

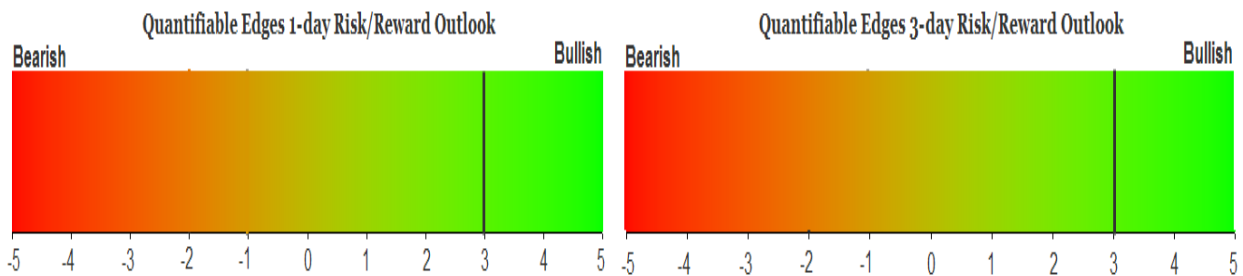
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 12, 2021

Volume 14 Issue 219

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- A close near the low of the day, but still up on the day, has typically been followed by buying in the next few days.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. Evidence is strong, and SPX is fairly oversold. Reward/risk appears favorable.

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						
November 11, 2021	System 11111	1-3 days	Bullish			
November 11, 2021	1st close < 10ma in > 15 days	1-3 days	Bullish			
November 10, 2021	5 up to 50 high then down 1	1-4 days	Bullish	1.10%	-0.80%	-1.60%
November 10, 2021	NASDAQ up 10 days then down 1	1-4 days	Bullish	1.50%	-0.80%	-1.50%
November 9, 2021	SPX up 8 to 50-hi	1-4 days	Bullish			
November 9, 2021	SPX 50-high. VXX 5-high.	1-4 days	Bearish			
November 8, 2021	VIX up > 6%. SPX up.	1-5 days	Bullish	1.80%	-0.90%	-1.80%
November 8, 2021	VIX up SPX 50-high Fri.	1-5 days	Bearish	-1.50%	0.70%	1.45%
November 4, 2021	SPX 100-day high on Fed Day	1-7 days	Bullish			
November 3, 2021	SPX up. Up Vol % < 40%	1-7 days	Bullish	1.70%	-1.15%	-2.25%
Active - Long Term						
November 10, 2021	5 up to 50-high then down 1	1-10 days	Bullish	1.80%	-1.10%	-2.30%
November 4, 2021	SPX up 14 of 16 days and new high	1-10 days	Bullish			
November 4, 2021	SPX 50-day %b > 100	1-50 days	Bullish			
November 1, 2021	NASDAQ Leading	int term	Bullish			
November 1, 2021	Best 6 Months	1-6 months	Bullish			
October 21, 2021	RSI2 > 99	1-15 days	Bullish			
October 20, 2021	5 up over 3% < 50-high > 200ma	1-15 days	Bullish	3.00%	-1.70%	-3.20%
October 4, 2021	21-day low Thursday. Up Friday	1-25 days	Bullish			
July 9, 2020	Golden Cross	int term	Bullish			
March 23, 2020	QE4	int term	Bullish			

