

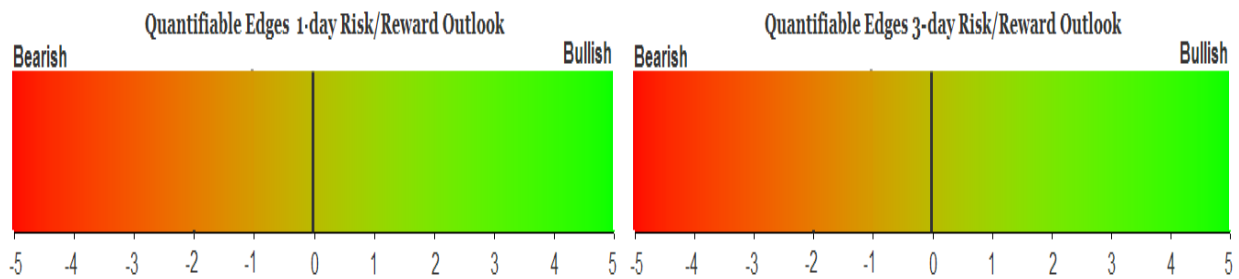
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 20, 2022

Volume 15 Issue 74

## Market Overview



## Signals Overview

| Aggregator | CBI Reading |
|------------|-------------|
| Flat       | 0           |

## Tonight's Research Points

- No new studies are being added tonight.

### *Short-term Outlook*

#### *The Bottom Line*

The Aggregator is neutral. Evidence is lacking and overbought/oversold is in flux. I don't see a compelling edge.

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

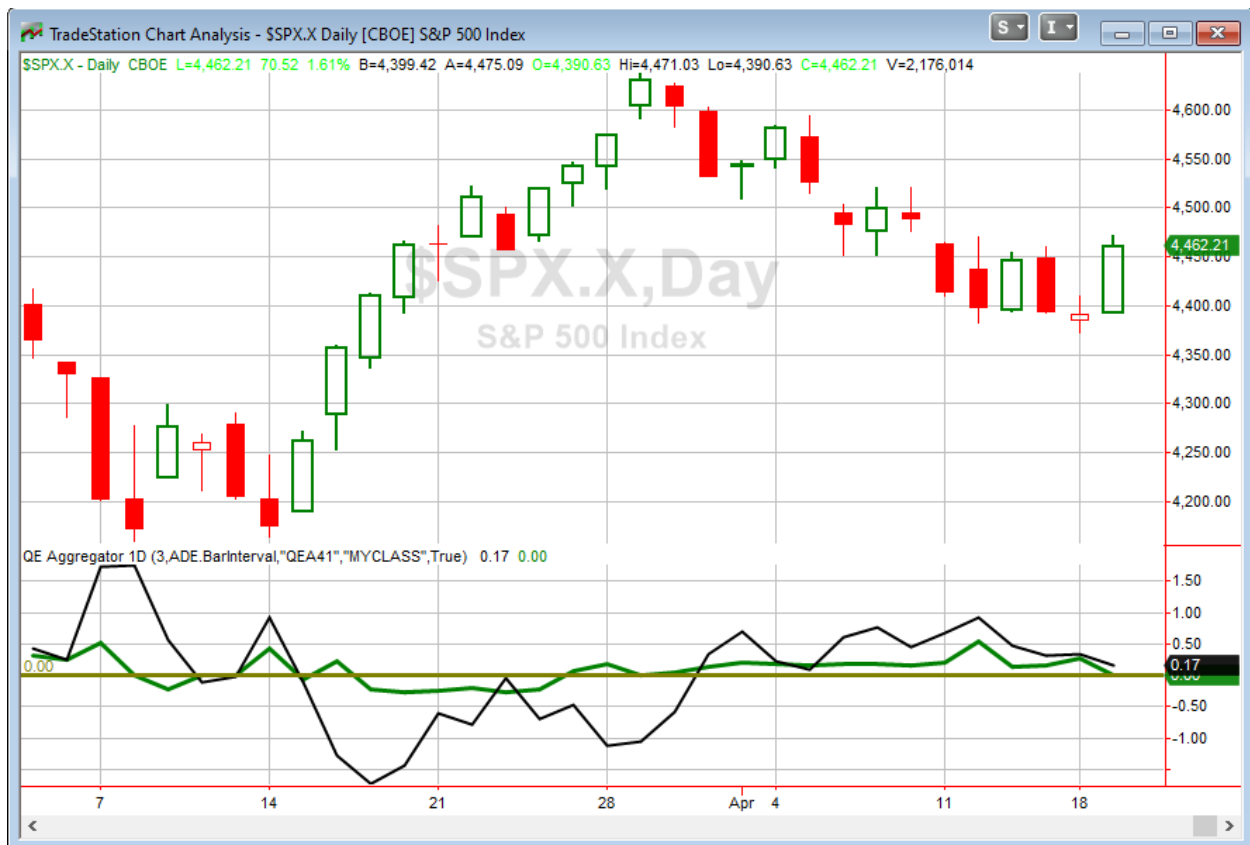
| Study Date   | Description                            | Time span  | Bias    | Avg Run-up | Avg DrawDn | Avg DrawDn - 1 Std Dev |
|--|--|------------|---------|------------|------------|------------------------|
| <b>Active - Short Term</b>   |  |            |         |            |            |                        |
| None   |  |            |         |            |            |                        |
| <b>Active - Long Term</b>  |  |            |         |            |            |                        |
| April 12, 2022   | QQQ 5 lower lows, today the largest dn | 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 |            |            |                        |
| <b>Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)</b> |  |            |         |            |            |                        |
| April 19, 2022   | NASDAQ down. SOX up > 1%               | 1 day      | Bullish |            |            |                        |
| April 19, 2022   | SPX 20-day low < 200ma. Its Monday     | 1 day      | Bullish |            |            |                        |
| April 18, 2022   | Tax Day & Day After Bullish            | 1-2 days   | Bullish |            |            |                        |

