

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 19, 2020

Volume 13 Issue 226

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	0

## Tonight's Research Points

- No new evidence emerged tonight.

## *Short-term Outlook*

### *The Bottom Line*

The pullback has turned the Aggregator bullish since SPX is now oversold. But we have not yet seen any new bullish studies arise during the 2-day 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
<b>Active - Short Term</b>						
November 18, 2020	SPY unfilled gap up to 20-hi thn unfl dn	1-4 days	Bearish	-1.55%	0.70%	1.30%
November 17, 2020	VXO 10% below 10ma for 9 days	1-5 days	Bullish	1.80%	-1.00%	-2.60%
November 16, 2020	SPX breakout on declining volume	1-5 days	Bullish	1.50%	-1.00%	-1.90%
November 16, 2020	SPY breakaway gap	1-5 days	Bullish	1.40%	-0.90%	-1.90%
<b>Active - Long Term</b>						
November 16, 2020	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.90%	-4.40%	-8.90%
November 2, 2020	Best 6 Months	1-6 months	Bullish			
September 28, 2020	4 weeks down > 40-week ma	1-10 weeks	Bullish	8.60%	-3.10%	-7.40%
July 9, 2020	Golden Cross	int term	Bullish			
March 23, 2020	QE4	int term	Bullish			

***The Evidence***

The market saw losses across the board on Wednesday. The SPX declined 1.2%, the NASDAQ fell 0.8%, and the Russell 2000 dropped 1.3%. Breadth was negative with the NYSE Up Issues % coming in at 38.5% and the Up Volume % at 36.5%. NYSE total volume rose some from Tuesday's level.

The Quantifinder came up with a rare blank tonight. It seemed especially unusual that no new compelling evidence emerged since the action was fairly strong on Wednesday. But a closer look shows that the 1.2% decline for SPX simply left it near the middle of its 10-day range. Mid-range tends to be the spot where edges are least likely to arise, and that was the case on Wednesday. So I am going to keep things brief tonight.

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



Without any new evidence emerging tonight, the green Aggregator Line remained slightly above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line moved above 0. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator signal turned long at the close.

Based on the current list of studies, expectations are set to remain bullish on Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3644.83 on Thursday. That is a sizable 2.2% above Wednesday's close. So SPX would need to close up at least 2.2% on Thursday in order to flip from oversold to overbought vs recent expectations.

On Friday and Monday we saw some breakout and momentum-type studies suggesting further upside. But that upside has yet to materialize. The last 2 days the market has pulled back a fair amount, and we have not seen any evidence that the pullback has reached a point that a bounce is likely. So the breakout/momentum studies may or may not be failing. But for pullback-based evidence to take hold, this pullback is going to have to get a little worse. I think one more down day would likely do the trick, but I will wait to see how Thursday plays out, and what new evidence

emerges before determining if I want to take on a new long index position. More aggressive traders could consider buying into weakness on Thursday.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 11/16 – slightly bullish***

The intermediate-term outlook was last updated in the 11/16/20 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**

The author of Quantifiable Edges (QE), Mr. Robert Hanna, is separately affiliated with a registered investment adviser in the States of Washington, California, Colorado, Michigan, Texas, Massachusetts, and Louisiana, Eastsound Capital Advisors, LLC (ECA) d.b.a. Hanna Capital Management, LLC. ECA may not transact business in states where it is not appropriately registered, excluded or exempted from registration. Individualized responses to persons that involve either the effecting of transaction in securities, or the rendering of personalized investment advice for compensation, will not be made without registration or exemption. Advisory clients of ECA utilizing the approaches developed by Mr. Hanna will receive the QE newsletter at no charge. ECA is not otherwise affiliated with QE, and neither endorses nor warrants the content of this site, the QE newsletter(s), any embedded advertisement, nor any linked resource herein.

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 © 2020 Quantifiable Edges, LLC.