

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 3, 2022

Volume 15 Issue 41

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- Similar unfilled gaps up and moves higher have often been followed by a down close the next day.

Short-term Outlook

The Bottom Line

The Aggregator is still bullish. But it could easily change to neutral or bearish on Thursday.

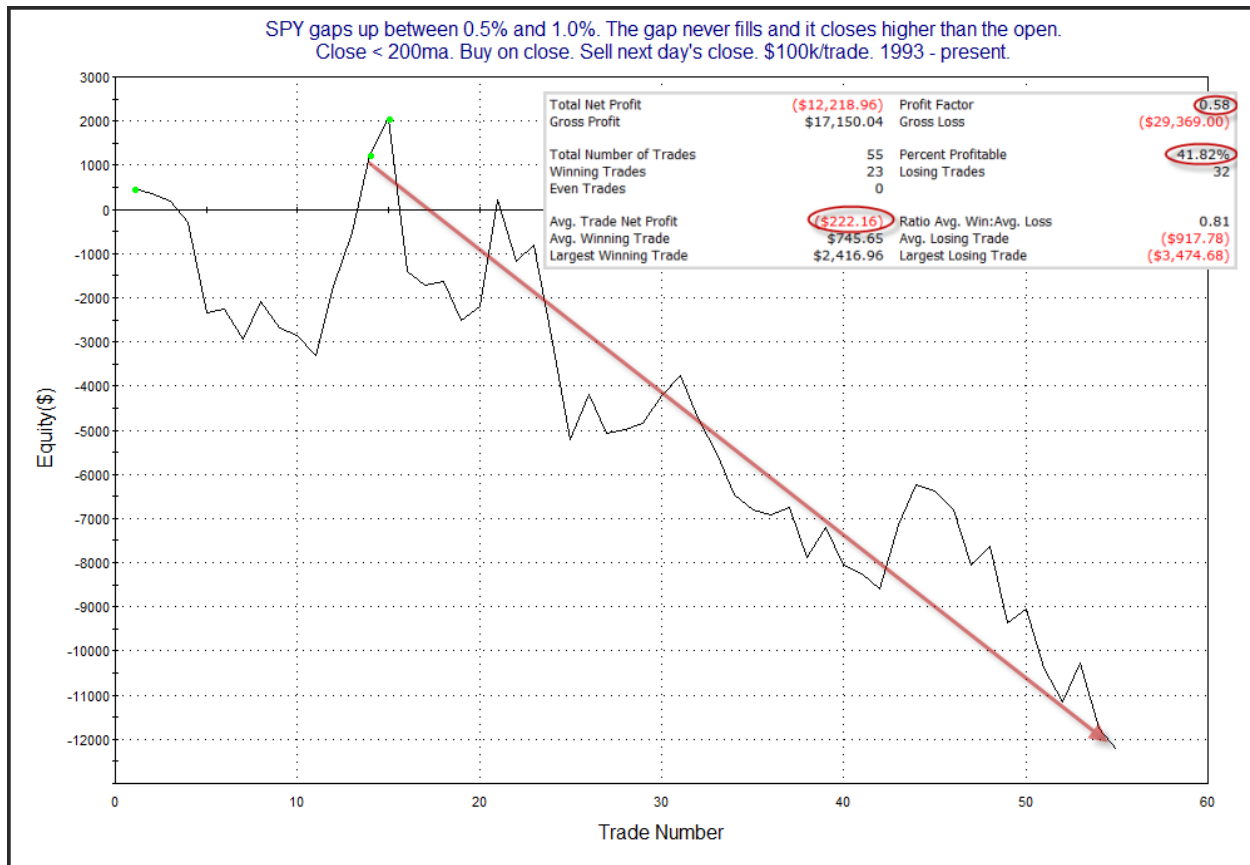
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
March 3, 2022	Unfilled gap up. Close > open bu < 200	1 day	Bearish			
March 2, 2022	VIX 100-high. SPX > 100-low < 200ma	1-2 days	Bullish			
Active - Long Term						
February 22, 2022	CBI hits 10. SPX < 200ma.	1-17 days	Bullish	6.70%	-3.80%	-7.80%
January 31, 2022	Up close from 21-day low on a Friday	1-20 days	Bullish			
November 8, 2021	QE4 tapering	int term	Bullish but Weakening			
November 1, 2021	Best 6 Months	1-6 months	Bullish			
July 9, 2020	Golden Cross	int term	Bullish			

The Evidence

The market shot higher on Wednesday. The SPX rose 1.9%, the NASDAQ rallied 1.6%, and the Russell 2000 jumped 2.5%. Breadth was positive with the NYSE Up Issues % coming in at 73% and the Up Volume % at 83%. NYSE total volume declined some from Tuesday’s level.

The study below was last seen in the 3/31/20 letter. It examines the unfilled gap up to start the day and the continued rise. I have updated the stats and the chart.



The numbers and the curve suggest a 1-day downside edge. I have included this study on the active list tonight.

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



Even with tonight's evidence considered, the green Aggregator line held slightly above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line remained above zero. The positive Differential Line reading means that SPX is still 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.

With both studies on the Short-Term Active List set to expire, and the intermediate-term outlook neutral, expectations are primed to turn flat on Thursday. This could change if new evidence emerges. Meanwhile, the Differential Pivot will be 4421.21 on Thursday. That is 0.8% above Wednesday's close. So SPX will need to close up at least 0.8% on Thursday to flip from oversold to overbought vs recent expectations.

So the Aggregator is still long. But evidence is mixed, and it is also set to turn neutral on Thursday unless new evidence emerges. While the Differential Line is saying SPX is still oversold, the rally on Wednesday put us above an ideal entry point. Overall, I am just not seeing this as a great setup to be entering new positions. I'll wait for a more compelling setup to emerge before putting new capital to work.

Intermediate-term Outlook (2 weeks – 2 months) – updated 2/28 – neutral

The intermediate-term outlook was last updated in the 2/22/22 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

PM – 1/3 @ \$102.79 (bought @ limit)

Broad Market Large Cap CBI – 1(PM)

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	Notes
GILD(1/3)	2/8/2022	\$63.76	\$61.24	-3.95%	<i>sell on open</i>
GILD(1/3)	2/9/2022	\$63.70	\$61.24	-3.86%	<i>sell on open</i>
GILD(1/3)	2/10/2022	\$63.00	\$61.24	-2.79%	<i>sell on open</i>
HD(1/3)	2/24/2022	\$300.00	\$321.06	7.02%	<i>sold on open Wednesday</i>
PM(1/3)	3/1/2022	\$101.07	\$102.54	1.45%	Catapult

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 © 2022 Quantifiable Edges, LLC.