***The Evidence***

Turnaround Tuesday lived up to the hype and the market put in a strong rally day. The SPX closed up 1.6%, the NASDAQ gained 2.15%, and the Russell 2000 rose 2.0%. Breadth was positive with the NYSE Up Issues % coming in at 68% and the Up Volume % at 71%. NYSE total volume declined from Monday's high level.

The big jump on Tuesday was a feel good rally. And there was probably a good bit of short covering in the afternoon. SPX managed to close at the highest level in the last 5 days, but it is chopping around in the middle of its 10-day range. The action did not trigger anything compelling from the Quantifinder. I did look at other instances where SPX went from a 20-day low to a 5-day high in one day while below its 200ma. Since 2000 it has only happened 17 times, and over the next 4 days the record was either 9-8 or 8-9. So nothing to be learned from that action. In any case, I will not be adding any new studies to the active list tonight. I am not seeing anything that looks like a high probability setup for the next few days.

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



With the short-term studies expiring, the green Aggregator line remained closed at zero. Flat readings mean expectations are neutral over the next few days. Meanwhile the black Differential Line held above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are neutral and SPX is oversold. 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 turned flat at the close.

With the short-term list barren and the intermediate-term outlook neutral, expectations are set to remain flat on Wednesday. Of course any new evidence that emerges will impact expectations. Meanwhile, the Differential Pivot will be *inverted* at 4428.96 on Tuesday. That is 0.75% *below* Tuesday's close. An inverted pivot means that the differential line will cross through zero if SPX closes flat. In this case, SPX will need to close down at least 0.75% in order to remain "oversold" vs recent expectations. Anything other than that and it will be considered short-term overbought as of Wednesday's close.

So the Aggregator is now neutral. There is a lack of compelling evidence that would suggest a short-term edge. Additionally, the overbought/oversold nature of the market is in flux. Overall, I just don't see a strong short-term edge over the next few days. Therefore, I will look to flatten out of my index position on Wednesday.

**Intermediate-term Outlook (2 weeks – 2 months) – updated 4/18 – neutral**

The intermediate-term outlook was last updated in the 4/18/22 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 tonight.

**Current Open Trade Ideas**

| Symbol   | Entry Date | Entry Price | Current Price | % Gain/Loss | Notes               |
|----------|------------|-------------|---------------|-------------|---------------------|
| SPY(1/4) | 4/13/2022  | \$438.03    | \$445.04      | 1.60%       | <i>Sell on open</i> |
|          |            |             |               |             |                     |
|          |            |             |               |             |                     |

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