

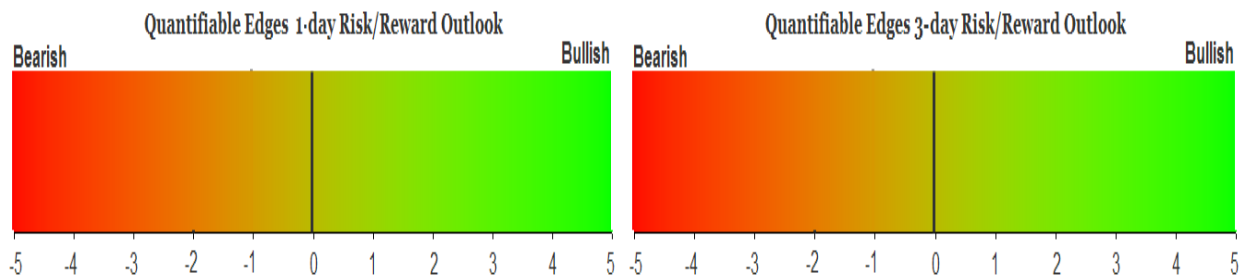
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 10, 2021

Volume 14 Issue 46

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	2

Tonight's Research Points

- Several studies came off the active list, and there was not compelling new studies to replace them.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Me too. I don't see a strong short-term edge here.

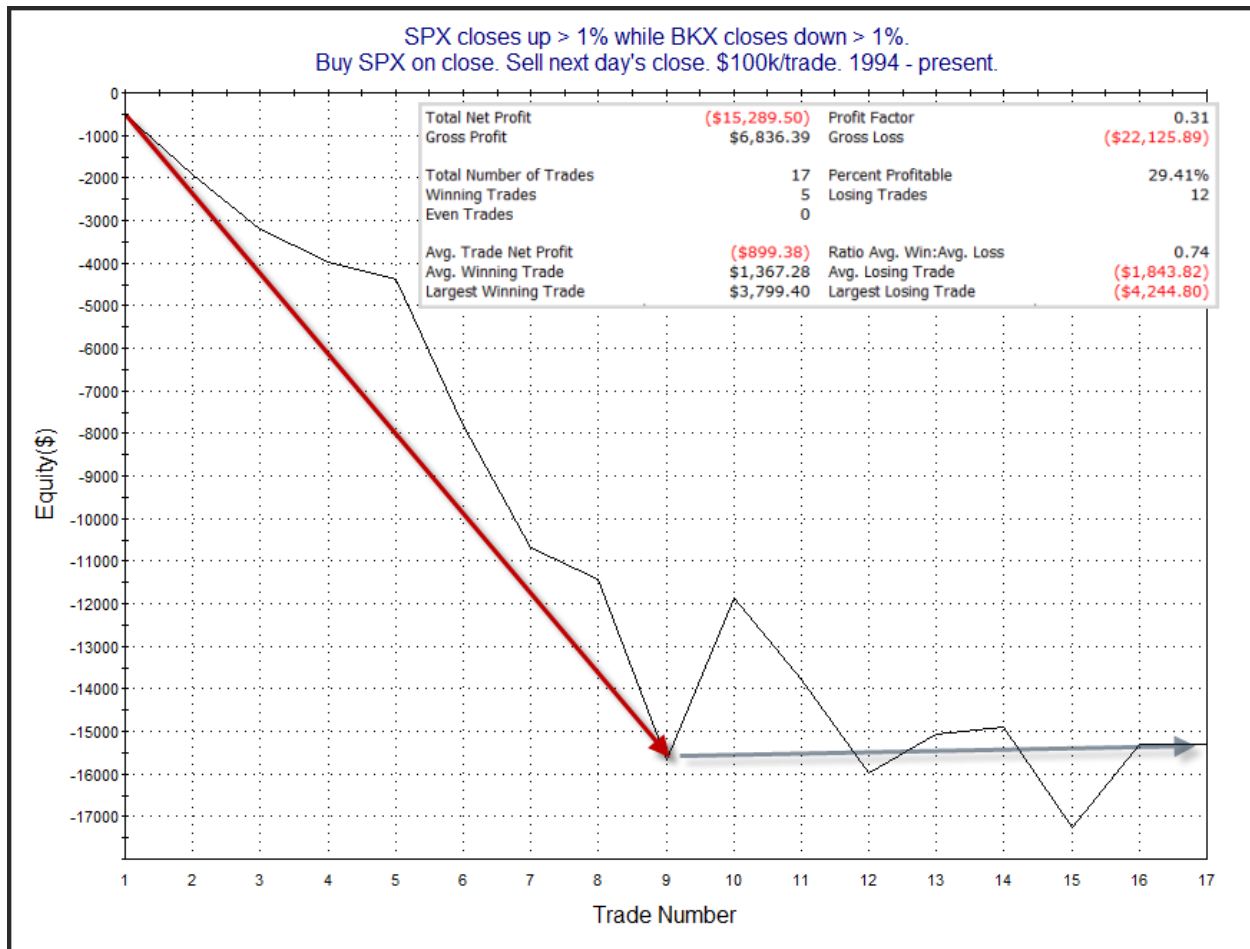
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
March 8, 2021	Rally from 1-month low starts on Fri	1-20 days	Bullish	4.70%	-3.20%	-6.90%
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 9, 2021	SPY gap up, run higher, then rever	1-3 days	Bullish	1.90%	-1.55%	-3.40%
March 8, 2021	Gap up from 20-low fills then rally	1-2 days	Bullish			
March 5, 2021	3 dn. Biggest drop today. 10-low >	1-5 days	Bullish	2.00%	-1.40%	-3.00%

