

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 24, 2020

Volume 13 Issue 250

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- No new evidence emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I still like the long side.

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

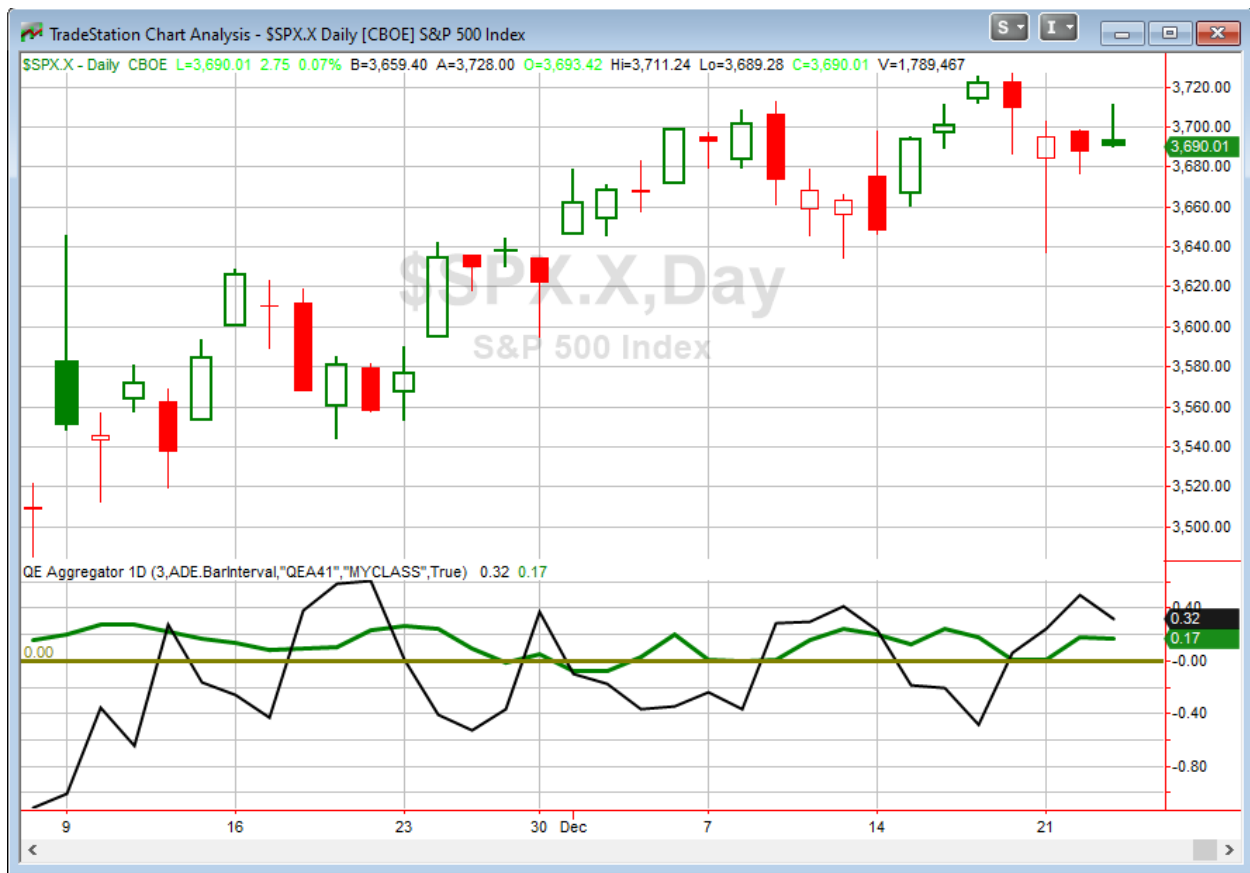
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
December 23, 2020	Dn 3 frm 50-high < 10ma > 10-low	1-4 days	Bullish	1.60%	-0.90%	-2.00%
December 23, 2020	Twas 3 nights before Christmas	1-8 days	Bullish	2.40%	-1.20%	-2.40%
Active - Long Term						
December 14, 2020	December opex week and more bullish	1-15 days	Bullish			
December 10, 2020	SPX 20 intra-high. NDX biggest dn 20	1-50 days	Bullish	6.20%	-2.80%	-5.40%
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			
July 9, 2020	Golden Cross	int term	Bullish			
March 23, 2020	QE4	int term	Bullish			

The Evidence

Wednesday was strong for a good portion of the day, but late selling left the market mixed. The SPX closed up 0.1%, the NASDAQ fell 0.3%, and the Russell 2000 gained 0.9%. Breadth was positive with the NYSE Up Issues % coming in at 68% and the Up Volume % at 74%. NYSE total volume declined some from Tuesday's level. Volume will likely remain light for the rest of 2020.

With nothing compelling triggering in the Quantifinder and Christmas responsibilities to attend to, I am going to keep the letter short tonight. No new studies are being added. I am still looking at the positive seasonality, and the 3-day pullback study from last night as positives. Speaking of seasonality, the new seasonality calendars should be up and running in the next few days. (I've been slower with that than I anticipated this past weekend.) [Here is a link to a special report I did on the SPX Seasonality Calendar](#), and how the stats could be used in some simple ways. You will soon also be able to download the report at any time from the new Seasonality section of the site.

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



Without any new evidence being added 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 active studies, expectations are set to remain positive on Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3701.85 on Thursday. That is 0.3% above Wednesday's close. Therefore, SPX will need to close up at least 0.3% on Thursday to flip from oversold to overbought vs expectations.

So the Aggregator is again bullish. Expectations are positive and the market is oversold. I continue to like the long side. I have some index exposure, and I will look to hold onto it for now. Enjoy your holidays!

Intermediate-term Outlook (2 weeks – 2 months) – updated 12/21 – slightly bullish

The intermediate-term outlook was last updated in the 12/21/20 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

PFE – 1/3 @ \$37.84 (bought at limit)

Broad Market Large Cap CBI – 1(PFE)

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	Stop	Notes
PFE(1/3)	12/18/2020	\$37.84	\$37.44	-1.06%		Catapult
SPY(1/4)	12/21/2020	\$367.86	\$367.57	-0.08%		Aggregator
SPY(1/4)	12/22/2020	\$367.24	\$367.57	0.09%		Aggregator

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