

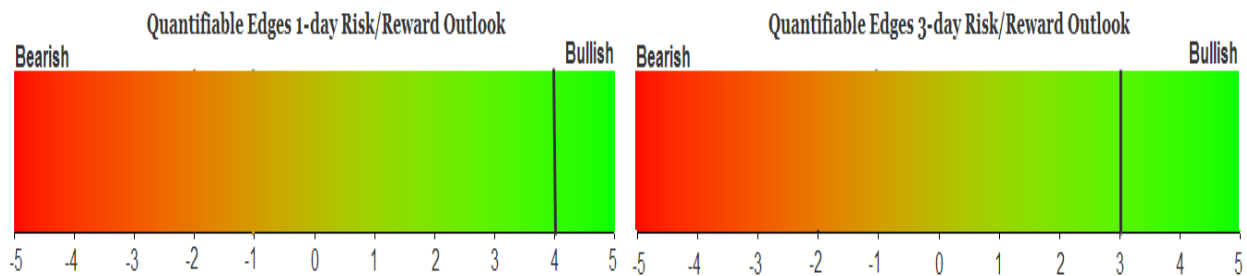
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 12, 2022

Volume 15 Issue 69

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- We have a Turnaround Tuesday setup.
- QQQ's downward acceleration after multiple days of selling suggests a bounce.

Short-term Outlook

The Bottom Line

The Aggregator is still bullish. I like the long side, but we will need to see more bullish evidence emerge in order for the upside edge to remain in place beyond Tuesday.

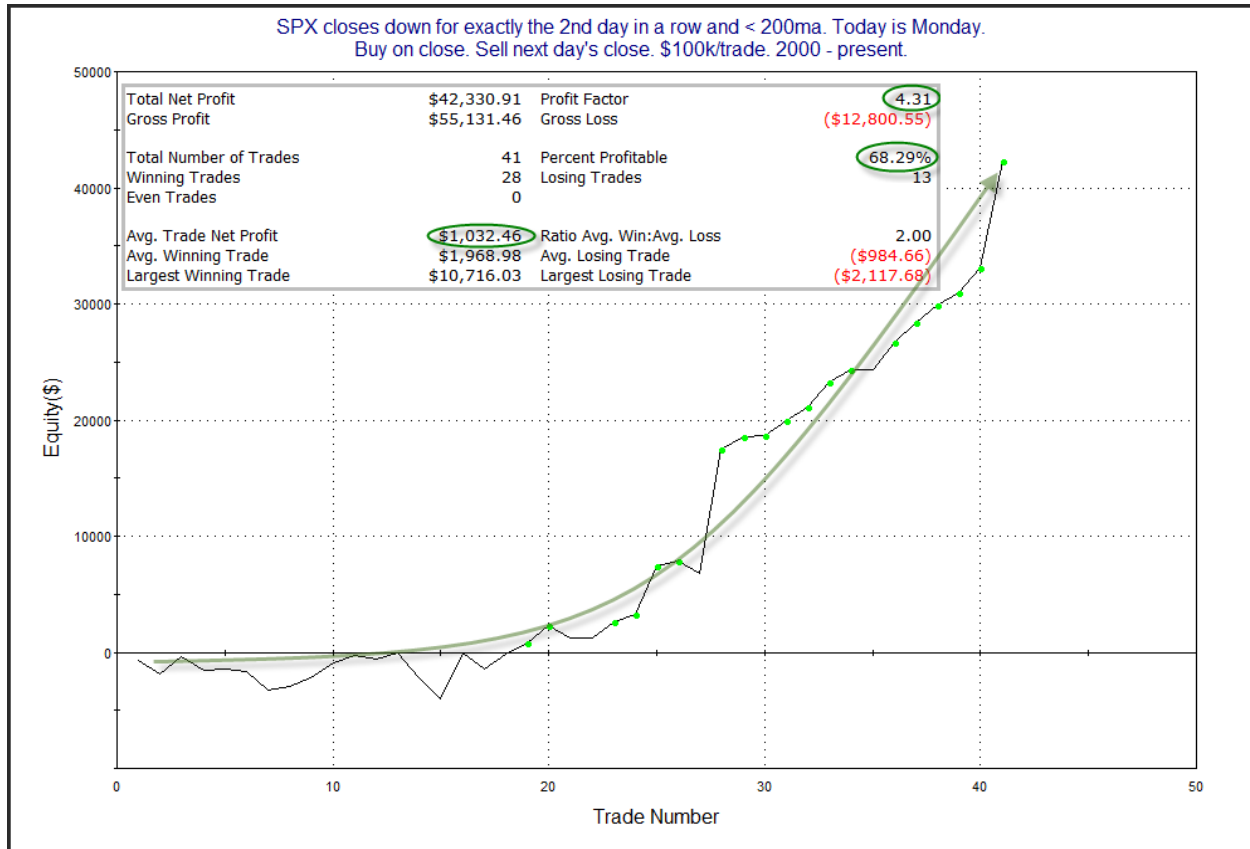
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
April 12, 2022	2 down < 200ma. Today is Monday	1 day	Bullish			
April 11, 2022	April Opex Week Bullish	1-2 days	Bullish			
April 6, 2022	Big down. Bad Breadth. 4-day low > 200	1-5 days	Bullish	2.30%	-2.00%	-4.50%
Active - Long Term						
April 12, 2022	QQQ 5 lower lows, today the largest	1-20 days	Bullish	10.05%	-4.40%	-7.60%
April 6, 2022	3 1% down days in 10 days > 200	1-20 days	Bullish	4.20%	-3.50%	-8.50%
April 4, 2022	QQQ 1st 5 low in 10 days < 200ma	1-10 days	Bullish	3.40%	-1.70%	-3.50%
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			
November 1, 2021	Best 6 Months	1-6 months	Bullish			

