

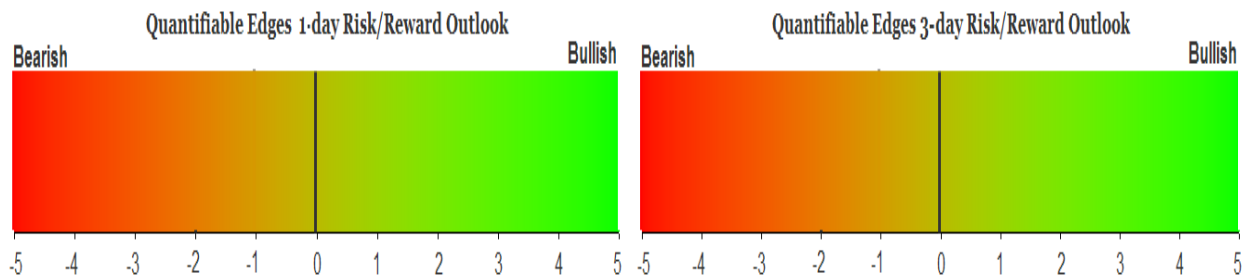
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 15, 2021

Volume 14 Issue 71

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling evidence emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is now 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						
April 14, 2021	NDX up > 1%. SOX down.	1-6 days	Bearish	-2.90%	1.75%	3.80%
Active - Long Term						
March 25, 2021	RUT down 9% from 200hi in < 10 days	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 13, 2021	SPX down. RSI(2) > 90	1-2 days	Bullish			
April 12, 2021	April Opex bullish	1-3 days	Bullish			

The Evidence

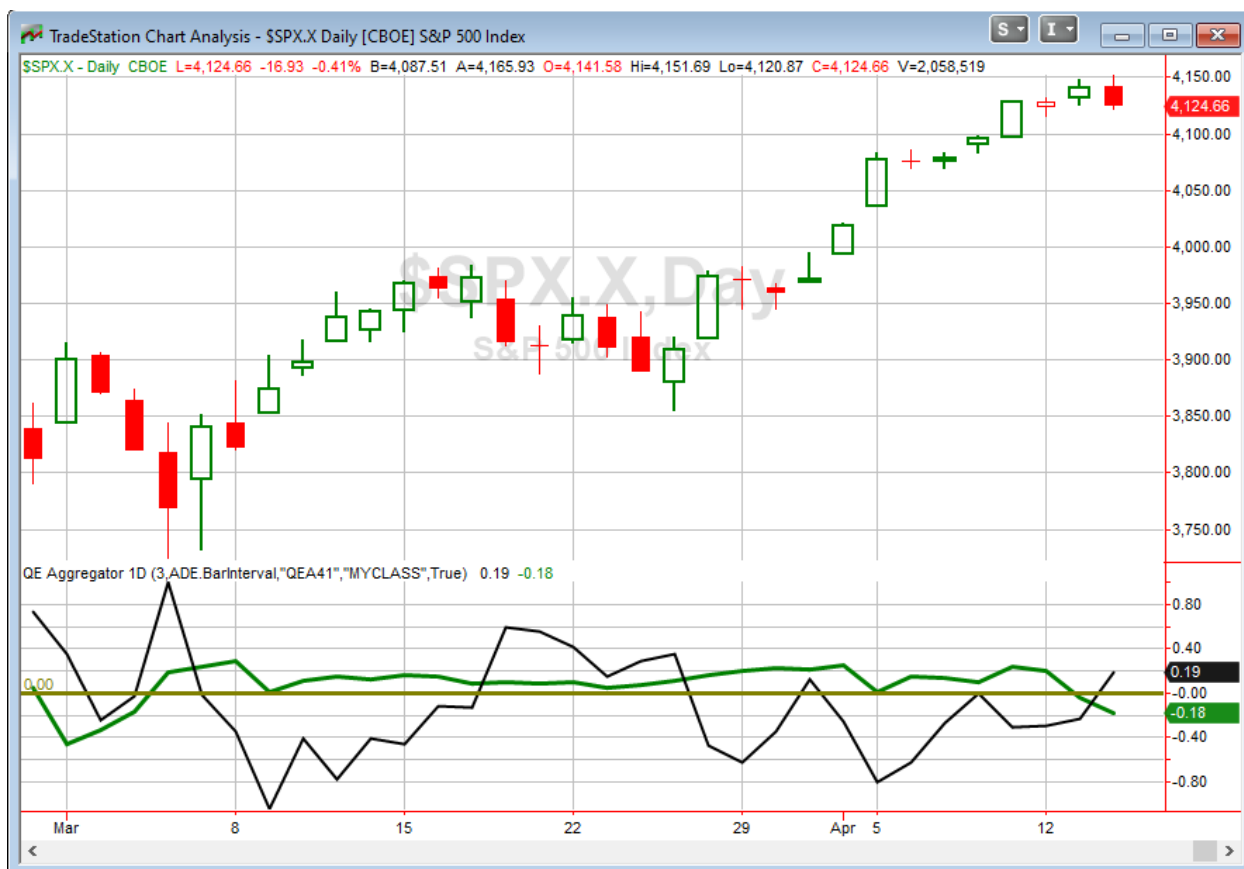
The indices were mixed on Wednesday. SPX declined 0.4%, the NASDAQ lost 1.0%, and the Russell 2000 rose 0.8%. Breadth was positive with the NYSE Up Issues % coming in at 57% and the Up Volume % at 63%. NYSE total volume rose some from Tuesday's level.

Nothing very compelling triggered based on Wednesday's action. SPY did break its streak of closing above the open, which ended at 13 days. And after closing at an all-time high on Tuesday, we saw an outside day with a down close on Wednesday. These types of reversals can sometimes mark tops. More often they don't. I looked at today's reversal a number of ways. None of which suggested a compelling edge. Below is one example.

After closing at 50-day high yesterday, today SPY posts an outside day and closes down the largest amount in the last 10 days. Buy on close. Sell X days later. \$100k/trade. 1993 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	23,782.05	32	21	11	65.63	3,861.00	-4,346.17	1,674.11	-1,034.03	1.62	3.09	743.19
4	14,875.12	32	19	13	59.38	4,452.69	-3,637.17	1,484.12	-1,024.86	1.45	2.12	464.85
3	2,666.28	32	18	14	56.25	3,500.97	-3,445.74	1,113.56	-1,241.27	0.90	1.15	83.32
2	-4,892.92	32	14	18	43.75	2,361.64	-3,737.28	1,086.10	-1,116.57	0.97	0.76	-152.90
1	-356.61	32	14	18	43.75	2,332.00	-3,909.03	853.73	-683.82	1.25	0.97	-11.14

Five days out the numbers are somewhat bullish, but they are quite choppy up until then. This is just one example, but it typifies the kind of results I was seeing tonight. I will not be adding any new studies 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 rose 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.

Expectations are currently set to remain negative on Thursday. This could easily change if new bullish evidence emerges. Meanwhile, the Differential Pivot will be 4149.72 on Thursday. That is 0.6% above Wednesday's close. Therefore, SPX will need to lose up at least 0.6% in order to flip from oversold to overbought vs expectations on Thursday.

So the Aggregator is neutral. I am too. Evidence is bearish but underwhelming. The SPX is oversold, but really a better term would be short-term underperforming. Odds just don't stand out for a big short-term directional index bet. So I am not making one. I'll continue to wait for a more compelling reward/risk scenario to emerge.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/12 – somewhat bullish

The intermediate-term outlook was last updated in the 4/12 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

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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