columbus Day? Since 1980 this was the 27th time that Columbus Days posted the lowest volume in at least 20 days. That means volume has been this low about 68% of the time. That is certainly often enough that I am comfortable ignoring volume indications and volume-related studies.

And with action so mild, no other compelling evidence emerged. So no new studies will be added to the active list tonight.

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



Without any new evidence being added tonight, the green Aggregator Line remained squarely 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 set to remain bullish on Tuesday. This is unlikely to change without some compelling new bearish evidence emerging. Meanwhile, the Differential Pivot will be 2944.19 on Tuesday. That is a 0.7% below Monday's close. Therefore, SPX would need to close down over 0.7% on Tuesday to flip from overbought to oversold versus recent expectations.

So the Aggregator is again neutral as we look at bullish expectations but an overbought market. I am also neutral, and not seeing a compelling reason to take on new exposure right now. Instead, I will continue to wait for a more favorable reward/risk setup to emerge.

*Intermediate-term Outlook (2 weeks – 2 months) – **updated 10/14 – 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.**

## **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.](#)*

This report has been prepared by Quantifiable Edges, LLC and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy securities. While information contained herein is believed to be accurate at the time of publication, we make no representation as to the accuracy or completeness of any data, studies, or opinions expressed and it should not be relied upon as such. Robert Hanna, Quantifiable Edges, LLC or clients of Quantifiable Edges, LLC may have positions or other interests in securities (including derivatives) directly or indirectly which are the subject of this report. This report is provided solely for the information of Quantifiable Edges, LLC clients and prospects who are expected to make their own investment decisions without reliance upon this report. Neither Quantifiable Edges, LLC nor any officer or employee of Quantifiable Edges, LLC accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Quantifiable Edges, LLC.

Copyright © 2019 Quantifiable Edges, LLC.