

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 6, 2019

Volume 12 Issue 215

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling evidence emerged on Tuesday.

Short-term Outlook

The Bottom Line

Similar to last night, expectations are again positive but the market is short-term overbought. This is leaving the Aggregator neutral and me waiting for a pullback.

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

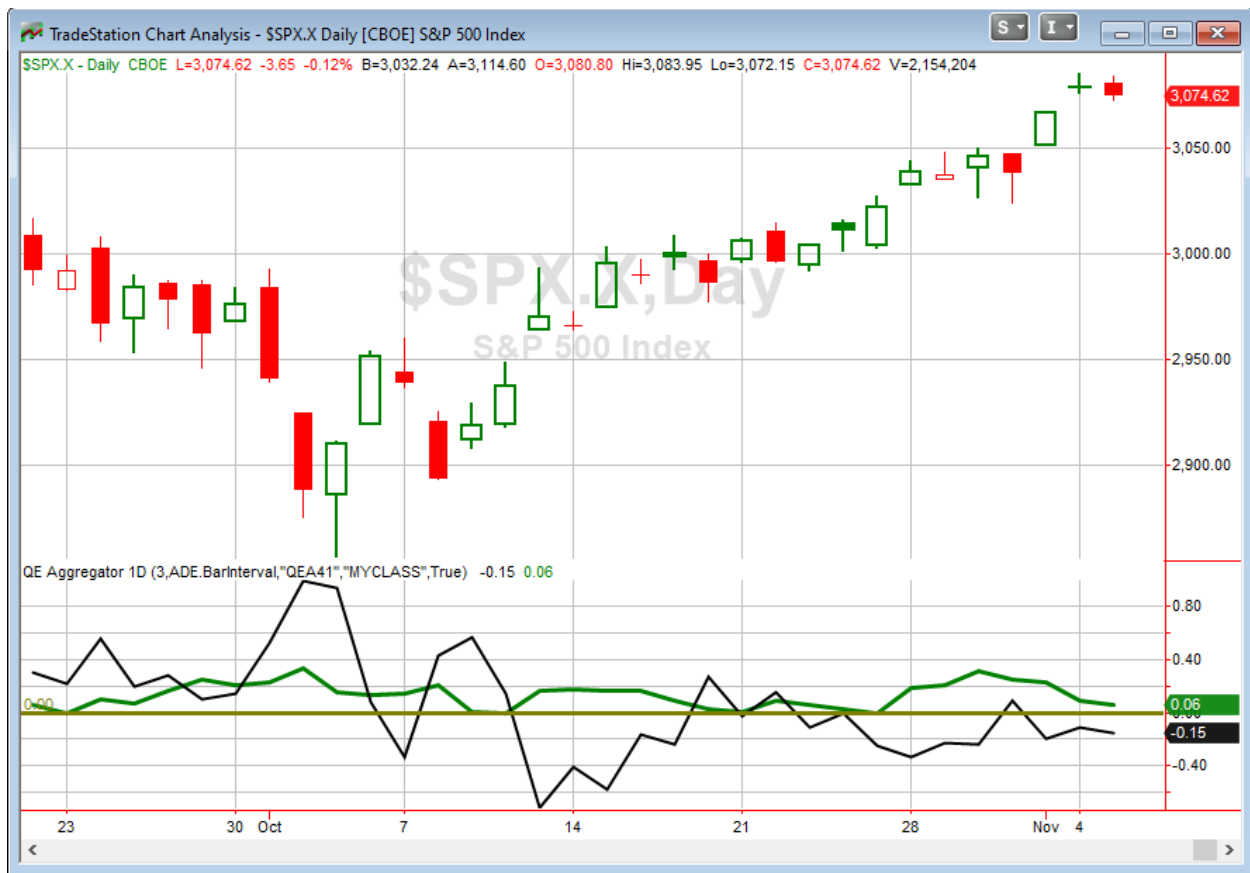
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
November 5, 2019	2 unfilled gaps up & 50-day high	1-3 days	Bullish			
November 5, 2019	20-high. Unfilled up gap. Close < open	1-2 days	Bullish			
November 5, 2019	VIX up. SPX 50-high. Monday	1-2 days	Bearish			
October 31, 2019	SPX 100-day high on Fed Day	1-8 days	Bullish	1.70%	-0.95%	-1.60%
Active - Long Term						
November 5, 2019	SPX 50-day %b > 100	1-50 days	Bullish	4.90%	-4.20%	-7.90%
October 28, 2019	NASDAQ Leading	int term	Bullish			
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			
Dropped Tonight						

The Evidence

Tuesday was a day of mixed results. The SPX lost 0.1%, the NASDAQ inched up 0.02% and the Russell 2000 gained 0.1%. Breadth was negative as the NYSE Up Issues % was 46% and the Up Volume % came in at 49.9%. NYSE volume rose some from Monday's level.

Tuesday was basically a pause. The recent run-up lost steam. The question now is whether the Tuesday pause is followed by a pullback over the next few days, or whether this is just a 1-day thing. Unfortunately, tonight there is a lack of compelling evidence pointing in either direction. That is not unusual when you have a pause day. But it does not help instill confidence for taking on new positions. Evidence from the last few days is mixed, though mostly higher. So the odds still seem to be pointing up. There is just nothing new to either confirm or refute that.

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



Without anything new emerging 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 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.

With the current list of studies, expectations are slated to remain positive on Wednesday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted* at 3091.40 on Wednesday. That is 0.55% *above* Tuesday'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 0.55% in order to remain overbought versus recent expectations. Anything less than that and it will flip to "oversold" as of Wednesday's close.

Last night there was a bunch of new evidence and no change to the outlook. Tonight new evidence was lacking, and we again have very little change to the outlook. The one difference is that now we see the market could easily flip to oversold versus expectations on Wednesday. So a further pullback and some additional bullish confirmation would be welcomed and could set up a favorable entry opportunity to the long side. But we are not there yet. I am still neutral and waiting.

Intermediate-term Outlook (2 weeks – 2 months) – updated 11/4 – bullish

The intermediate-term outlook was last updated in the 11/4/19 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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