

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 3, 2021

Volume 14 Issue 41

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- No new compelling evidence emerged Tuesday night.

Short-term Outlook

The Bottom Line

The Aggregator is bearish, but the setup appears less than compelling.

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

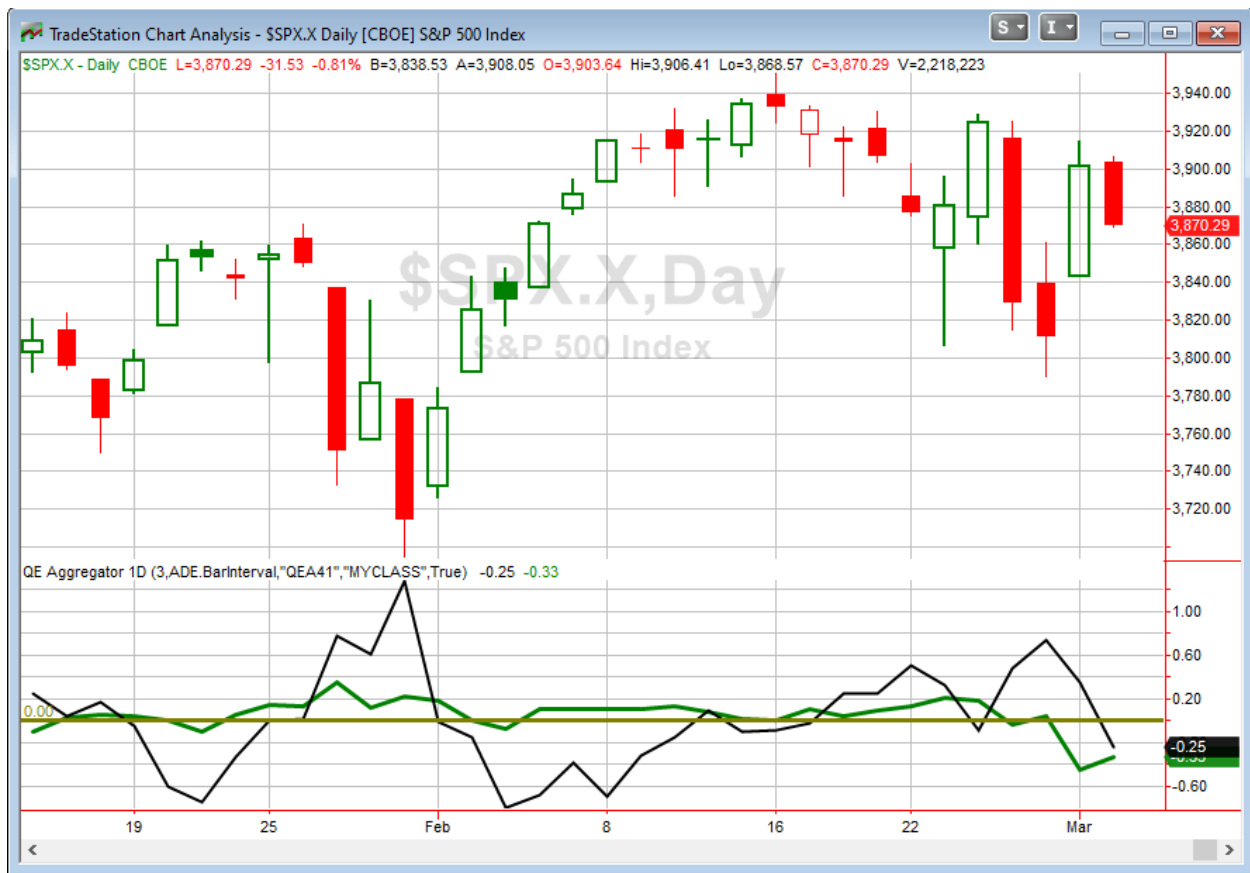
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
March 2, 2021	NASDAQ up 2 frm 10-low < 10ma	1-2 days	Bullish			
March 2, 2021	NASDAQ 3% gain. Low volume 5 days	1-3 days	Bearish			
Active - Long Term						
February 22, 2021	RUT 50ma 25% above 200ma	int term	Warning			
February 8, 2021	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.90%	-4.40%	-8.90%
December 10, 2020	SPX 20 intra-high. NDX biggest dn 20	1-50 days	Bullish	6.20%	-2.80%	-5.40%
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			
Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)						
March 2, 2021	VXO closes down 20% plus	1 day	Bearish			

The Evidence

Tuesday saw the market give back some of Monday's gains. The SPX declined 0.8%, the NASDAQ fell 1.7%, and the Russell 2000 dropped 1.9%. Breadth was mixed with the NYSE Up Issues % coming in at 43% and the Up Volume % at 51%. NYSE total volume rose some from Monday's level.

The back and forth chop over the last few days left the market in a position Tuesday where it was not triggering any compelling studies in the Quantifinder. My examination of indicators did not uncover anything worth discussing, either. So I'm going to keep it very brief tonight. No new studies are being added to the active list.

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



With tonight's evidence considered, 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 fell below 0. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are negative and SPX is overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close below zero. Therefore, the Aggregator signal turned short at the close.

Based on the current active studies, expectations are set to remain bearish on Wednesday. Of course this could change if compelling new bullish evidence emerges. Meanwhile, the Differential Pivot will be 3817.14 on Wednesday. That is 1.4% below Tuesday's close. Therefore, SPX will need to close down at least 1.4% on Wednesday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator is bearish. But I am not thrilled with the setup tonight. It would be a counter-trend trade, which generally increases risk. Additionally, a short trade during a long-term uptrend just after the market has had a sizable down day is generally not a great setup. Lastly, there was no new confirming evidence tonight to support the short bias. So I will continue to sit out until a more compelling reward/risk setup emerges.

Intermediate-term Outlook (2 weeks – 2 months) – *updated 3/1 – somewhat bullish*

The intermediate-term outlook was last updated in the 3/1/21 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](#)

Open Catapult Triggers

ABT – 1/3 @ \$120.80 (buy @ limit)

Broad Market Large Cap CBI – 1(ABT)

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.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
MSFT(1/3)	2/23/2021	\$230.32	\$237.01	2.90%		<i>sold on open</i>
MSFT(1/3)	2/24/2021	\$230.01	\$237.01	3.04%		<i>sold on open</i>
ABT(1/3)	2/24/2021	\$120.80	\$122.53	1.43%		Catapult

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