

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 24, 2019

Volume 12 Issue 248

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- Nothing new and compelling emerged on Monday.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral and so am I.

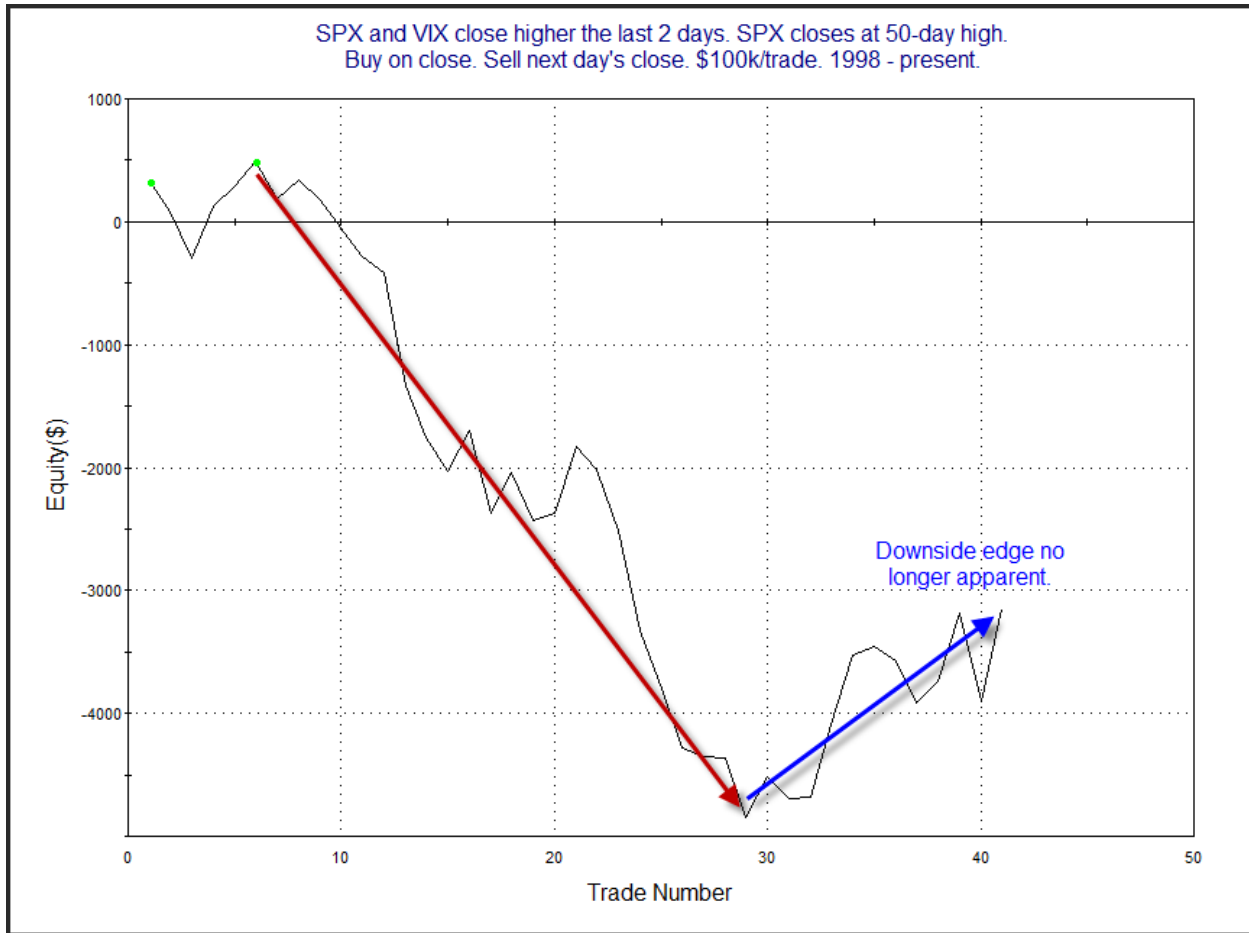
**Summary of Recent Active Studies (see Letters from listed dates for details)**

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
December 23, 2019	VIX up SPX 50-day high on a Friday	1-5 days	Bearish			
December 23, 2019	NDX up 8 days and 50-day high	1-5 days	Bullish			
December 23, 2019	50-high leading up to Christmas	1-4 days	Bullish			
December 23, 2019	'Twas 3 Nights Before Christmas	1-5 days	Bullish			
December 19, 2019	20-high poor close	1-3 days	Bullish	1.00%	-0.70%	-1.30%
December 19, 2019	5 up to 50-high, then down 1	1-2 days	Bullish			
<b>Active - Long Term</b>						
December 20, 2019	Russell 2000 bullish seasonality	1-9 days	Bullish			
December 19, 2019	5 up to 50-high, then down 1	1-10 days	Bullish	1.90%	-1.00%	-2.10%
December 3, 2019	SPY 1st below 10ma in > 25 days	1-19 days	Bullish	4.20%	-0.90%	-2.20%
November 19, 2019	Hindenburg Omen cluster	1-35 days	Bearish	-5.85%	2.70%	4.40%
November 11, 2019	"not QE"	int term	Bullish			
November 5, 2019	SPX 50-day %b > 100	1-50 days	Bullish	4.90%	-4.20%	-7.90%
November 4, 2019	Presidential cycle + Best 6 mos bullish	6 months	Bullish			
October 28, 2019	NASDAQ Leading	int term	Bullish			
April 2, 2019	Golden Cross	int term	Bullish			

