

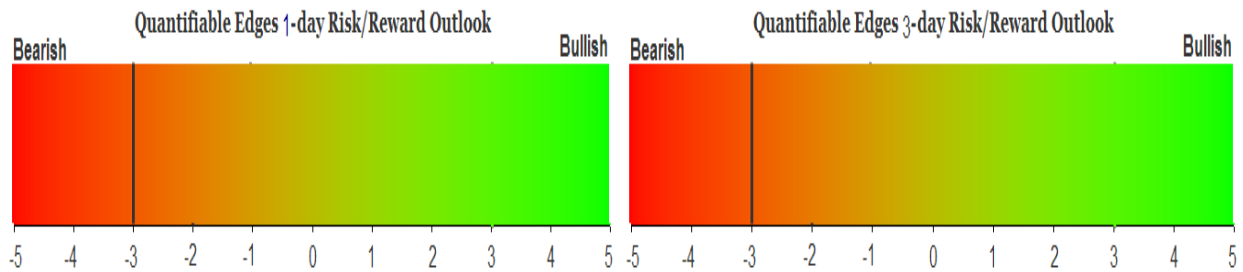
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 23, 2022

Volume 15 Issue 55

Market Overview



Signals Overview

Aggregator	CBI Reading
Short	0

Tonight's Research Points

- Strong moves up through the 200ma have often been punished the next day in recent years.

Short-term Outlook

The Bottom Line

The Aggregator is bearish. I like the short side. Again.

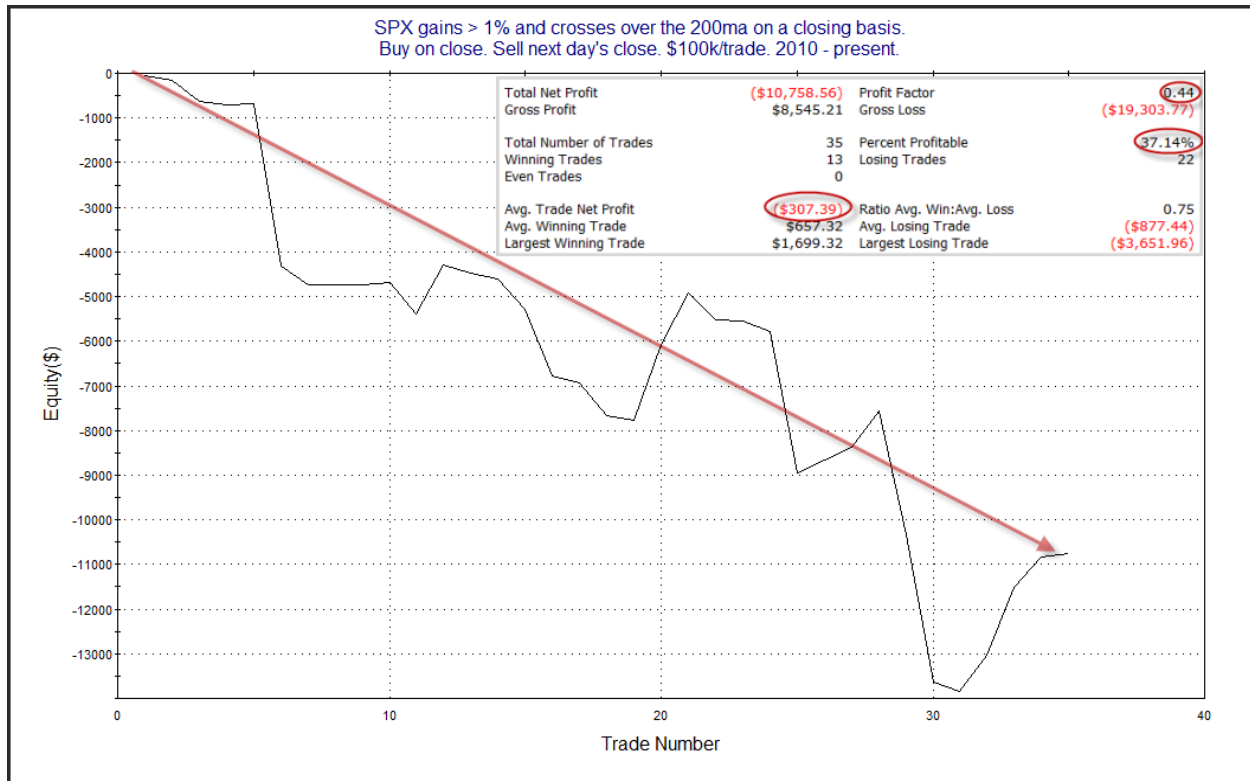
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
March 23, 2022	SPX 1% gain cross up through 200ma	1 day	Bearish			
March 22, 2022	3 Higher Hi, Low, Close. Dn close	1-2 days	Bullish			
March 22, 2022	SPY down. RSI > 85. Close < 200ma	1-3 days	Bearish	-2.70%	0.55%	1.30%
March 21, 2022	Quad opex Friday. 5-high close.	1-4 days	Bearish			
March 18, 2022	Up>1% 2 days. 10-high < 200ma	1-4 days	Bearish			
Active - Long Term						
March 14, 2022	Pres Cycle neg, NAS lagging, SP Death X	int term	Bearish			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			
March 10, 2022	Yest 50-low high vol. Today up lo vol.	1-9 days	Bearish	-5.00%	2.30%	3.80%
November 1, 2021	Best 6 Months	1-6 months	Bullish			

The Evidence

The market popped higher again on Tuesday. The SPX rose 1.1%, the NASDAQ gained 1.95%, and the Russell 2000 climbed 1.1%. Breadth was positive with the NYSE Up Issues % coming in at 61% and the Up Volume % at 71%. NYSE total volume declined some from Monday’s level.

There was not much that excited me that triggered tonight. There was one Quantifinder study that leaned bearish. It was last seen in the 2/1/22 letter. It looked at strong moves up through the well-watched 200ma. I have updated it below.



The move lower has been impressive and so are the stats. The recent instances do create some doubt, but I decided to give this study consideration anyway. If the curve continues to head higher over the next few instances, I will likely change my mind about this study.

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



With tonight's evidence considered, the green Aggregator line remained below zero. Negative readings mean expectations are for downside over the next few days. Meanwhile the black Differential Line also held below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are negative and SPX is overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close below zero. Therefore, the Aggregator formation stayed short at the close.

Based on the current active list, expectations are set to remain negative on Wednesday. It would take compelling new bullish evidence to change this. Meanwhile, the Differential Pivot will be 4450.43 on Tuesday. That is 1.4% below Tuesday's close. Therefore, SPX will need to close down 1.4% on Wednesday for SPX to flip from overbought to oversold vs recent expectations.

So the Aggregator formation is again solidly bearish. Between price action studies, post-quad opex week seasonality, and SPX being short-term overbought, I believe reward/risk favors the bears. I may be starting to sound like a broken record. The last few days I have been wrong, but I am still seeing short-term bearish evidence dominate. I have some short exposure, and I will look to hold onto it for another day.

Intermediate-term Outlook (2 weeks – 2 months) – updated 3/21 – slightly bearish

The intermediate-term outlook was last updated in the 3/21/22 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

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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(S)(1/4)	3/18/2022	\$439.71	\$449.59	-2.25%	Aggregator
SPY(S)(1/4)	3/21/2022	\$444.52	\$449.59	-1.14%	Aggregator

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