

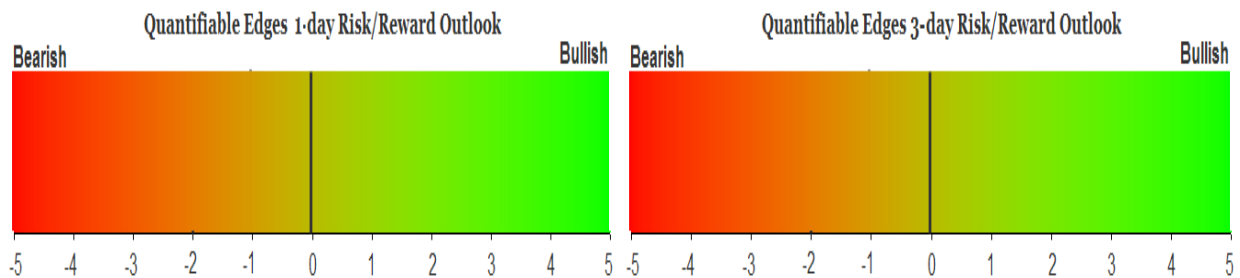
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 27, 2019

Volume 12 Issue 250

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new evidence emerged 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)

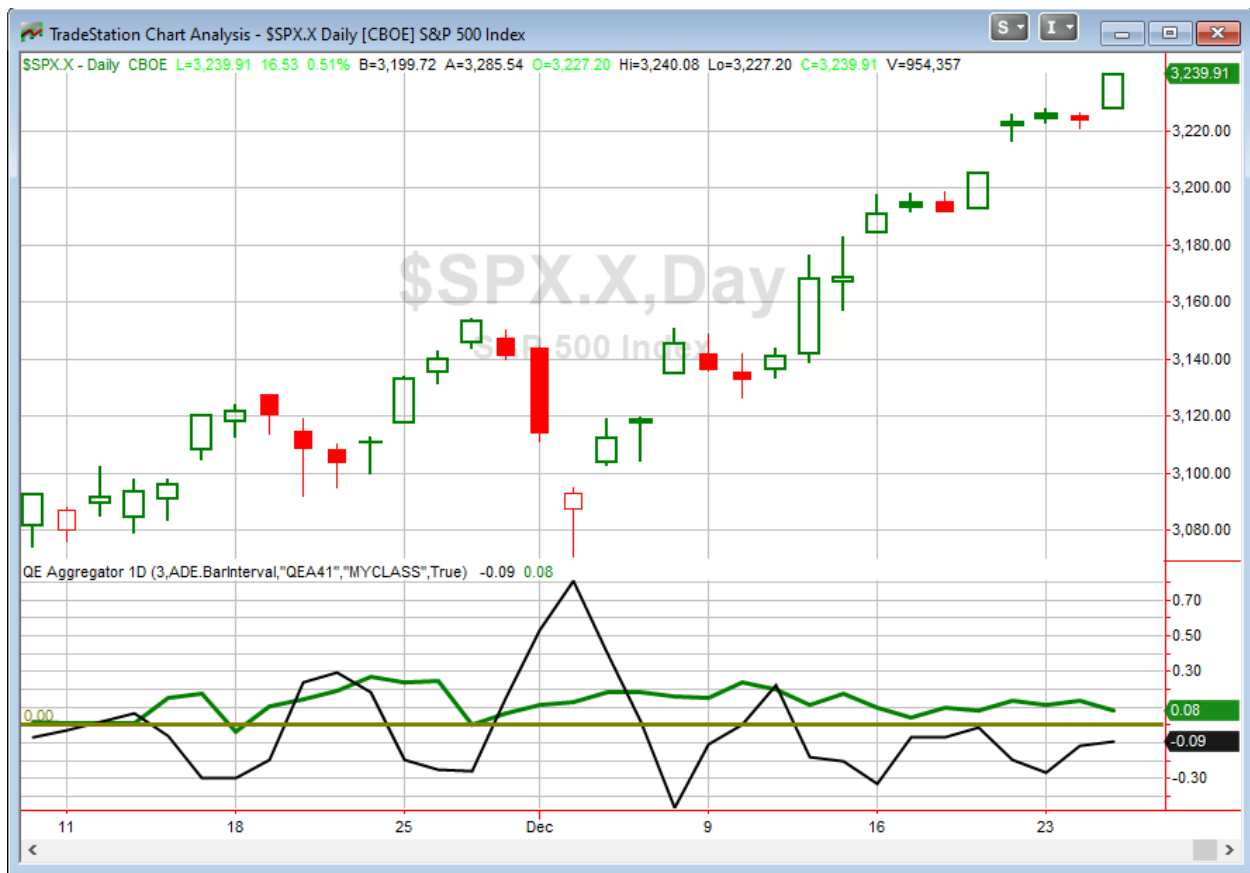
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
December 26, 2019	SPX dn. RSI2 > 90.	1-2 days	Bullish			
December 23, 2019	VIX up SPX 50-day high on a Friday	1-5 days	Bearish			
December 23, 2019	NDX up 8 days and 50-day high	1-5 days	Bullish			
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			
Active - Long Term						
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

Thursday saw most indices rally. The SPX rose 0.5%, the NASDAQ gained 0.8%, but Russell 2000 fell 0.02%. Breadth was positive as the NYSE Up Issues % was 60% and the Up Volume % came in at 72%. NYSE volume came in higher than the shortened Christmas Eve session.

Strong seasonality has certainly played out this year. The market has hardly dipped since 12/10, with a steady upward climb to more and more new highs. I'll have more seasonal studies to discuss in the next few days. The action Thursday did not do anything to trigger compelling new price-action based evidence. So I will keep to prose holiday-week short tonight. No new studies are being added to the Active List.

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



Without any compelling new evidence 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.

Based on the current list of active studies, expectations are slated to remain bullish on Friday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3234.57 on Friday. That is 0.2% below Thursday's close. So SPX will only need to close down about 0.2% on Friday in order to flip from overbought to oversold versus recent expectations.

Nothing really changed with the outlook tonight. Evidence continues to point higher. But with the market still overbought, the Aggregator remains neutral. I'm neutral as well. I'll continue to exercise patience and await an opportunity with an attractive reward/risk setup.

*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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