

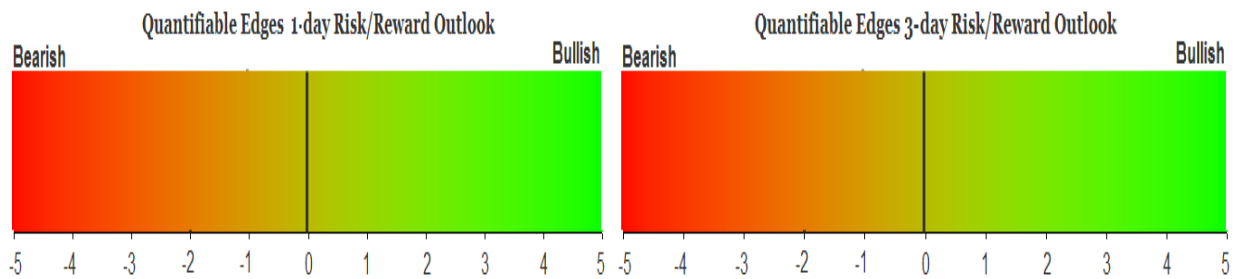
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 17, 2022

Volume 15 Issue 93

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No compelling new evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Like last night, evidence is mixed, the market is volatile, and I do not see a strong reward/risk setup here.

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

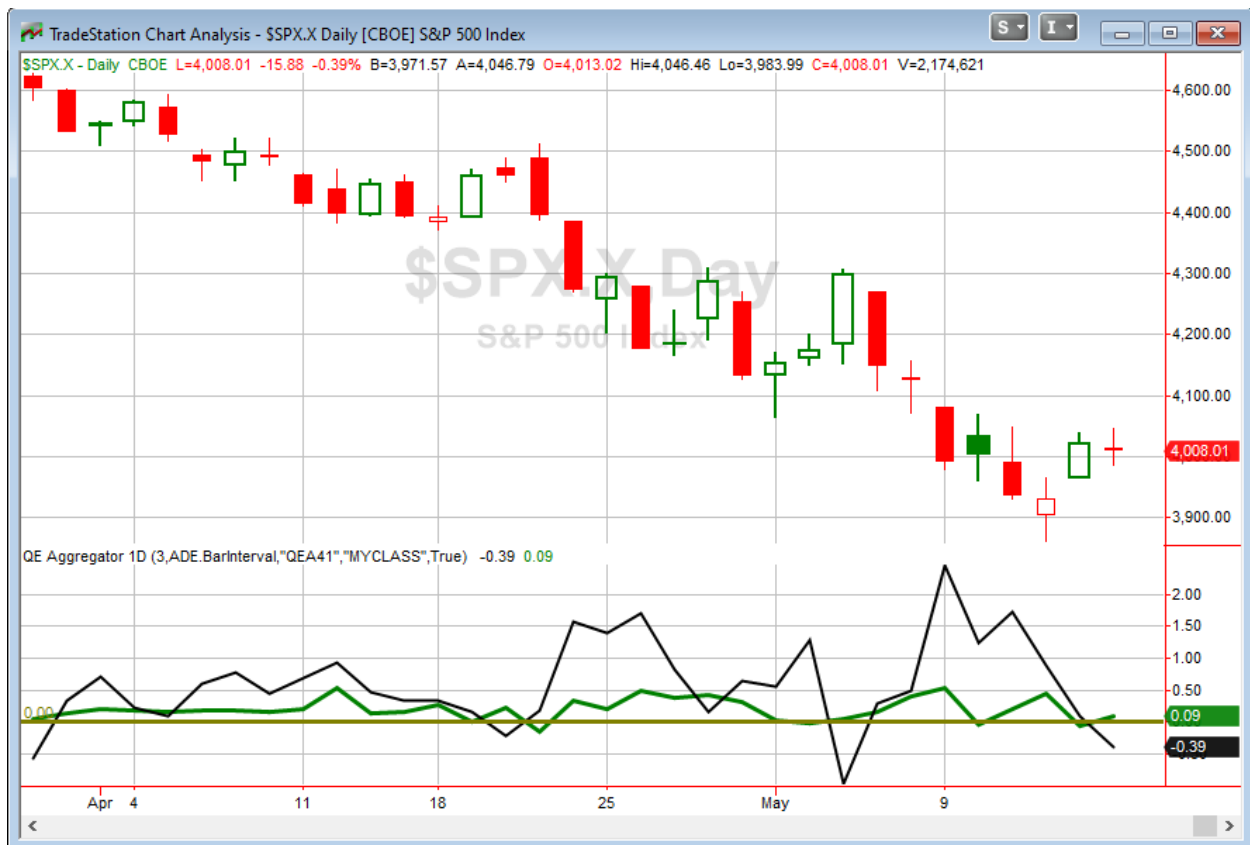
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
May 16, 2022	Big 1-day rally on 5-day low volume	1-5 days	Bearish	-5.50%	1.95%	3.50%
May 16, 2022	Up from 50-low on a Friday	1-2 days	Bullish			
May 12, 2022	SPX dn > 1.5%. VIX down.	1-9 days	Bullish	6.60%	-3.40%	-7.40%
Active - Long Term						
May 16, 2022	Up from 50-low on a Friday	1-25 days	Bullish	5.80%	-3.80%	-8.10%
May 12, 2022	NASDAQ breadth oversold at 100 Low	1-19 days	Bullish			
May 9, 2022	5 weeks lower and < 40-week avg	1-8 weeks	Bearish			
May 2, 2022	Worst 6 Months with Jan-April selling	1-6 months	Bearish			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			
Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)						
May 16, 2022	90% up day after 50-day low	1 day	Bearish			
May 11, 2022	SPX Up weak breadth < 200ma	1-4 days	Bearish			
May 10, 2022	3% Drop from 5-day Low	1-5 days	Bullish			

