

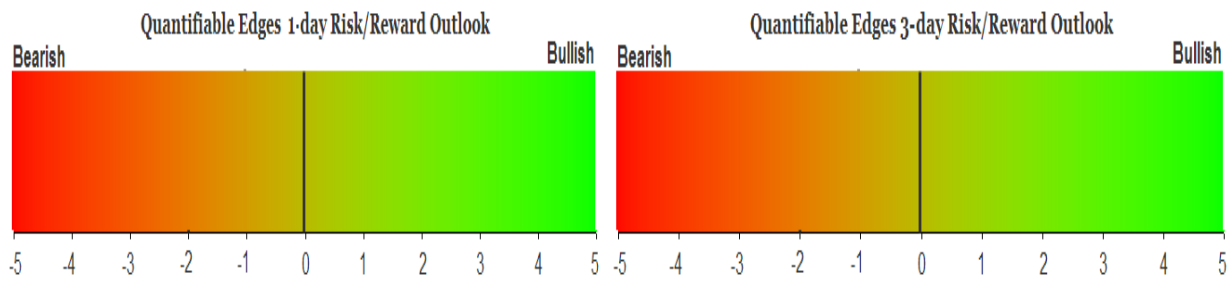
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 11, 2022

Volume 15 Issue 47

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	7

Tonight's Research Points

- Compelling directional evidence is lacking.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am as well.

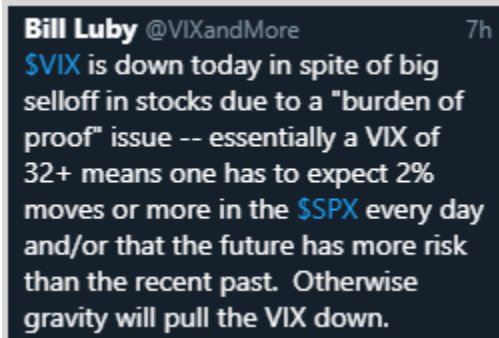
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
March 10, 2022	Yest 50-low high vol. Today up lo vol.	1-9 days	Bearish	-5.00%	2.30%	3.80%
February 22, 2022	CBI hits 10. SPX < 200ma.	1-17 days	Bullish	6.70%	-3.80%	-7.80%
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			
Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)						
March 10, 2022	Yest 50-low high vol. Today up lo vol.	1-day	Bearish			

The Evidence

Thursday was a down day for the indices. The SPX fell 0.4%, the NASDAQ dropped 0.95%, and the Russell 2000 declined 0.2%. Breadth was negative with the NYSE Up Issues % coming in at 40% and the Up Volume % at 47%. NYSE total volume declined for the 2nd day in a row.