**The Evidence**

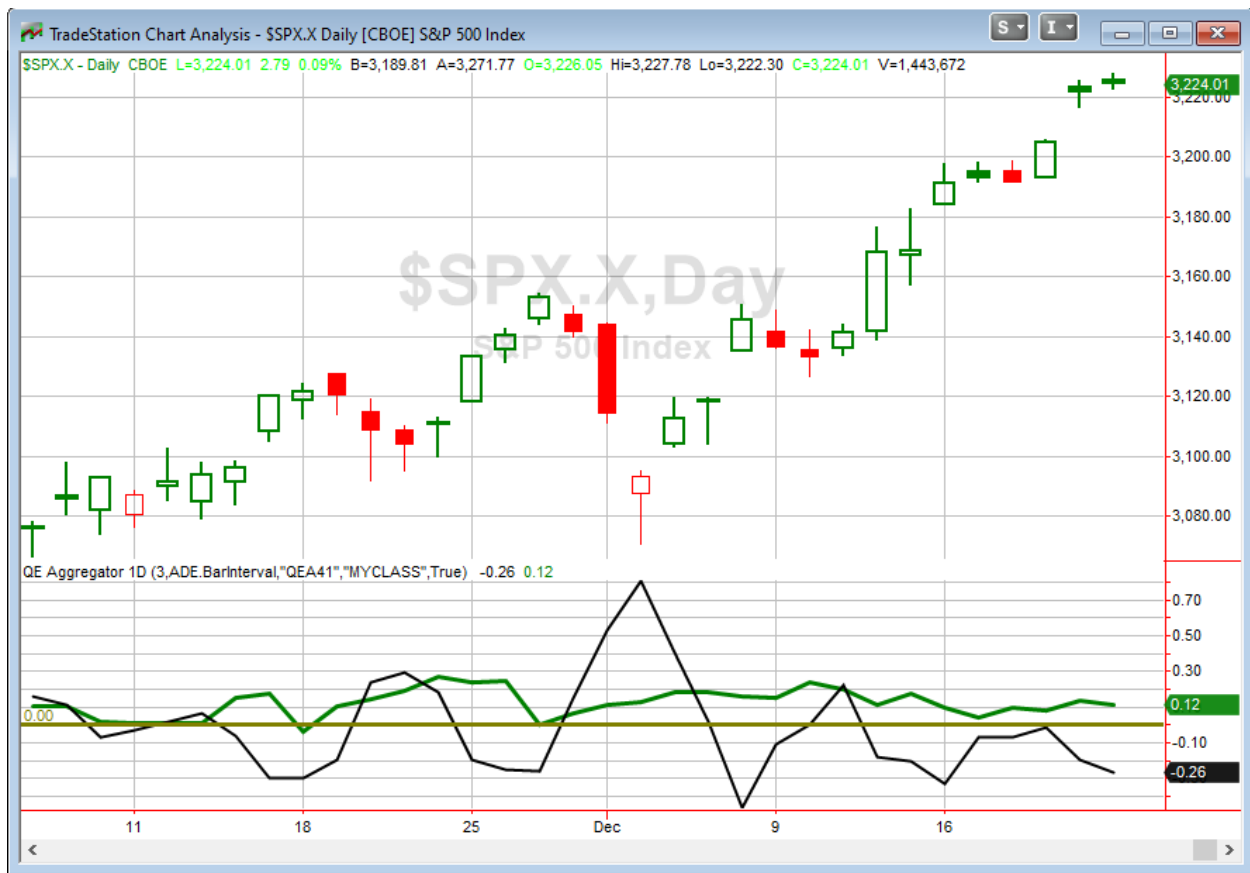
Modest gains and more new highs on Monday. The SPX finished up 0.1%, the NASDAQ gained 0.2%, and Russell 2000 rose 0.1%. Breadth was positive as the NYSE Up Issues % was 54% and the Up Volume % came in at 53%. NYSE volume came in light.

After having lots of things to look at last night, the market did not trigger much that was new and interesting on Monday – and nothing that was compelling. The study below noted this was the 2<sup>nd</sup> day in a row that both the VIX and SPX closed up. I discussed it in the 12/9/16 letter when the setup appeared to exhibit a downside edge. I have updated the profit curve below.



Like some other VIX studies I have shown over the last few months, this one no longer appears to provide a downside edge. I have not added any new studies to the active list tonight.

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



With tonight's mix of evidence considered, 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 Tuesday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3212.31 on Tuesday. That is 0.4% below Monday's close. Therefore, it will take a close lower of 0.4% or more on Tuesday to flip the SPX from overbought to oversold vs recent expectations.

Monday did nothing to change the outlook. Evidence is leaning bullish. The market remains overbought. This has the Aggregator neutral, and me sidelined and waiting for a more favorable opportunity.

*Intermediate-term Outlook (2 weeks – 2 months) – **updated 12/23 – 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 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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