The Evidence

The market traded in a fairly tight range on Monday and finished with losses for the major indices. The SPX fell 0.4%, the NASDAQ dropped 1.2%, and the Russell 2000 declined 0.5%. Breadth was mixed with the NYSE Up Issues % coming in at 51% and the Up Volume % at 48%. NYSE total volume came in at the lowest level in over a week.

Kind of a nothing day. Mild give-back of Friday's huge gains was not a surprise. And with the small range and somewhat low volume, there was nothing that triggered in the Quantifinder. That does not often happen, but when the market trades in its recent range and is not showing extreme readings, it does on occasion. I took some quick looks at price action a few ways and did not uncover anything compelling. So after all the studies I posted over the weekend, I'm a little relieved to be able to keep it short and sweet tonight. I did not spot anything compelling and will not be adding anything to the Active List tonight.

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



Without any new evidence being added tonight, the green Aggregator inched back above zero. Positive readings mean expectations are for upside over the next few days. Meanwhile the black Differential Line dropped below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of zero. Therefore, the Aggregator formation stayed flat at the close.

Based on the current list of active studies, expectations are set to remain slightly positive on Tuesday. This could change if new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3951.50 on Tuesday. That is 1.4% below Monday's close. Therefore, SPX will need to close down at least 1.4% on Tuesday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator is again neutral. Evidence is mixed, and nothing new emerged on Monday. I don't see a good reason to get involved in a new index trade at this point. I'll stay sidelined for another day, and wait to see how the market acts and what new evidence emerges.

Intermediate-term Outlook (2 weeks – 2 months) – updated 5/16 – somewhat bearish

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
<i>SPY(1/4)</i>	<i>5/12/2022</i>	<i>\$389.37</i>	<i>\$399.98</i>	<i>2.72%</i>	<i>sold on open</i>
<i>AMZN(1/3)</i>	<i>5/12/2022</i>	<i>\$2,055.00</i>	<i>\$2,262.00</i>	<i>10.07%</i>	<i>sold on open</i>

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