

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 1, 2021

Volume 14 Issue 168

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- SPY closing in the bottom half of its range on Tuesday bodes well for Wednesday.
- Wednesday is the day with the best seasonal edge for September, based on the QE Seasonality Calendar.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Wednesday seems more likely to rally. But I do not have much insight beyond that.

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

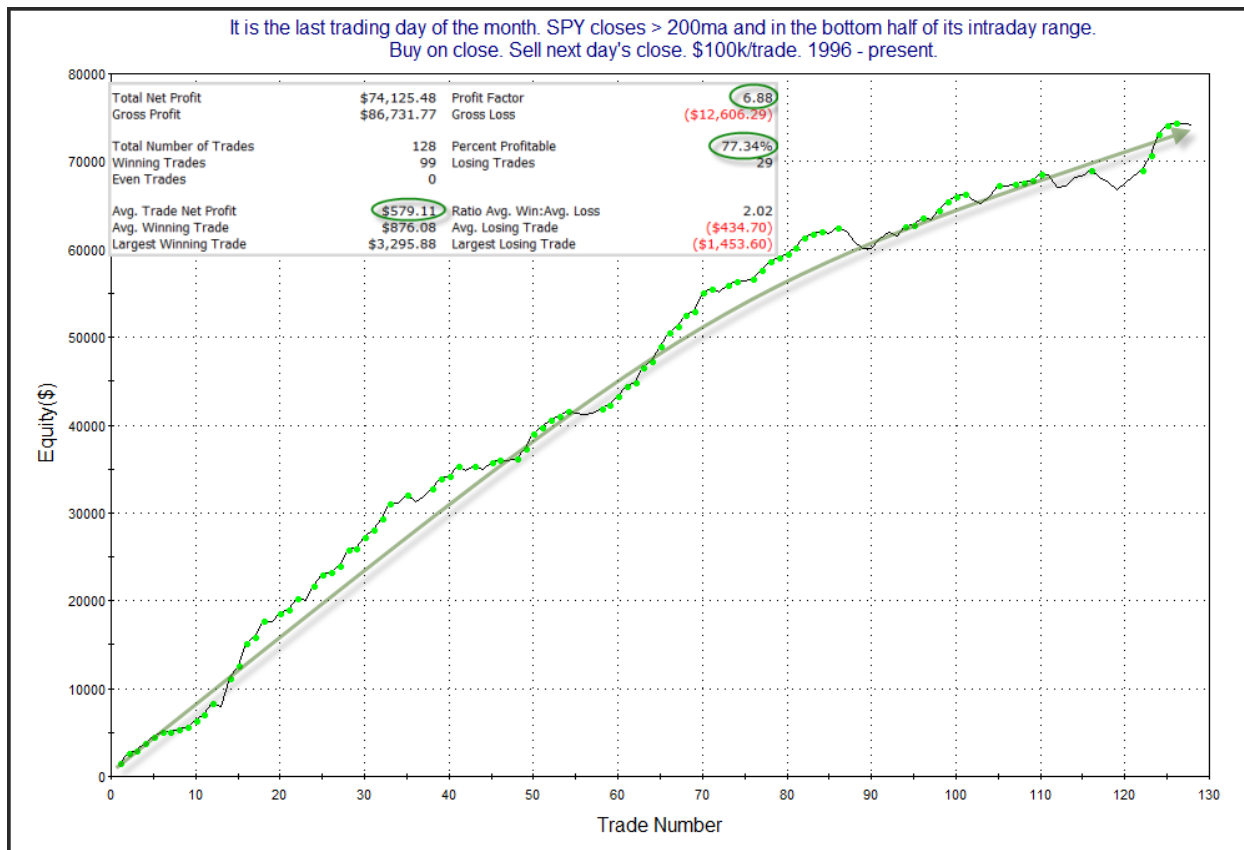
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
September 1, 2021	SPY closes low in range last day of mnth	1 day	Bullish			
Active - Long Term						
August 30, 2021	NASDAQ Leading	int term	Bullish			
August 18, 2021	Up 5 days then down < 3 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%
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			

The Evidence

Tuesday was mixed and mild. The SPX declined 0.13%, the NASDAQ lost 0.04%, and the Russell 2000 rose 0.34%. Breadth was positive with the NYSE Up Issues % coming in at 54% and the Up Volume % at 63%. NYSE total volume came in higher than Monday.

The biggest edge to consider tonight is one I showed in Sunday's letter. Those studies demonstrated that closes in the bottom half of the day's range on the last day of the month often were followed by a strong 1st day of the month. I have copied the notes from Sunday regarding the current setup below.

First let's look at times when the market closed in the bottom half of its range on the last day of the month.



The stats here are outstanding. Gains absolutely blow away losses in every category. Gross gains are nearly 7x the size of gross losses. That's a very impressive stat when you are looking at a sample size of 128 instances. And the curve has shown progress over a long period of time. This setup certainly appears to provide a 1-day bullish edge.

This certainly seems worth consideration and I have added it to the active list tonight.

The QE Calendar for SPX is also suggesting Wednesday carries a bullish seasonal edge. I have posted the [September Calendars to the site](#) and copied the SPX one below.



With tonight's evidence considered, 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 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 formation stayed flat at the close.

With the only remaining short-term study set to expire on Wednesday, expectations will be highly influenced by any new evidence that emerges over the next few days. Meanwhile, the Differential Pivot will be 4516.35 on Wednesday. That is just 0.1% below Tuesday's close. Therefore, SPX will only have to close down a small amount in order to flip from overbought to oversold vs expectations on Wednesday.

So it looks like there is a good chance Wednesday could see a gain. But overall we are looking at a neutral Aggregator and perhaps a slow three days coming up. I am not seeing a strong swing-term edge right here. I'll continue to exercise some patience before looking to take on my next index trade.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/30 – somewhat 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

None

The author of Quantifiable Edges (QE), Mr. Robert Hanna, is separately affiliated with a registered investment adviser in the States of Washington, California, Colorado, Michigan, Texas, Massachusetts, and Louisiana, Eastsound Capital Advisors, LLC (ECA) d.b.a. Capital Advisors 360, LLC. ECA may not transact business in states where it is not appropriately registered, excluded or exempted from registration. Individualized responses to persons that involve either the effecting of transaction in securities, or the rendering of personalized investment advice for compensation, will not be made without registration or exemption. Advisory clients of ECA utilizing the approaches developed by Mr. Hanna will receive the QE newsletter at no charge. ECA is not otherwise affiliated with QE, and neither endorses nor warrants the content of this site, the QE newsletter(s), any embedded advertisement, nor any linked resource herein.

This report has been prepared by Quantifiable Edges, LLC and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy securities. While information contained herein is believed to be accurate at the time of publication, we make no representation as to the accuracy or completeness of any data, studies, or opinions expressed and it should not be relied upon as such. Robert Hanna, Quantifiable Edges, LLC or clients of Quantifiable Edges, LLC may have positions or other interests in securities (including derivatives) directly or indirectly which are the subject of this report. This report is provided solely for the information of Quantifiable Edges, LLC clients and prospects who are expected to make their own investment decisions without reliance upon this report. Neither Quantifiable Edges, LLC nor any officer or employee of Quantifiable Edges, LLC accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Quantifiable Edges, LLC.

Copyright © 2021 Quantifiable Edges, LLC.