The Evidence

Monday was down. The SPX dropped 1.7%, the NASDAQ lost 2.2%, and the Russell 2000 fell 0.7%. Breadth was negative with the NYSE Up Issues % coming in at 30% and the Up Volume % at 34%. NYSE total volume rose some from Friday's level.

As I have documented numerous times, "Turnaround Tuesday" has generally been the best day of the week under many circumstances for the market to begin to mount a bounce. Below is a simple look at 2-day pullbacks when SPX is below the 200ma and we are heading into Tuesday. This study is updated from the 6/19/18 letter.



The numbers appear quite bullish and the curve has seen an upward acceleration. Turnaround Tuesday's have provided many edges over the years. I've included this study on the Active List tonight.

Another concept I have discussed a number of times in the past is that when short-term moves that are already a bit extended see a quick acceleration, it often leads to a reversal. QQQ made its 5th lower low on Monday. It also suffered the worst decline of the short-term down move. This triggered the study below, which was last discussed in the 1/24/22 letter.

QQQ posts a lower low for at least the 5th day in a row. It also suffers the worst 1-day drop of the selloff. Buy on close. Sell X days later. \$100k/trade. 2000 - 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
20	167,235.31	26	22	4	84.62	32,745.57	-5,951.82	8,441.16	-4,617.56	1.83	10.05	6,432.13
19	164,930.15	26	21	5	80.77	31,061.82	-6,666.66	8,627.10	-3,247.80	2.66	11.16	6,343.47
18	163,336.70	26	21	5	80.77	31,573.68	-6,377.35	8,533.52	-3,173.46	2.69	11.29	6,282.18
17	132,375.33	26	20	6	76.92	26,522.43	-5,596.45	7,556.48	-3,125.70	2.42	8.06	5,091.36
16	116,737.59	26	18	8	69.23	25,848.93	-6,793.83	7,740.52	-2,823.97	2.74	6.17	4,489.91
15	94,571.60	26	18	8	69.23	22,818.18	-9,344.77	7,033.53	-4,003.99	1.76	3.95	3,637.37
14	126,300.21	26	21	5	80.77	26,522.43	-7,080.16	7,045.74	-4,332.07	1.63	6.83	4,857.70
13	112,277.43	26	20	6	76.92	21,807.93	-6,429.41	6,605.59	-3,305.72	2.00	6.66	4,318.36
12	99,136.05	26	18	8	69.23	25,848.93	-7,357.68	7,057.77	-3,487.99	2.02	4.55	3,812.92
11	82,669.30	26	17	9	65.38	25,175.43	-7,718.34	6,760.22	-3,583.82	1.89	3.56	3,179.59
10	81,111.79	26	17	9	65.38	25,754.64	-8,010.21	6,789.79	-3,812.75	1.78	3.36	3,119.68
9	89,453.06	27	18	9	66.67	22,481.43	-7,199.46	6,470.60	-3,001.96	2.16	4.31	3,313.08
8	88,755.63	27	17	10	62.96	25,997.10	-8,820.96	6,475.41	-2,132.63	3.04	5.16	3,287.25
7	84,848.69	27	20	7	74.07	25,673.82	-8,204.79	5,300.81	-3,023.94	1.75	5.01	3,142.54
6	81,464.88	27	19	8	70.37	17,255.07	-6,748.20	5,244.45	-2,272.46	2.31	5.48	3,017.22
5	52,806.80	27	17	10	62.96	12,720.30	-5,156.37	4,039.73	-1,586.87	2.55	4.33	1,955.81
4	42,901.99	27	15	12	55.56	14,897.82	-9,761.43	4,639.24	-2,223.89	2.09	2.61	1,588.96
3	30,089.04	27	16	11	59.26	11,520.90	-7,231.89	3,355.01	-2,144.65	1.56	2.28	1,114.41
2	36,190.02	29	19	10	65.52	15,687.50	-6,651.64	3,010.78	-2,101.47	1.43	2.72	1,247.93
1	37,881.82	30	21	9	70.00	12,236.25	-3,528.46	2,354.42	-1,284.56	1.83	4.28	1,262.73

