

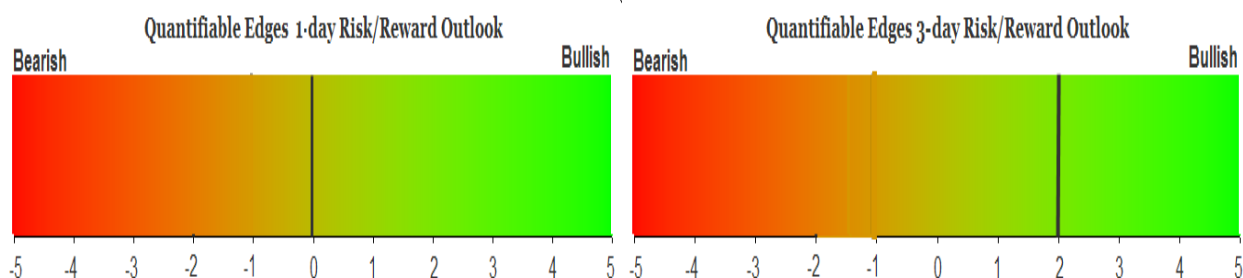
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 26, 2021

Volume 14 Issue 58

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	1

## Tonight's Research Points

- No new compelling evidence emerged on Thursday.

### *Short-term Outlook*

#### *The Bottom Line*

The Aggregator is again bullish. I expect some more upside, but I will start scaling out if we see decent gains on Friday.

*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
<b>Active - Short Term</b>						
March 23, 2021	SPX up & > 200ma. Up Vol % < 40%	1-7 days	Bullish	1.80%	-1.05%	-2.20%
March 22, 2021	Opex week lower in Mar, Apr, Oct, Dec	1-5 days	Bullish			
March 22, 2021	Week after Quad-witch Mar, Jun, Sep	1-5 days	Bearish			
March 18, 2021	100-day high on a Fed Day	1-8 days	Bullish			
<b>Active - Long Term</b>						
March 25, 2021	RUT down 9% from 200hi in < 10 days	int term	Warning			
March 17, 2021	5 up to 50-high then down 1	1-10 days	Bullish			
March 16, 2021	DJI closes up 7 days in a row	1-19 days	Bullish			
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%
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			
<b>Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)</b>						
March 19, 2021	SPX bottom 10% intraday 5-day low	1-5 days	Bullish			

