

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 24, 2020

Volume 13 Issue 229

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- A weak close on Tuesday could be a positive for Wed-Fri potential bullishness.

Short-term Outlook

The Bottom Line

The Aggregator is still bullish. There should be more of a bounce in the coming days.

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 23, 2020	2 of 3 close btm 10% daily. Close < 10ma	1-8 days	Bullish	2.90%	-1.30%	-2.80%
Active - Long Term						
November 23, 2020	NASDAQ Leading	int term	Bullish			
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			
Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)						
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%

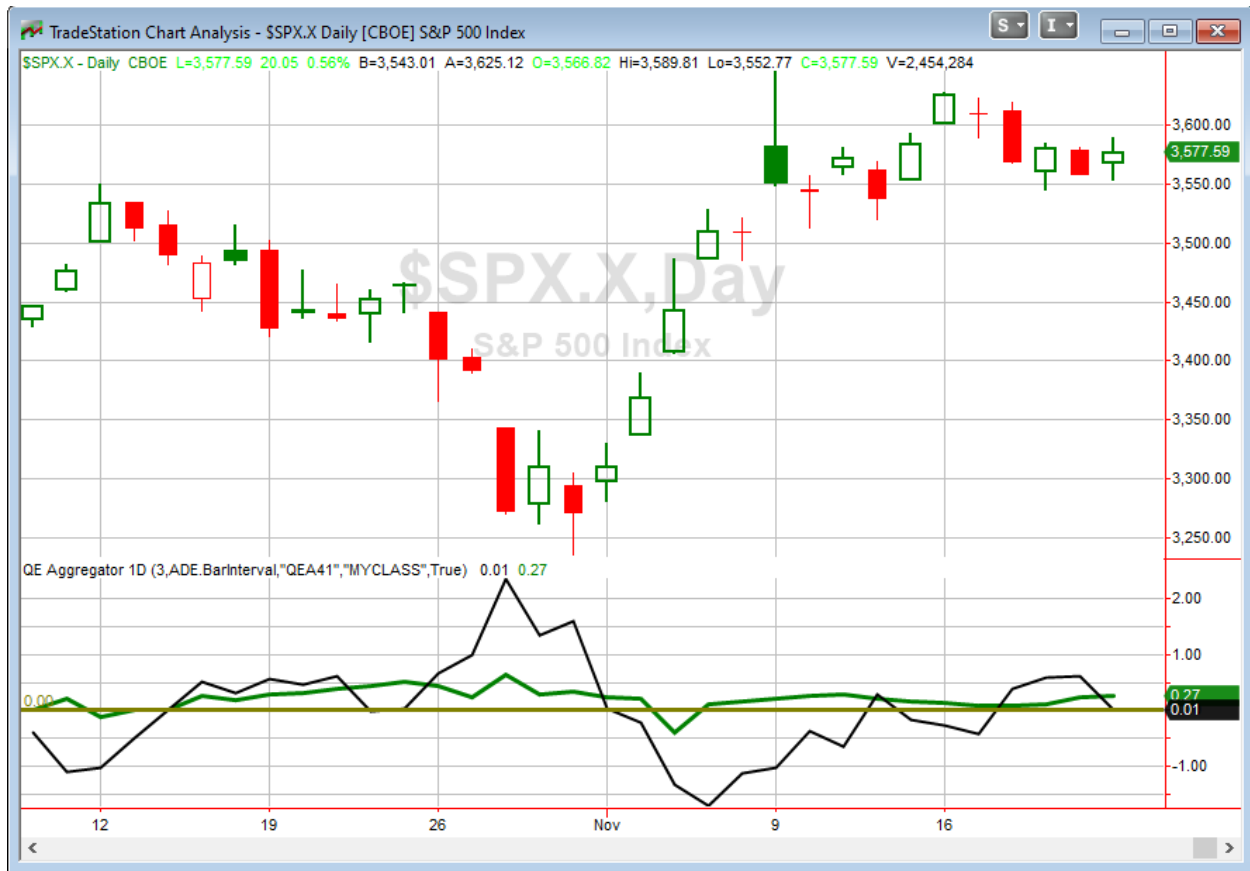
The Evidence

Monday was an up day for the market. The SPX rose 0.6%, the NASDAQ gained 0.2%, and the Russell 2000 rallied 1.85%. Breadth was positive with the NYSE Up Issues % coming in at 76% and the Up Volume % at 87%. NYSE total volume rose some from Friday's level.

The market seems to be in a holding pattern. It was up Monday after being down Friday, after being up Thursday, and down Wednesday. So yeah...choppy. Often, this kind of back and forth action does not generate a lot of compelling edges. And that seems to be the case tonight. I do think it is worth reminding readers that Tuesday's action could impact the odds for Wednesday and Friday. Below are my notes on this from over the weekend.

Since 1993, I found that years in which SPY closed in the bottom half of its intraday range on Thanksgiving Tuesday posted a 10-2 record with an average gain of 0.7% from Tuesday's close to Friday's close. When SPY closed in the top half of its range on Tuesday the performance over Wednesday to Friday was 10-5 with an average result of just a 0.1% gain. So Tuesday's action appears worth watching as we approach this potentially seasonally bullish period.

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



Without any new studies making the cut 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 also held 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 stayed long at the close.

Based on the current list of studies, expectations are set to remain bullish on Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3591.82 on Tuesday. That is a 0.4% above Friday's close. So SPX would need to close up at least 0.4% on Tuesday in order to flip from oversold to overbought vs recent expectations.

So the Aggregator is still bullish, but Monday's rally made a new entry a little less appealing. I took a small amount of SPY exposure on Monday. I'll look to hold that another day. And with some bullish seasonality coming in the next few days, that could also help SPX continue higher short-term.

Intermediate-term Outlook (2 weeks – 2 months) – *updated 11/23 – slightly bullish*

The intermediate-term outlook was last updated in the 11/23/20 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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	11/23/2020	\$355.00	\$357.46	0.69%	Aggregator

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