

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 13, 2021

Volume 14 Issue 8

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- No new evidence emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Me too.

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

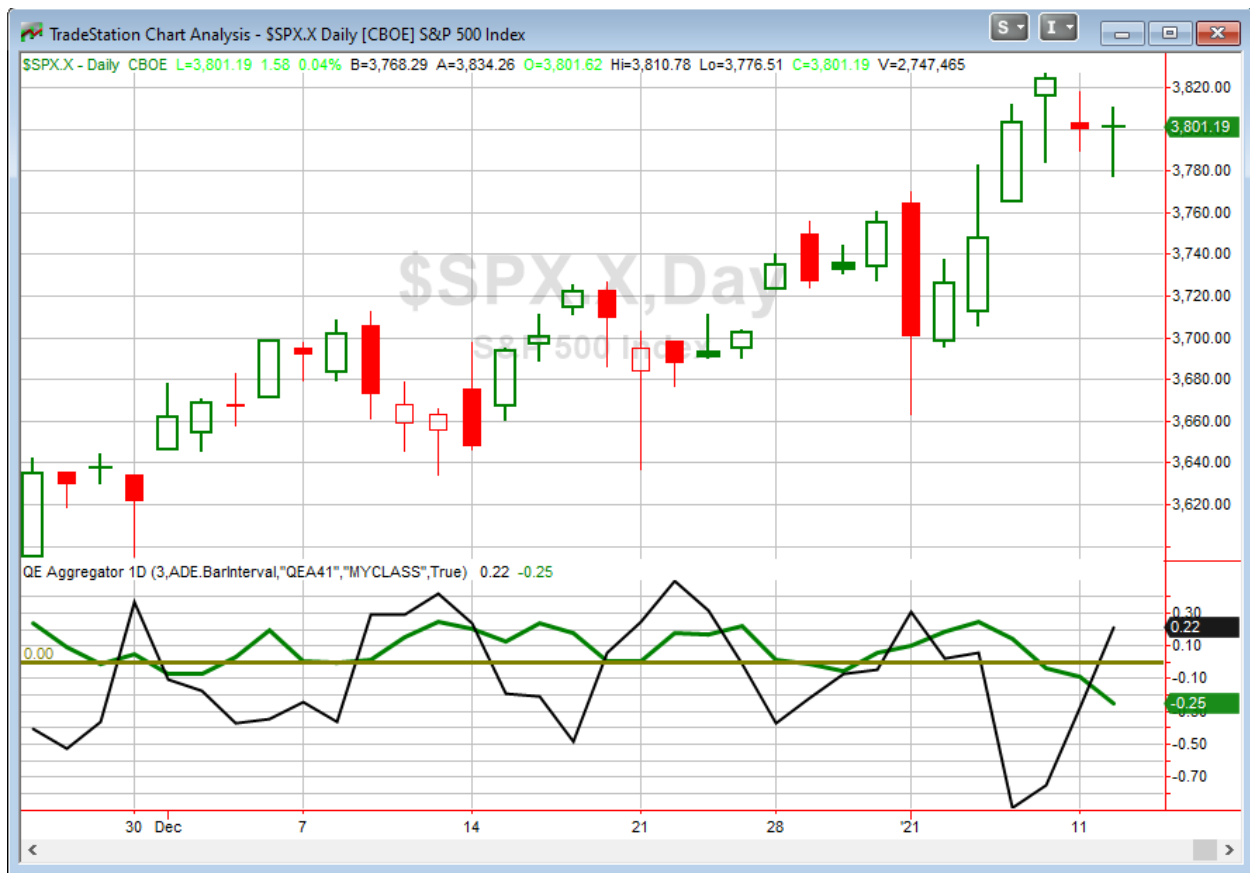
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
January 11, 2021	NDX up > 1%. SOX down.	1-6 days	Bearish			
Active - Long Term						
December 10, 2020	SPX 20 intra-high. NDX biggest dn 20	1-50 days	Bullish	6.20%	-2.80%	-5.40%
November 23, 2020	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

Tuesday saw some upside for the major indices. The SPX rose 0.04%, the NASDAQ gained 0.28%, and the Russell 2000 rallied 1.77%. Breadth was positive with the NYSE Up Issues % coming in at 67% and the Up Volume % at 75%. NYSE total volume rose a little from Monday's level.

The back and forth action and mostly mild finishes failed to trigger any meaningful Quantifinder studies. Among the other evidence I examined, not particularly stood out. So I will keep it short tonight. No new studies are being added to the Active List.

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



Without any new studies being added tonight, the green Aggregator Line remained below zero. Negative readings mean net expectations are for downside 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 negative but SPX is oversold. 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 turned flat at the close.

Based on the current list of active studies, expectations are set to remain negative on Wednesday. This could change if compelling new bullish evidence emerges. Meanwhile, the Differential Pivot will be 3838.16 on Wednesday. That is 1.0% above Tuesday's close. So SPX will need to close up at least 1.0% on Wednesday in order to flip from oversold to overbought vs recent expectations.

So the Aggregator is now neutral. Short-term evidence is light. I simply don't see a strong edge for an index trade. I'll continue to exercise patience and stand aside until I do see a more compelling entry opportunity.

Intermediate-term Outlook (2 weeks – 2 months) – updated 1/11 – slightly bullish

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

KHC – 1/3 @ \$33.69 (bought at limit)

Broad Market Large Cap CBI – 1(KHC)

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
KHC(1/3)	1/8/2021	\$33.51	\$32.18	-3.97%		Catapult

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