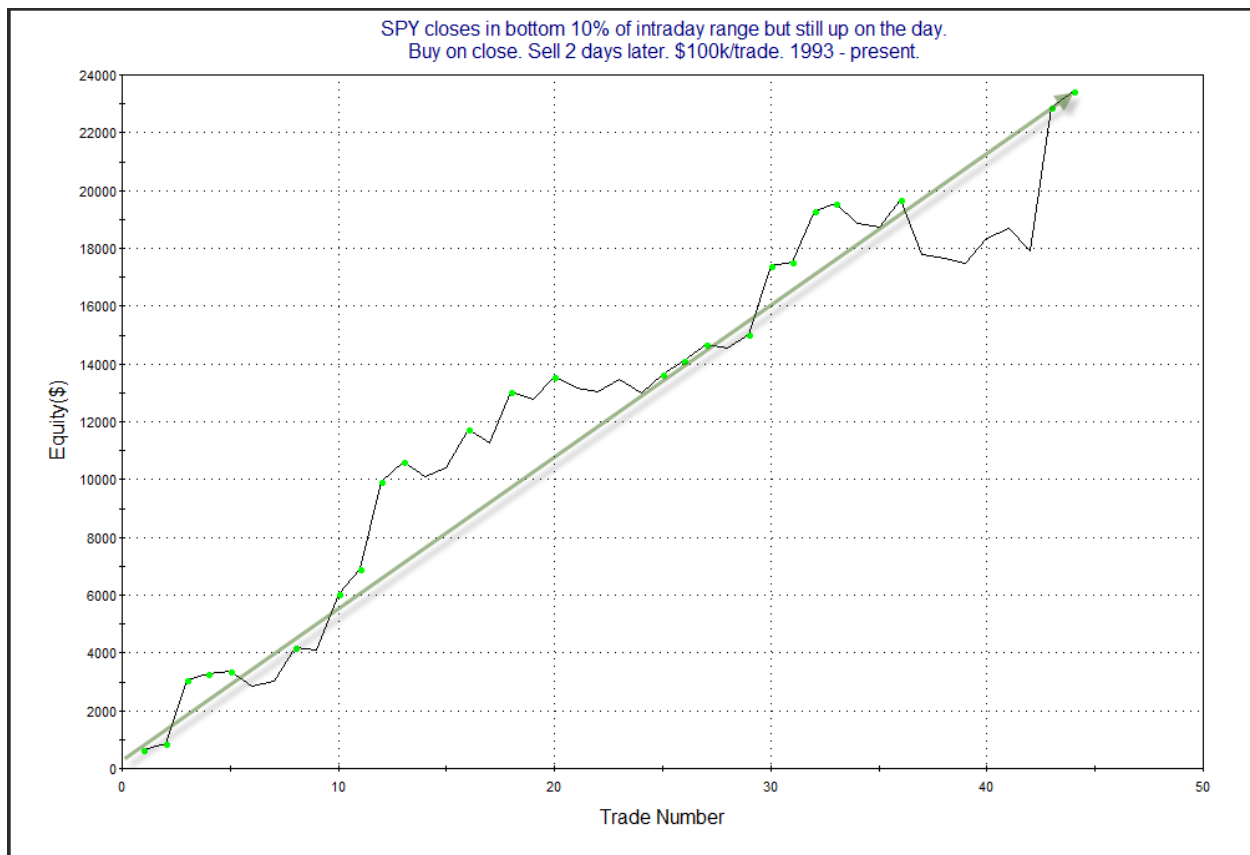
The Evidence

Thursday saw a very mild bounce. The SPX closed up 0.1%, the NASDAQ rose 0.5%, and the Russell 2000 gained 0.8%. Breadth was positive with the NYSE Up Issues % coming in at 57% and the Up Volume % at 65%. NYSE total volume came in light with some traders taking the day off.

The late-day selling and weak close may have felt like a negative, but it triggered a study that has been very bullish over the years. SPY closing in the bottom 10% of its daily range, but still up on the day is something that doesn't occur very often. It is something I explored in the 7/2/18 letter. Results below are all updated.

