

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 8, 2021

Volume 14 Issue 66

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling studies emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is neutral, but with the Differential Pivot inverted, we could easily see a bullish Aggregator tomorrow.

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

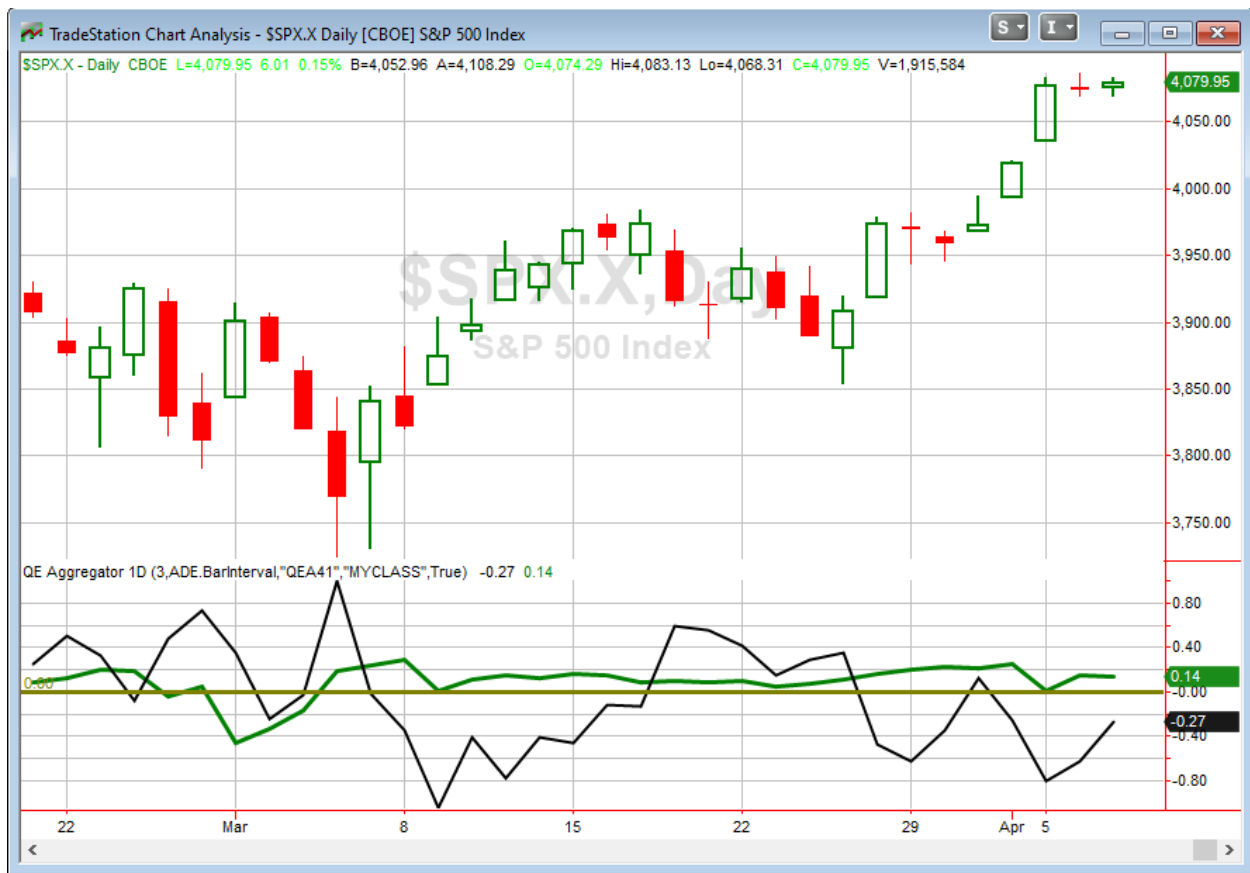
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
April 7, 2021	3 higher hi,low,close. Dn close.	1-2 days	Bullish			
April 6, 2021	3 unfilled up gaps & a 50-day high	1-5 days	Bullish	1.10%	-0.70%	-1.30%
Active - Long Term						
March 25, 2021	RUT down 9% from 200hi in < 10 days	int term	Warning			
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			
Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)						
April 7, 2021	5-hi. Down close. 60% breadth	1 day	Bullish			
April 6, 2021	VIX up. SPX 50-high. Monday.	1-2 days	Bearish			

The Evidence

Wednesday seemed generally quiet. SPX closed up 0.15%, the NASDAQ dipped 0.1%, and the Russell 2000 lost 1.6%. Breadth was negative with the NYSE Up Issues % coming in at 43% and the Up Volume % at 45%. NYSE total volume declined some from Monday's level.

I am going to keep it real short tonight. The large caps have not moved much the last couple of days, and there is nothing compelling triggering in the Quantifinder. The last two days have been basically sideways, and the action is not alerting me to any substantial short-term edges. So I won't be adding any new studies to the active list tonight.

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



Without any new studies emerging 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 above zero. Therefore, the Aggregator signal stayed flat at the close.

Expectations are currently set to remain positive on Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted* at 4097.35 on Thursday. That is 0.4% *above* Wednesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up over 0.4% in order to remain "overbought" vs recent expectations. Anything less than that and it will be considered "oversold" as of Thursday's close.

We are on the verge of seeing the Aggregator turn bullish despite the market being at a new high. Multi-day consolidations will do that. The studies have been expecting the market to move up over the last few days. And they have. But not as much as the studies were expecting. So another sideways or slight down day tomorrow and a bullish Aggregator formation would seem likely. This does not mean I plan to put out an order right now in anticipation. There is plenty that could

But even if the Aggregator formation is bullish, that does not mean I will automatically like the edge enough to try and take an index trade right away. Still, I thought I would point out the potential looming setup so traders were prepared in their thinking.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/5 – somewhat bullish

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

None.

Broad Market Large Cap CBI – 0

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

None.

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