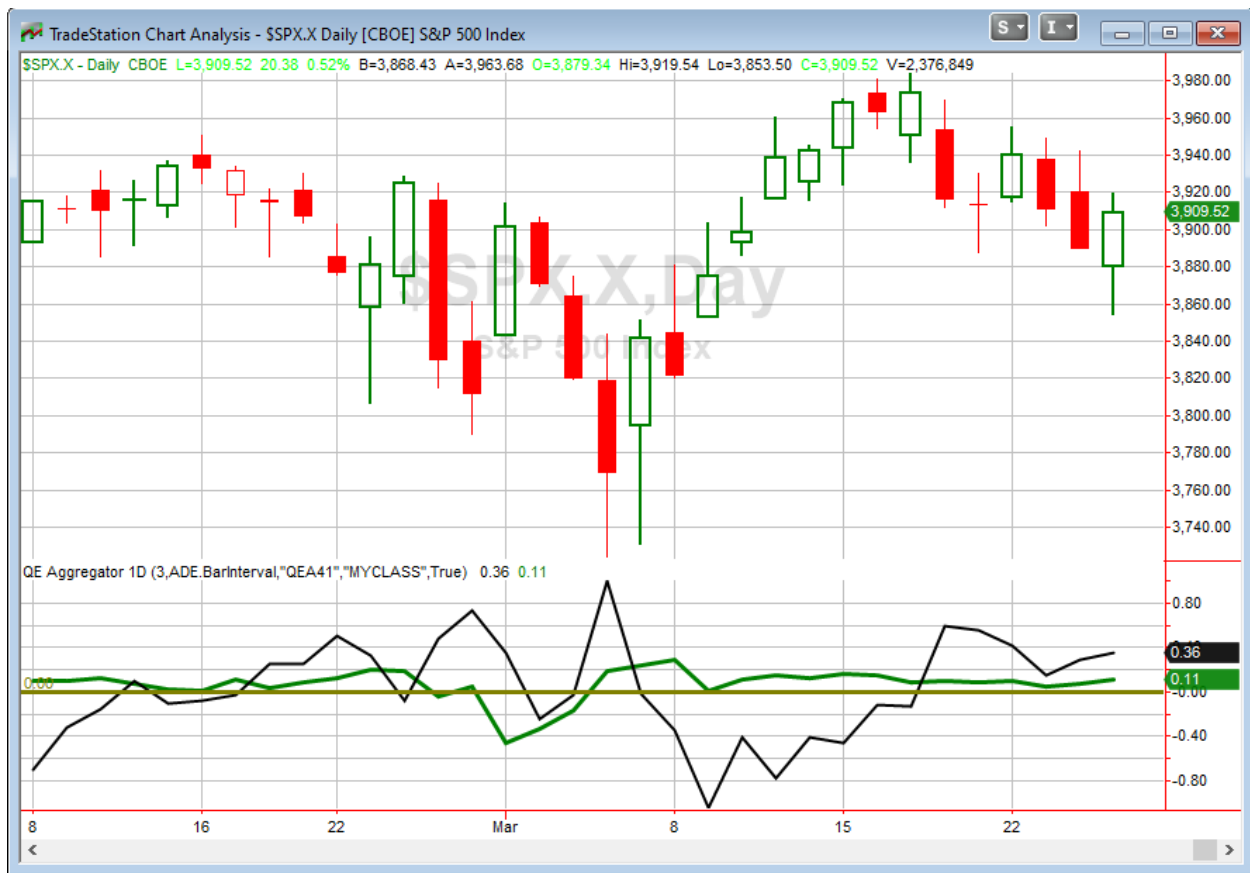
***The Evidence***

It was looking pretty bad for the bulls in the morning. But things turned around at about 11am EST, and the market finished the day mostly higher. The SPX closed up 0.5%, the NASDAQ rose 0.1%, and the Russell 2000 gained 2.3%. Breadth was positive with the NYSE Up Issues % coming in at 65% and the Up Volume % at 78%. NYSE total volume rose some from Wednesday's level.

Last night I showed some research that suggested the Russell 2000 might 1) bounce in short order, and 2) continue to be volatile for a while. Thursday the Russell delivered with both of those things. In the morning IWM traded over 1.5% lower, and in the afternoon it closed up nearly 2.5%. I looked back at other times that IWM 1) traded lower by 1.5% intraday, 2) finished over 1.5% above the previous day's close, 3) made a 10-day intraday low, and 4) closed above its 200ma. There was only one other instance since the inception of IWM in 2000. That instance took place a few weeks ago on 3/5/21. It marked the bottom of that selloff. It was followed by 6 more up closes and an all-time high. I doubt this instance will be so kind to bulls. More than anything, it underscores to me how extreme the action in the Russell has been and continues to be.

Meanwhile, the Quantifinder did not identify any studies that were particularly compelling. And my exploration of ideas based on Wednesday's action did not deliver anything compelling either. So I will keep the research brief tonight.

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



Once again 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.

Expectations are currently set to remain positive on Friday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3919.61 on Friday. That is 0.3% above Thursday's close. Therefore, SPX will need to close up about 0.3% on Friday in order to flip from oversold to overbought vs recent expectations.

The Aggregator is still bullish. Thursday's bounce was a start, but odds are we should see some more upside over the next few days. I have some long index exposure. I will look to close out a portion of it on Friday if SPX finishes above its Differential Pivot. I'll likely exit the rest on Monday morning if Friday finishes well.

### ***Intermediate-term Outlook (2 weeks – 2 months) – updated 3/22 – somewhat bullish***

The intermediate-term outlook was last updated in the 3/22/21 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***

XOM @ \$55.22 (buy @ limit) – *not filled (cancel for now)*

### ***Broad Market Large Cap CBI – 1 (XOM)***

### **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
SPY(1/4)	3/19/2021	\$389.48	\$389.72	0.06%		sell on SPX close>3919.60
SPY(1/4)	3/25/2021	\$385.98	\$389.72	0.97%		Aggregator

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