

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 24, 2021

Volume 14 Issue 120

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- No new compelling evidence emerged on Wednesday.

Short-term Outlook

The Bottom Line

The Aggregator is still neutral. Me too.

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

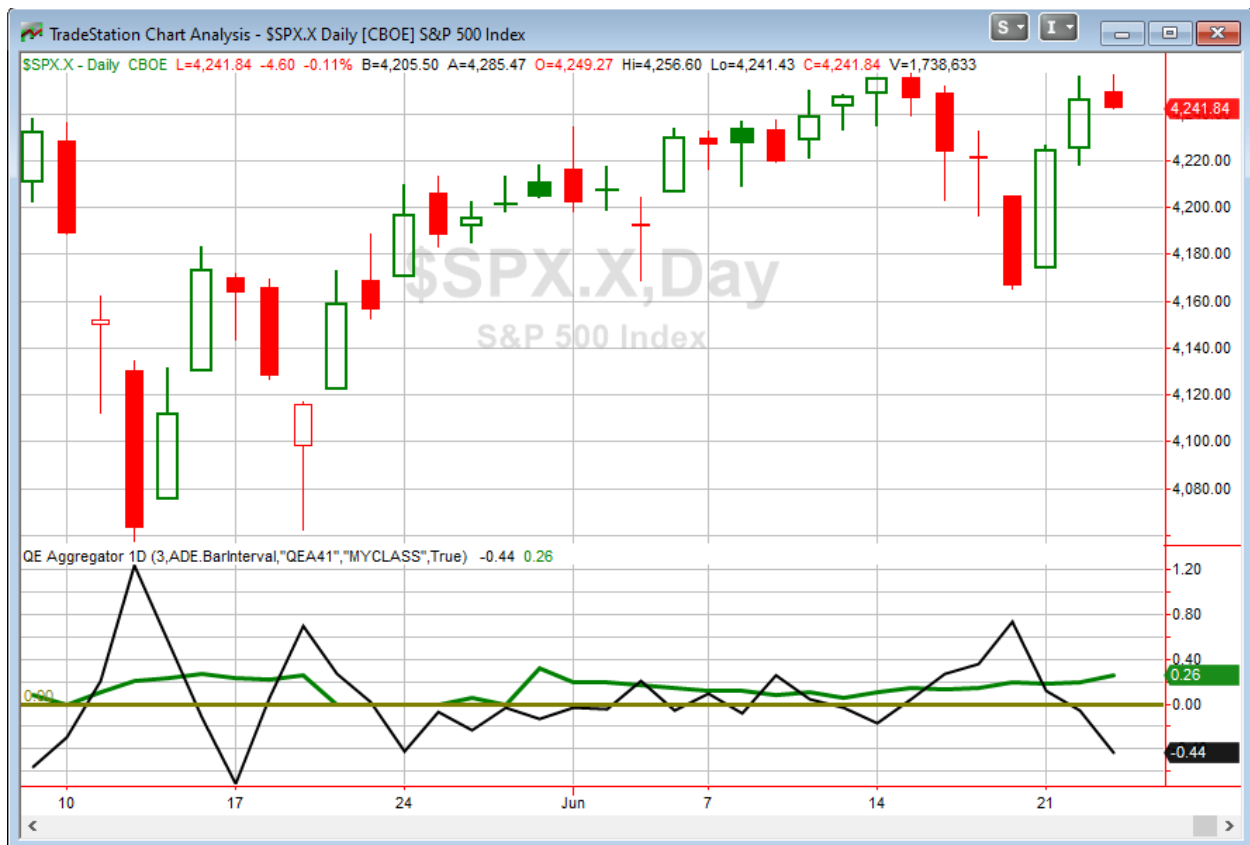
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
June 22, 2021	SPY unfill up frm 10 low, c < 10 > 200	1-4 days	Bullish	1.60%	-1.20%	-2.35%
June 21, 2021	Down 4. Biggest drop today. > 200	1-5 days	Bullish			
June 21, 2021	Fri drop > 1.5x 20-day ATR	1-6 days	Bullish	2.50%	-1.80%	-3.95%
June 17, 2021	Fed today. SPX down 2.	1-6 days	Bullish			
Active - Long Term						
June 14, 2021	NASDAQ leading	int term	Bullish			
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			
Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)						
June 18, 2021	3 dn from 50-high < 10ma > 10-low	1-4 days	Bullish			
June 15, 2021	SPX up. Up vol < 40%	1-7 days	Bullish			

The Evidence

Nothing much was accomplished on Wednesday. The SPX closed down 0.1%, the NASDAQ gained 0.1%, and the Russell 2000 climbed 0.3%. Breadth was positive with the NYSE Up Issues % coming in at 52% and the Up Volume % at 54%. NYSE total volume declined for the 3rd day in a row.

For most of the day on Wednesday it was hardly noticeable that the market was even open. It was a lot of gentle wiggling. The dip near the close turned SPX from positive to negative, but the change was very mild. For the 2nd night in a row, nothing new and compelling triggered in the Quantifinder. I am going to keep it short tonight. No new studies being added to the active list.

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



Without any new studies being added 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 remained 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 stayed flat at the close.

Based on the current active studies, expectations are slated to remain bullish on Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *slightly inverted* at 4247.33 on Thursday. That is 0.1% *above* Wednesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX will need to close up at little over 0.1% in order to remain overbought vs expectations. Anything shy of that and it will be considered oversold as of Thursday's close.

So the Aggregator is again neutral. Evidence is becoming more scant, and the Differential Pivot is inverted. I don't see an edge worth trying to trade right here. The way things are setting up we could easily see a bullish Aggregator tomorrow, unless there is a rally. I'm not inclined to jump the gun on anything. Instead I will wait to see how Thursday unfolds and what new evidence arises before considering taking on any new index positions.

Intermediate-term Outlook (2 weeks – 2 months) – updated 6/21 – somewhat bullish

The intermediate-term outlook was last updated in the 6/21/21 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

ALL – 1/3 @ \$131.41 (bought @ limit)

Broad Market Large Cap CBI – 1(ALL)

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
ALL(1/3)	6/15/2021	\$131.00	\$128.50	-1.91%		Catapult
SPY(1/4)	6/18/2021	\$414.92	\$423.19	1.99%		<i>sold on open</i>

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