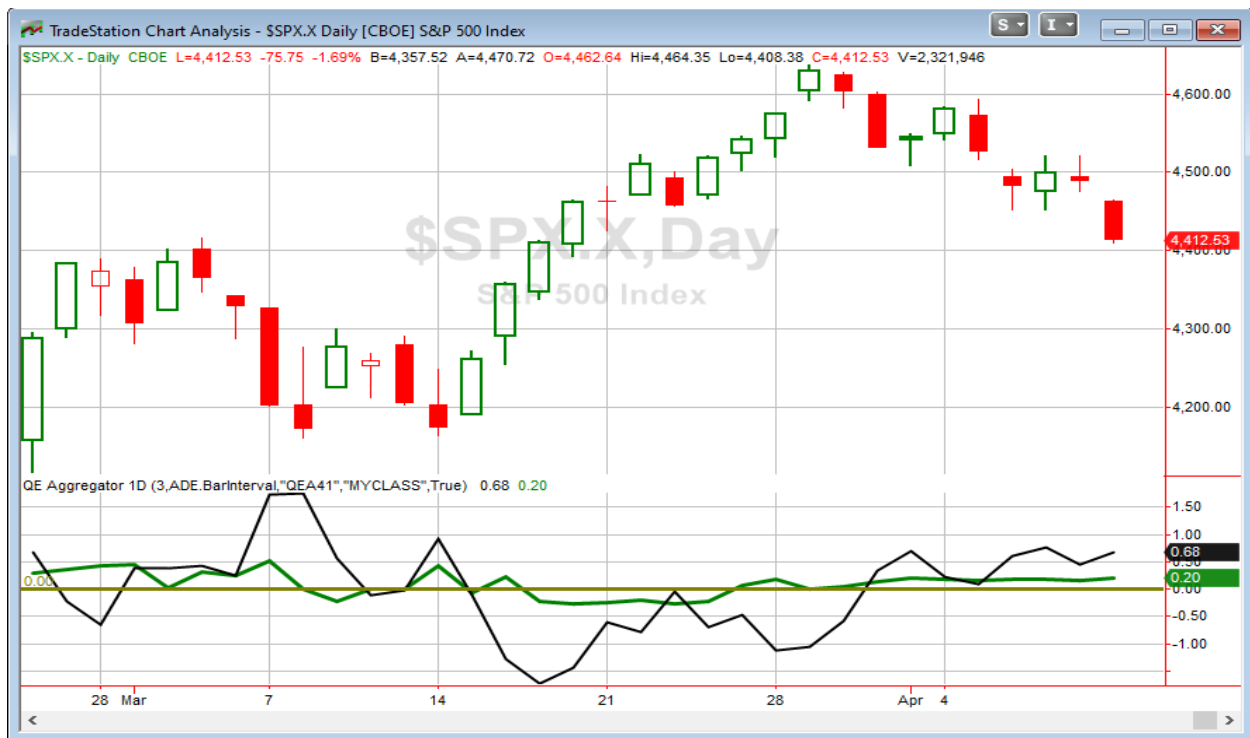
Decent odds of a quick pop, but the 1-day profit curve has flattened out a good bit lately, so I decided to just consider the intermediate-term. Below is the full list of 20-day instances.

QQQ posts a lower low for at least the 5th day in a row. It also suffers the worst 1-day drop of the selloff. Buy on close. Sell 20 days later. \$100k/trade. 2000 - present.

