

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 30, 2021

Volume 14 Issue 250

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No compelling new studies emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is again neutral. That is where I am as well.

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

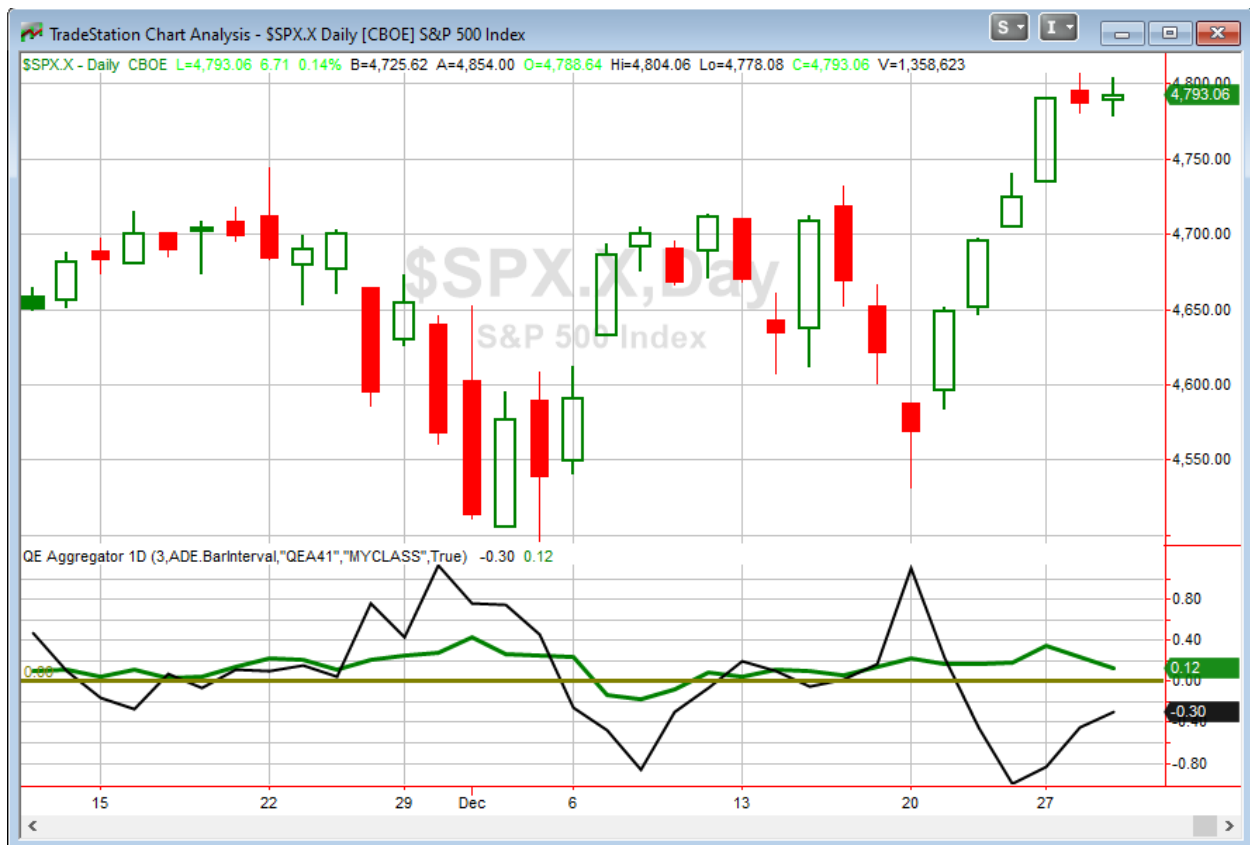
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
December 29, 2021	3 higher hi, low, close. Dn close. Up hi-lo	1-2 days	Bullish			
December 28, 2021	Up 4 days and 3 of them > 1%	1-4 days	Bullish	2.10%	-0.80%	-1.50%
December 27, 2021	50-day high just before Christmas	1-5 days	Bullish			
Active - Long Term						
December 13, 2021	Dec opex wk + 2 more weeks bullish	1-15 days	Bullish	3.30%	-1.80%	-4.00%
November 22, 2021	Hindenburg Omen Cluster	1-35 days	Bearish	-6.90%	3.20%	5.80%
November 8, 2021	QE4 tapering	int term	Bullish but Weakening			
November 4, 2021	SPX 50-day %b > 100	1-50 days	Bullish			
November 1, 2021	Best 6 Months	1-6 months	Bullish			
July 9, 2020	Golden Cross	int term	Bullish			
Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)						
December 28, 2021	1 % Gain between Christmas & New Yr	1-2 days	Bullish			

The Evidence

Wednesday was another quiet day. The SPX finished down 0.1%, the NASDAQ fell 0.6%, and the Russell 2000 lost 0.7%. Breadth was weak with the NYSE Up Issues % coming in at 48% and the Up Volume % at 43%. NYSE total volume again came in light as you'd expect with many traders taking time off.

I am going to keep it short tonight. The mild action did not trigger anything compelling, so no new studies will be added to the active list.

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



Without any new studies being added 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 remained well below zero. 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.

Based on the current studies on the active list, expectations are scheduled to remain positive on Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted at 4825.47* on Thursday. That is *0.7% above* Wednesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up nearly 0.7% in order to remain overbought. Anything less than that and it will flip to oversold versus recent expectations.

Unless we have a big up day on Thursday, we could see the Aggregator turn bullish. But for now, it remains neutral. And frankly, it is unlikely I'd get very excited tomorrow without strong new evidence, even if we do see a bullish Aggregator formation.

Intermediate-term Outlook (2 weeks – 2 months) – updated 12/27 – somewhat bullish

The intermediate-term outlook was last updated in the 12/27/21 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 tonight.

Current Open Trade Ideas

None

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