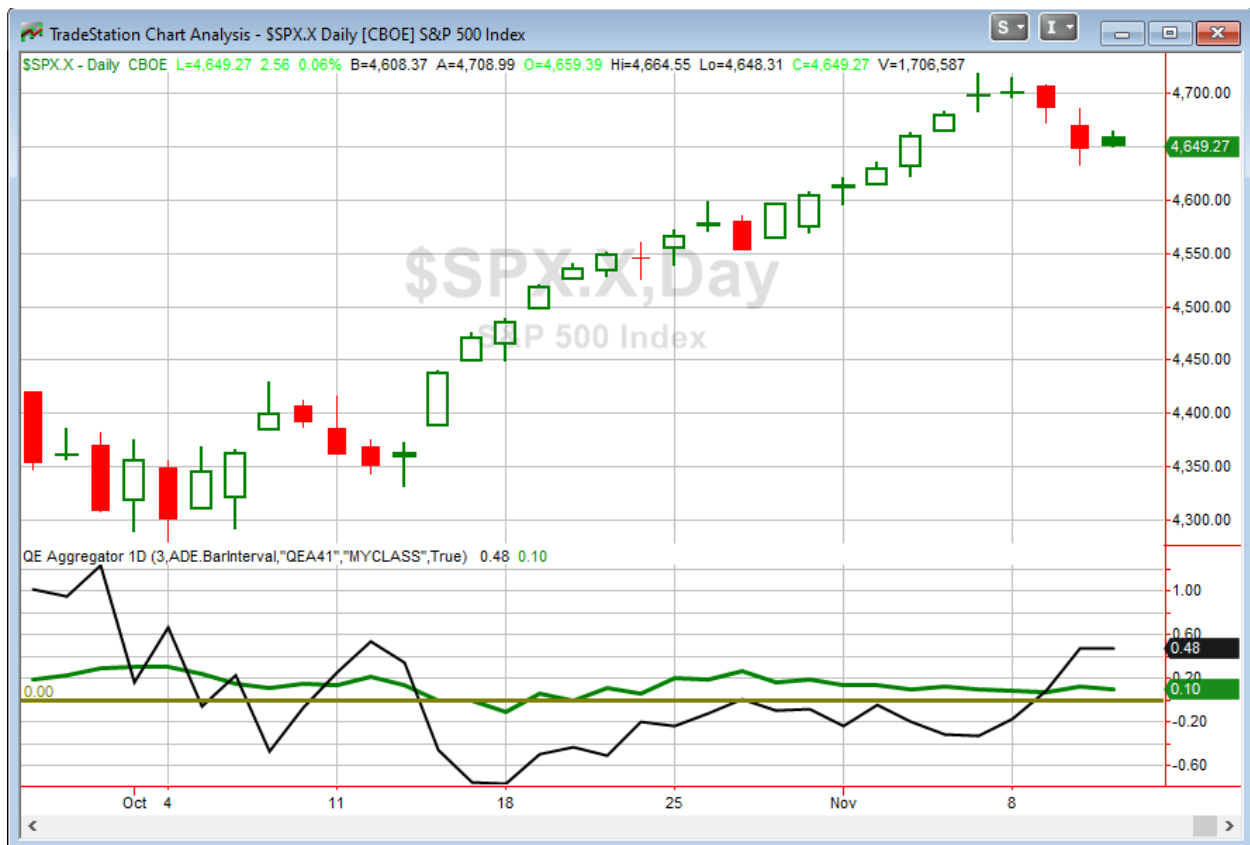
SPY closes in bottom 10% of intraday range but still up on the day. Buy on close. Sell X days later. \$100k/trade. 1993 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	26,758.31	43	30	13	69.77	4,761.51	-5,339.20	1,556.26	-1,533.03	1.02	2.34	622.29
4	29,907.34	44	35	9	79.55	7,034.82	-3,902.88	1,258.22	-1,570.04	0.80	3.12	679.71
3	28,813.73	44	33	10	75.00	3,969.81	-3,797.60	1,120.41	-815.97	1.37	4.53	654.86
2	23,454.53	44	29	15	65.91	4,927.39	-1,876.24	1,042.17	-451.22	2.31	4.47	533.06
1	13,946.91	45	28	17	62.22	3,476.36	-903.90	692.05	-319.45	2.17	3.57	309.93
44 of 45 instances closed above the entry price at some point in the next week.												

The numbers here are impressively bullish. I also ran a profit curve assuming a 2-day holding period.



The strong and persistent upslope is impressive, and serves as some confirmation of the upside edge. I have added this study to the active list tonight.

I have updated [the Aggregator chart](#) 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 also remained above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator formation stayed long at the close.

Based on the current list of active studies, expectations are slated to remain positive on Friday. This could possibly change if very compelling bearish evidence were to emerge. Meanwhile, the Differential Pivot will be 4697.22 on Friday. That is 1.0% above Thursday's close. So SPX will need to close up a least 1.0% on Friday in order to flip from oversold to overbought vs recent expectations.

The Aggregator is again bullish. I continue to like the long side. I have a small amount of exposure. I will only look to add to it if SPY closes down substantially on Friday. Otherwise, I will continue to hold my small long position through the weekend.

Intermediate-term Outlook (2 weeks – 2 months) – *updated 11/8 – somewhat bullish*

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.

SPY - Buy ¼ index position @ \$460.00 LIMIT ON CLOSE. Based on the short-term outlook above, I will look to add a 2nd lot of SPY if it closes down a good amount on Friday.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
SPY(1/4)	11/11/2021	\$463.75	\$463.77	0.00%		Aggregator

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