Date/Time	Signal	Price	% Profit	Run-up Drawdown
1/28/2000	Buy	\$85.63	21.02%	\$25,090.50
2/28/2000	Sell	\$103.63		(\$2,917.50)
4/14/2000	Buy	\$79.63	10.44%	\$21,171.85
5/15/2000	Sell	\$87.94		(\$2,510.00)
5/23/2000	Buy	\$74.19	32.77%	\$33,890.52
6/21/2000	Sell	\$98.50		(\$3,111.57)
7/28/2000	Buy	\$86.38	13.06%	\$15,272.40
8/25/2000	Sell	\$97.66		(\$3,980.08)
9/17/2001	Buy	\$30.83	10.38%	\$13,134.15
10/15/2001	Sell	\$34.03		(\$13,620.60)
1/16/2002	Buy	\$38.41	-4.95%	\$3,097.57
2/14/2002	Sell	\$36.51		(\$9,917.43)
2/21/2002	Buy	\$33.11	10.69%	\$17,244.20
3/21/2002	Sell	\$36.65		(\$1,177.80)
4/26/2002	Buy	\$30.67	0.65%	\$8,443.40
5/24/2002	Sell	\$30.87		(\$8,541.20)
7/23/2002	Buy	\$22.03	12.66%	\$14,479.41
8/20/2002	Sell	\$24.82		(\$4,992.90)
9/23/2002	Buy	\$20.65	15.84%	\$16,608.06
10/21/2002	Sell	\$23.92		(\$6,100.92)
12/9/2002	Buy	\$24.85	2.74%	\$6,881.04
1/8/2003	Sell	\$25.53		(\$3,782.56)
3/10/2003	Buy	\$23.64	8.80%	\$14,255.10
4/7/2003	Sell	\$25.72		(\$1,988.10)
12/9/2003	Buy	\$34.06	10.42%	\$10,477.95
1/8/2004	Sell	\$37.61		(\$880.50)
8/6/2004	Buy	\$32.35	4.39%	\$6,676.56
9/3/2004	Sell	\$33.77		(\$1,143.67)
1/14/2009	Buy	\$28.26	6.86%	\$10,790.90
2/12/2009	Sell	\$30.20		(\$2,370.46)
6/29/2010	Buy	\$43.00	6.23%	\$7,788.75
7/28/2010	Sell	\$45.68		(\$3,720.00)
11/12/2010	Buy	\$52.14	3.43%	\$4,274.91
12/13/2010	Sell	\$53.93		(\$2,453.76)
4/8/2011	Buy	\$56.58	3.08%	\$4,223.13
5/9/2011	Sell	\$58.32		(\$2,880.21)
8/4/2011	Buy	\$53.80	0.72%	\$2,917.06
9/1/2011	Sell	\$54.19		(\$7,877.92)
5/4/2012	Buy	\$64.33	-5.95%	\$574.98
6/4/2012	Sell	\$60.50		(\$7,241.64)
3/13/2014	Buy	\$89.28	-4.68%	\$1,545.60
4/10/2014	Sell	\$85.10		(\$4,950.40)
9/25/2014	Buy	\$97.74	0.08%	\$1,595.88
10/23/2014	Sell	\$97.82		(\$7,672.50)
1/15/2015	Buy	\$99.65	7.29%	\$7,301.84
2/13/2015	Sell	\$106.91		(\$290.87)
6/29/2015	Buy	\$106.69	4.16%	\$7,214.90
7/28/2015	Sell	\$111.13		(\$805.82)
8/2/2019	Buy	\$187.35	0.06%	\$1,241.89
8/30/2019	Sell	\$187.47		(\$4,343.95)
1/21/2022	Buy	\$351.69	-2.89%	\$5,228.44
2/18/2022	Sell	\$341.51		(\$4,981.36)

The January instance was a loser, but not before a 5% run-up. Overall, the numbers and individual instances look impressive, and I have included this study on the intermediate-term active list.

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



With today's evidence included, the green Aggregator line remained above zero. Positive readings mean expectations are for upside over the next few days. Meanwhile the black Differential Line also held 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 active list, expectations are set to turn flat on Tuesday. All 3 current active short-term studies are set to expire, and the intermediate-term outlook is neutral. Of course this could easily change if new evidence emerges. Meanwhile, the Differential Pivot will be 4521.26 on Tuesday. That is 2.5% above Monday's close. Therefore, SPX will need to close up a very sizable 2.5% on Tuesday in order to flip from oversold to overbought vs recent expectations. More likely, it will take a few days to work off the oversold condition.

So the Aggregator is again bullish. Evidence looks good for Tuesday, and the market is substantially oversold, but after Tuesday the current studies are not showing much visibility. We should see some additional bullish seasonality studies kick in on Thursday and early next week. I still think the odds favor a bounce, but with a neutral intermediate-term outlook, and scant hard evidence beyond Tuesday, I am not inclined to get aggressive here. Instead, I will simply hold onto my current long index exposure for the time being. I may look to add to that position on Wednesday depending how Tuesday unfolds and what new evidence emerges. For now, I'll sit tight with my small position.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/11 – neutral

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(1/4)	4/6/2022	\$446.52	\$439.92	-1.48%	Aggregator

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.