

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 26, 2021

Volume 14 Issue 100

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling evidence emerged. This has turned into one dull market.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am too.

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

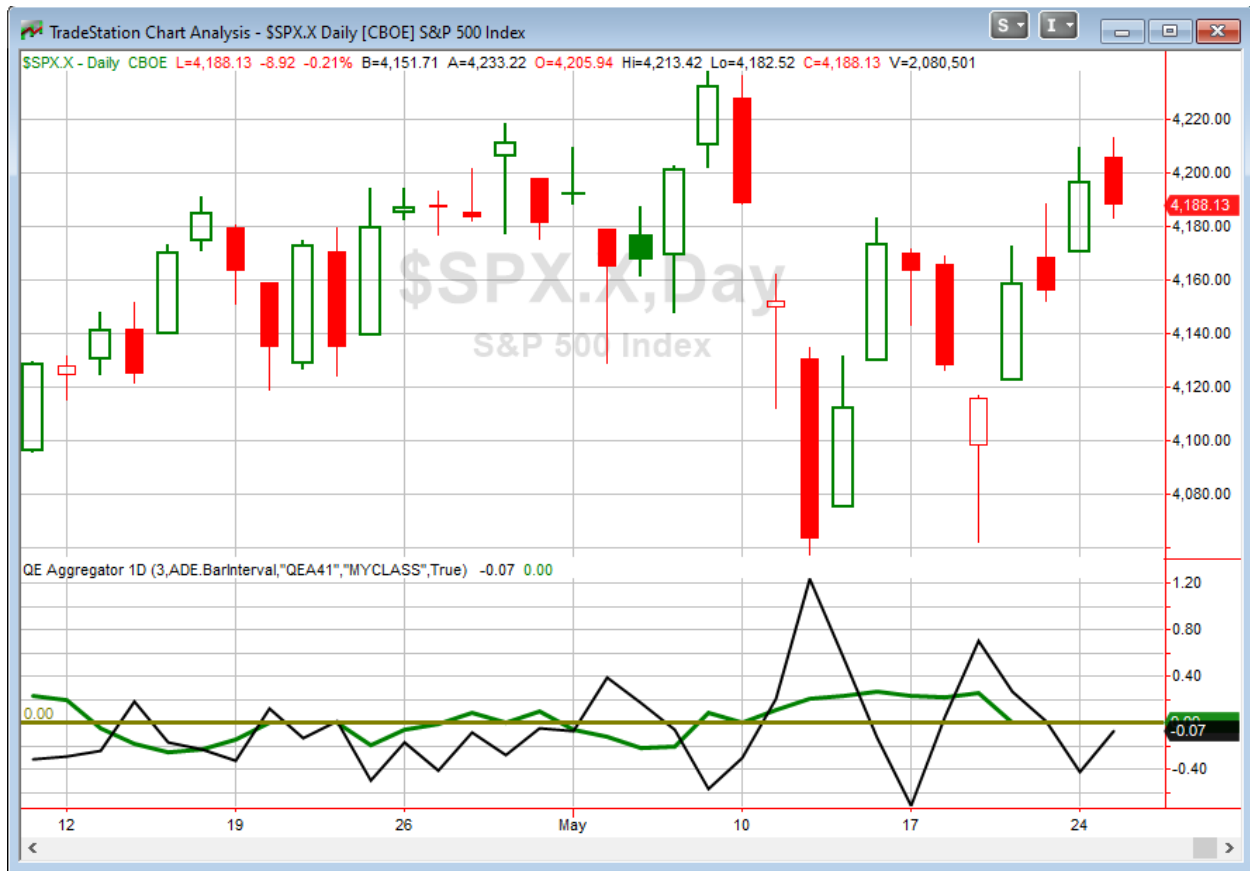
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
May 3, 2021	Worst 6 Months	1-6 months	Bearish			
April 22, 2021	% of SPX stocks > 100ma exceeds 94%	int term	Bullish			
July 9, 2020	Golden Cross	int term	Bullish			
March 23, 2020	QE4	int term	Bullish			

The Evidence

Tuesday saw the market reverse direction for the 4th day in a row. Very little progress was made. SPX finished down 0.2%, the NASDAQ lost 0.03%, and the Russell 2000 dropped 1.0%. Breadth was negative with the NYSE Up Issues % coming in at 37% and the Up Volume % at 38%. NYSE total volume rose some from Monday's low level.

A market this directionless, choppy, and without compelling edges can be frustrating to trade. The frustration for many is simply the waiting. But that does not bother me. For me the frustration comes from having so little to write about each night. I'd much rather have a few studies to dig into and share. But the only ones I could possibly share tonight are like the one I showed last night...unappealing. So tonight I will keep it short.

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



With the lack of compelling short-term evidence, the green Aggregator line again finished at zero. Zero readings mean net expectations are flat over the next few days. Meanwhile the black Differential Line closed just barely below 0. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are flat and SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines fail to close on the same side of zero. Therefore, the Aggregator signal stayed flat at the close.

With the short-term active studies list blank and the intermediate-term neutral, expectations over the next few days will be largely dependent on any new evidence that emerges. Meanwhile, the Differential Pivot will be 4166.16 on Tuesday. That is 0.5% below Tuesday's close. Therefore, SPX would need to close down over 0.5% on Wednesday in order to flip from overbought to oversold vs recent expectations.

So nothing has changed tonight. I still don't see a compelling edge for a directional index trade. I am still determined to wait until I do see an edge before putting new capital at risk. So I remain in "wait and see" mode.

Intermediate-term Outlook (2 weeks – 2 months) – updated 5/24 – neutral

The intermediate-term outlook was last updated in the 5/24/21 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

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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