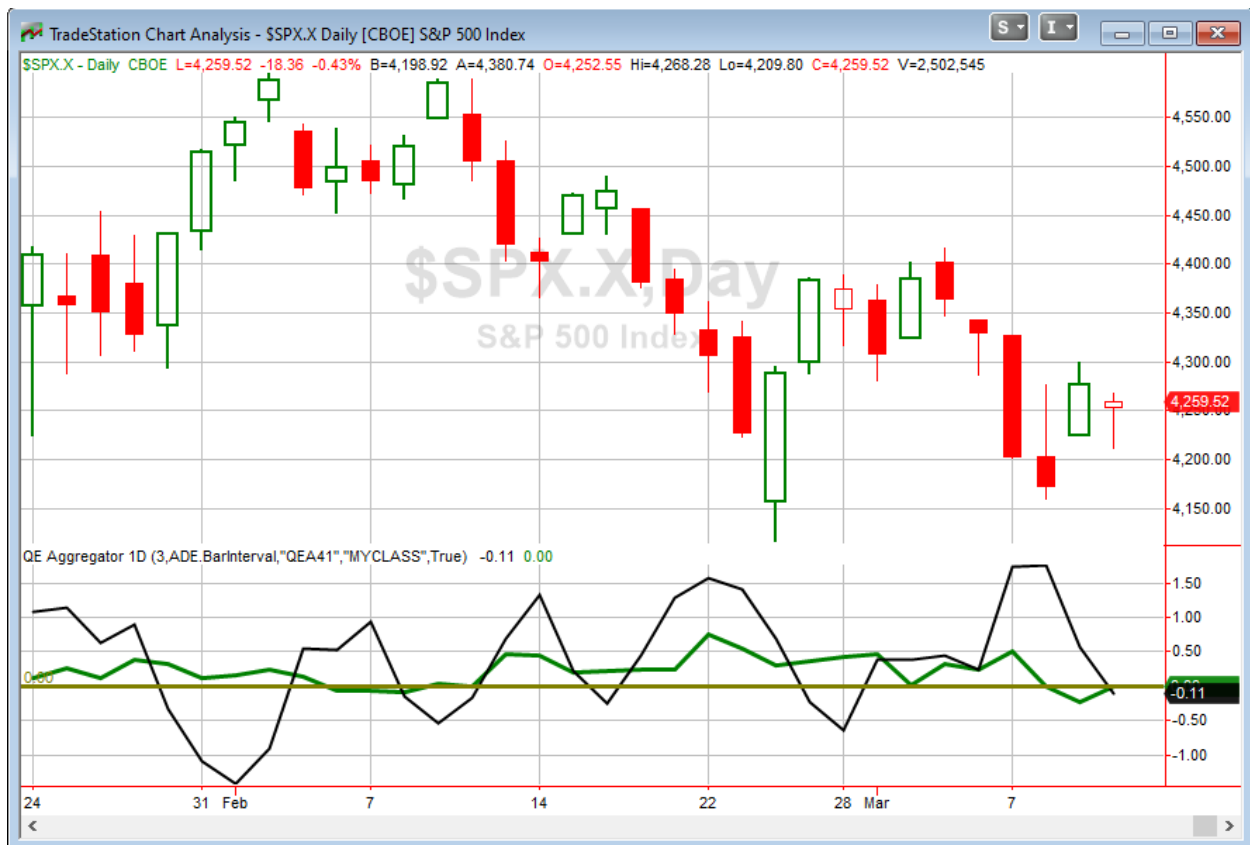
It is also somewhat notable (but not necessarily predictive) that the VIX closed down today despite the market decline. Often they trade opposite each other. But a day like Thursday actually saw a volatility contraction. When the VIX is as high as it has recently been, it takes substantial SPX movement to keep it that elevated. Bill Luby of VIXandMore put it nicely on Twitter:



So the VIX dipped today along with SPX. And when VIX is this high you can expect it to decline some if SPX declines a mild amount.

Overall, the market remains choppy. SPX is right near the middle of its range from the 2/24 intraday bottom to the 3/3 intraday top. Mid-range chop typically does not generate compelling new evidence, and today is an example of that. There are no new studies to add to the active list tonight.

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



With the short-term active list now blank and the intermediate-term outlook neutral, the green Aggregator line closed right at zero. Zero readings mean net expectations are flat over the next few days. Meanwhile the black Differential Line is slightly below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are flat and SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines fail to close on the same side of zero. Therefore, the Aggregator formation stayed flat the close.

Expectations over the next few days will be dependent on any new studies that emerge. Meanwhile, the Differential Pivot will be 4201.25 on Friday. That is 1.4% below Thursday's close. So SPX will need to close down at least 1.4% on Friday in order to flip from overbought to oversold vs expectations.

So the Aggregator is flat. Expectations are neutral, and the market is just slightly overbought. Nothing I am seeing is suggesting a strong short-term directional edge. So I'll wait until one emerges before looking to take on my next index position.

Intermediate-term Outlook (2 weeks – 2 months) – updated 3/7 – neutral

The intermediate-term outlook was last updated in the 3/7/22 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)

PYPL – 1/3 @ \$93.61 (bought @ limit)

NFLX – 1/3 @ \$350.26 (bought @ limit)

MCD – 1/3 @ \$222.79 (bought @ limit)

NFLX – 1/3 @ \$350.26 (buy @ limit) – *not filled – cancel for now*

MCD – 1/3 @ \$222.47 (bought @ limit)

New

MCD – 1/3 @ \$222.00 (buy @ limit)

Broad Market Large Cap CBI – 7(PM, PYPL, NFLX-2, MCD-3)

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.

MCD – Buy 1/3 Catapult position @ \$222.00 LIMIT. From the Catapult section above, this is the 3rd and final lot of MCD.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
PM(1/3)	3/1/2022	\$101.07	\$91.89	-9.08%	Catapult
PYPL(1/3)	3/8/2022	\$93.04	\$98.55	5.92%	Catapult
NFLX(1/3)	3/8/2022	\$349.80	\$356.77	1.99%	Catapult
SPY(1/4)	3/8/2022	\$416.25	\$425.14	2.14%	<i>sold @ open on Wednesday</i>
MCD(1/3)	3/9/2022	\$222.79	\$222.00	-0.35%	Catapult
MCD(1/3)	3/10/2022	\$220.20	\$222.00	0.82%	Catapult

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