The Evidence

Tuesday saw a strong rally, and the beaten-down tech giants led the way. The SPX closed up 1.4%, the NASDAQ rallied 3.7%, and the Russell 2000 gained 1.9%. Breadth was positive with the NYSE Up Issues % coming in at 61% and the Up Volume % at 60%. NYSE total volume declined some from Monday's level.

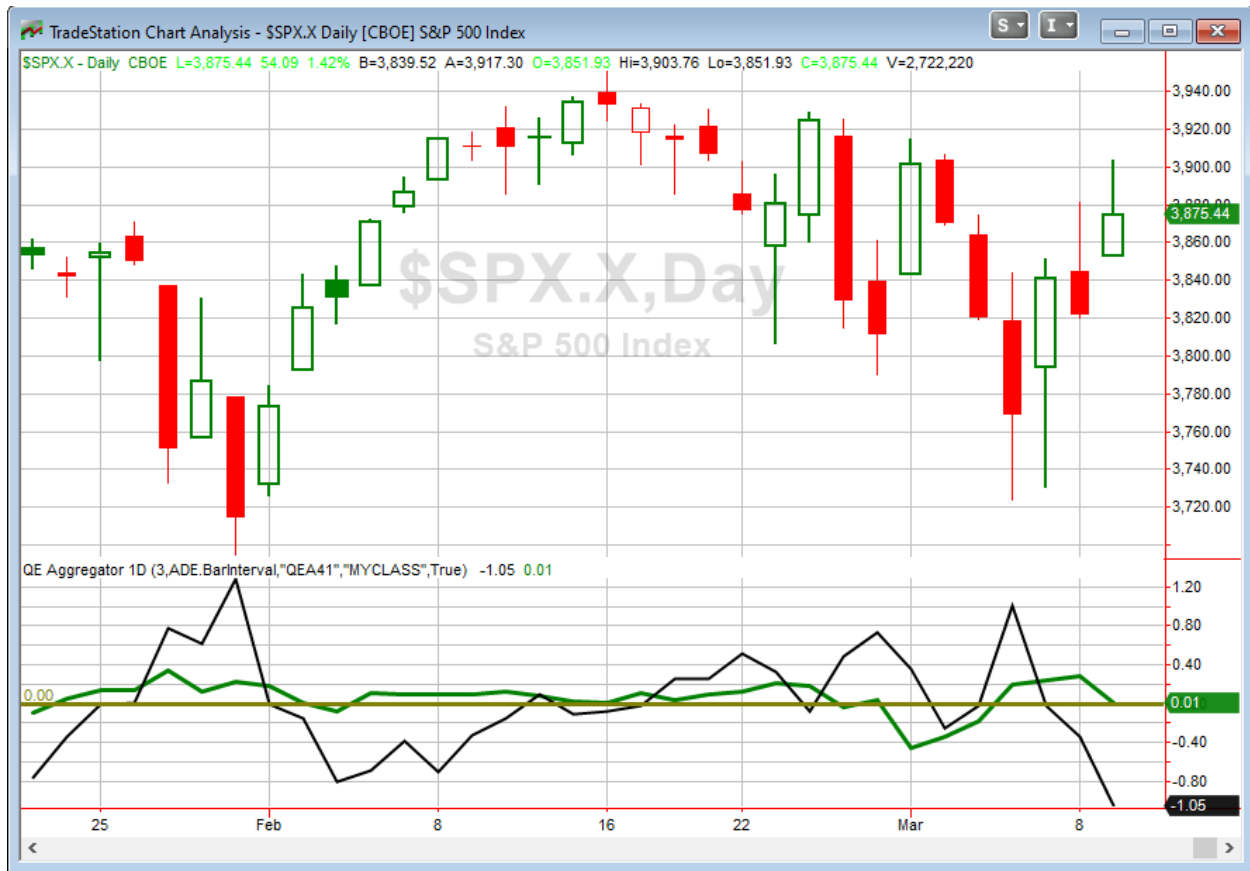
While the Quantifinder gave me a few things to look at, I'm not terribly excited by any of the evidence I examined tonight. The study below is updated from the 1/21/2021 letter.



This appeared bearish a while back, but as you can see, all the downside came on the left hand side of the chart. It has gone sideways over the 2nd half of the instances. So I elected to leave this off the active list tonight. I am not adding any new studies tonight.

But perhaps more substantial than the lack of studies being added tonight, is the fact that all the studies that were on the short-term active list last night are being removed. One reached the end of its time, and the other two both hit their targets early. The basic idea with removing studies early is that while the market may still go in the anticipated direction, the magnitude of the move has already been larger than expected. So any further gain would likely be due to influences other than the listed study.

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



Without any new studies making the grade 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 held below 0. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. 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 stayed flat at the close.

Expectations are currently set to remain positive on Wednesday. Of course this could change if new bearish evidence emerges. And with the short-term list barren, expectations over the next few days will be heavily influenced by any new studies that emerge. Meanwhile, the Differential Pivot will be 3851.30 on Wednesday. That is 0.6% below Tuesday's close. Therefore SPX will need to close down at least 0.6% on Wednesday in order to flip from overbought to oversold vs expectations.

So the Aggregator is neutral. SPX is overbought and evidence is lacking. The NASDAQ put in a strong bounce on Tuesday, and that momentum could certainly carry through some in the next few days. But I don't see strong short-term directional probabilities nor favorable reward/risk at the moment. So I will remain sidelined until a more compelling setup emerges.

Intermediate-term Outlook (2 weeks – 2 months) – updated 3/8 – somewhat bullish

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

ABT – 1/3 @ \$120.80 (bought @ limit)

COST – 1/3 @ \$311.42 (buy @ limit) – not filled – cancel for now

Broad Market Large Cap CBI – 2(ABT, COST)

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
ABT(1/3)	2/24/2021	\$120.80	\$116.70	-3.39%		Catapult

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