

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 24, 2021

Volume 14 Issue 162

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Evidence is still moderately bullish but the market is now overbought. I don't view this as a great reward/risk setup.

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

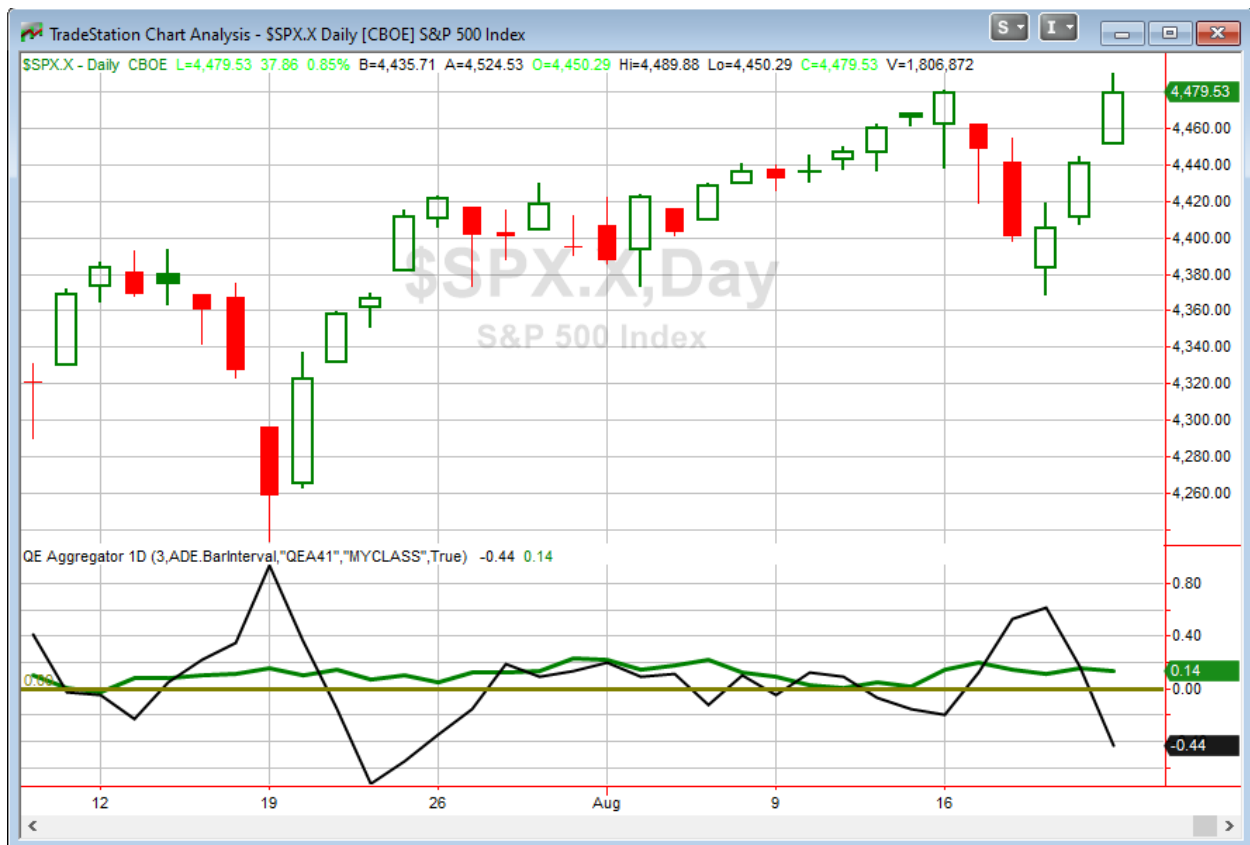
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
August 23, 2021	SPX up 2 from 10 low < 10ma	1-2 days	Bullish			
August 20, 2021	4 Lower Lows. 20 Low.. Up close	1-6 days	Bullish			
August 18, 2021	Bottom 10% range & 5-day low	1-5 days	Bullish			
Active - Long Term						
August 18, 2021	Up 5 days then down < 3 days ago	1-11 days	Bullish			
July 8, 2021	Russell btm 25% 20-day rng. SPX top 25%	1- 40 days	Bullish			
July 6, 2021	SPX 200 hi. Mc Osc < 0 12 days in row	1-45 days	Bearish	-6.50%	2.45%	4.50%
June 28, 2021	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.90%	-4.40%	-8.80%
May 3, 2021	Worst 6 Months	1-6 months	Bearish			
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)						
August 23, 2021	SPY up 2 < 3 ago	1-2 days	Bullish			
August 13, 2021	SPX up. NYSE Up Volume < 40%	1-7 days	Bullish	1.70%	-1.10%	-2.25%
August 18, 2021	5 up to 50-high then down 1	1-4 days	Bullish			

The Evidence

Monday was a good day for the bulls. The SPX closed up 0.85%, the NASDAQ rose 1.55%, and the Russell 2000 jumped 1.9%. Breadth was positive with the NYSE Up Issues % coming in at 67% and the Up Volume % at 84%. NYSE total volume declined some from Friday's level.

The bounce over the last few days was expected based on studies we were seeing last week. So the rally has not been a surprise. But it has reached a point where I am not seeing strong hints for the next few days. No compelling new evidence emerged on Monday. So I am going to keep it very brief tonight.

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



Without any compelling new evidence emerging tonight, the green Aggregator Line held above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line dropped 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 formation turned flat at the close.

Based on the current active list, expectations are slated to remain bullish on Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 4425.09 on Tuesday. That is 1.2% below Monday's close. Therefore, SPX would need to close down over 1.2% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is now neutral. The studies still suggest we could see more upside. But the market is overbought to the point that reward/risk is not compelling. I took profits on my SPY position on Monday. I do not intend to look to re-enter until a more compelling setup emerges.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/23 – slightly bullish

The intermediate-term outlook was last updated in the 8/23 Letter. It can be found [in the most recent weekly letter](#) on the website.

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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
SPY(1/4)	8/18/2021	\$439.18	\$445.16	1.36%		<i>sold on open</i>

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