

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 25, 2022

Volume 15 Issue 99

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	2

Tonight's Research Points

- No new compelling evidence emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Evidence remains mixed and I am not seeing a compelling setup. I don't expect it will take too long before one emerges.

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

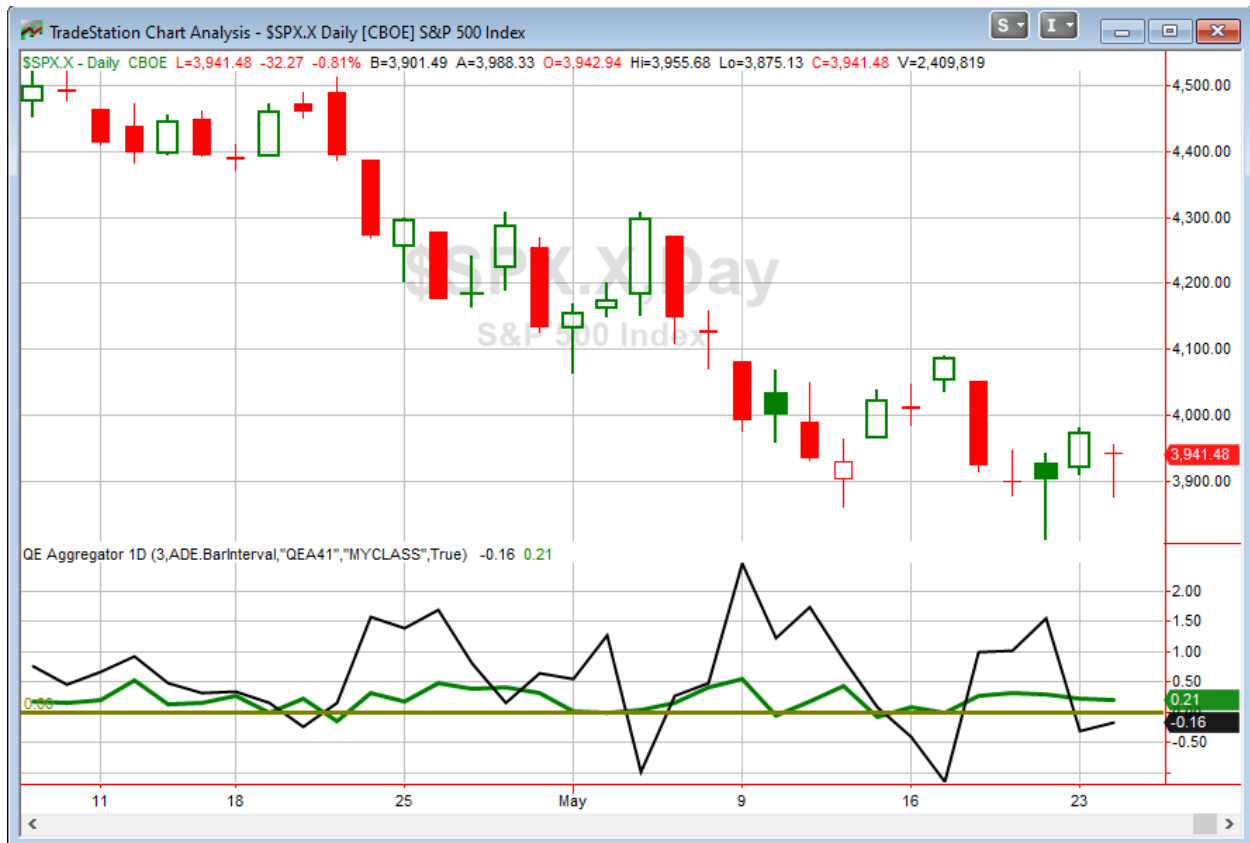
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
May 24, 2022	SPX up 1% on lowest volume 20 days	1-2 days	Bearish			
May 24, 2022	SPX up > 10ma < 200ma 20-low volm	1-2 days	Bearish			
May 23, 2022	Fri 50-intraday low then up close	1-4 days	Bullish	3.20%	-1.30%	-2.90%
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			

The Evidence

The market was down all day on Tuesday. The SPX fell 0.8%, the NASDAQ tumbled 2.35%, and the Russell 2000 lost 1.6%. Breadth was negative with the NYSE Up Issues % coming in at 44% and the Up Volume % at 33%. NYSE total volume rose some from Monday's low level.

Despite the fairly sizable moves, there were no studies that triggered in the Quantifinder tonight. That was a bit of a surprise. It is fairly rare for the Quantifinder to come up blank. Even more so when the market is making fairly sizable moves. I did explore a few ideas, including looking at other times QQQ closed at a long-term low but in the top 25% of its intraday range. Instances were rare and I did not uncover anything compelling. There are no new studies being added to the active list tonight. So I am going to keep this brief.

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



Without any new evidence being added tonight, the green Aggregator remained above zero. Positive readings mean expectations are for upside over the next few days. Meanwhile the black Differential Line held 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 positive on Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3935.46 on Wednesday. That is just 0.15% below Tuesday's close. Therefore, SPX will need only to close down 0.15% on Wednesday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator is again neutral. That is where I am at as well. Evidence is mixed, nothing new emerged today, and the market is only marginally overbought vs recent expectations. With the kind of volatility the market is experiencing, a neutral setup won't last for long. I expect to see some kind of compelling edge emerge soon enough, and I intend to have plenty of cash to put to work when it does.

Intermediate-term Outlook (2 weeks – 2 months) – *updated 5/23 – somewhat bearish*

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

COST – 1/3 @ \$422.93 (bought @ limit)

COST – 1/3 @ \$416.43 (buy @ limit) – *not filled – cancel for now*

Broad Market Large Cap CBI – 2(COST-2)

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
COST(1/3)	5/20/2022	\$422.93	\$437.71	3.49%	Catapult

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