

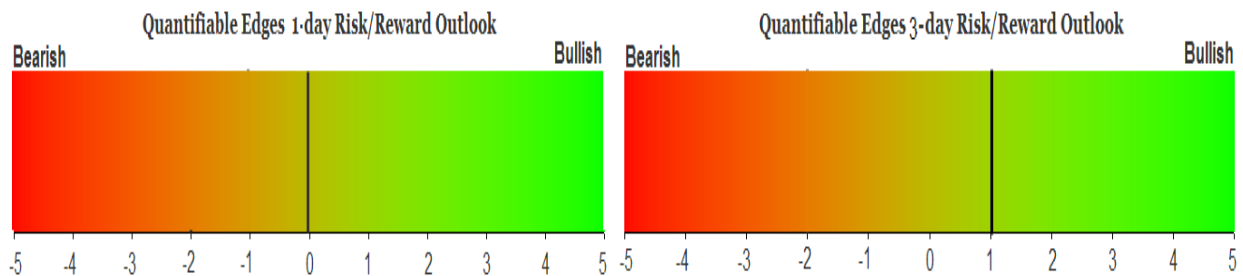
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 22, 2022

Volume 15 Issue 117

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	8

## Tonight's Research Points

- 2 up days that failed to make up Thursday's big drop are leaving SPX vulnerable over the next couple of days.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish. Evidence is mixed but leaning long. Overall there appears to be a mild edge looking out 3 days, but not a substantial edge for Wednesday.

**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>						
June 22, 2022	Up 2 days from 20-low < 3 ago < 200	1-2 days	Bearish			
June 21, 2022	SPX 50-day low and higher close Fri	1-4 days	Bullish	3.25%	-1.30%	-2.80%
June 21, 2022	CBI >= 10. SPX < 200ma	1-5 days	Bullish	4.00%	-3.30%	-7.00%
<b>Active - Long Term</b>						
June 21, 2022	Up from 50-low on a Friday	1-25 days	Bullish	5.80%	-3.80%	-8.10%
June 21, 2022	CBI >= 10. SPX < 200ma	1-17 days	Bullish	6.50%	-3.85%	-7.80%
June 13, 2022	Inverse Zweig Breadth Collapse	1-3 months	Bearish			
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			

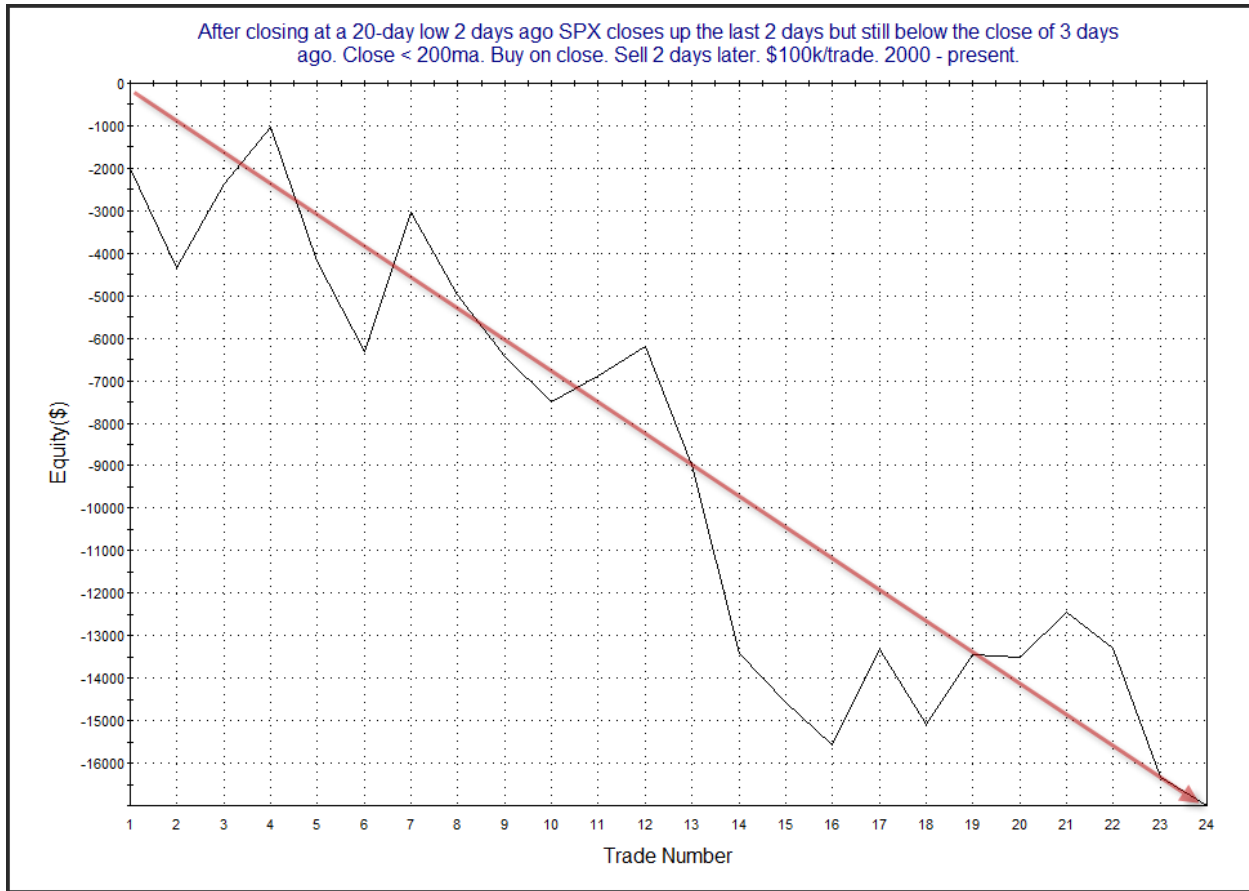
**The Evidence**

Tuesday was a big up day. SPX rose 2.45%, the NASDAQ gained 2.5%, and the Russell 2000 climbed 1.7%. Breadth was positive with the NYSE Up Issues % coming in at 73% and the Up Volume % at 80%. NYSE total declined from Friday's big opex level.

Tuesday's numbers were big, but it only recovered a small portion of what has been lost recently. In the 12/16/15 letter I looked at scenarios where the SPX bounced from 20-day lows over a 2-day period but failed to make up for the losses of the day just previous to the 2-day bounce. I filtered this study by the 200ma. It triggered today and I have updated it below.

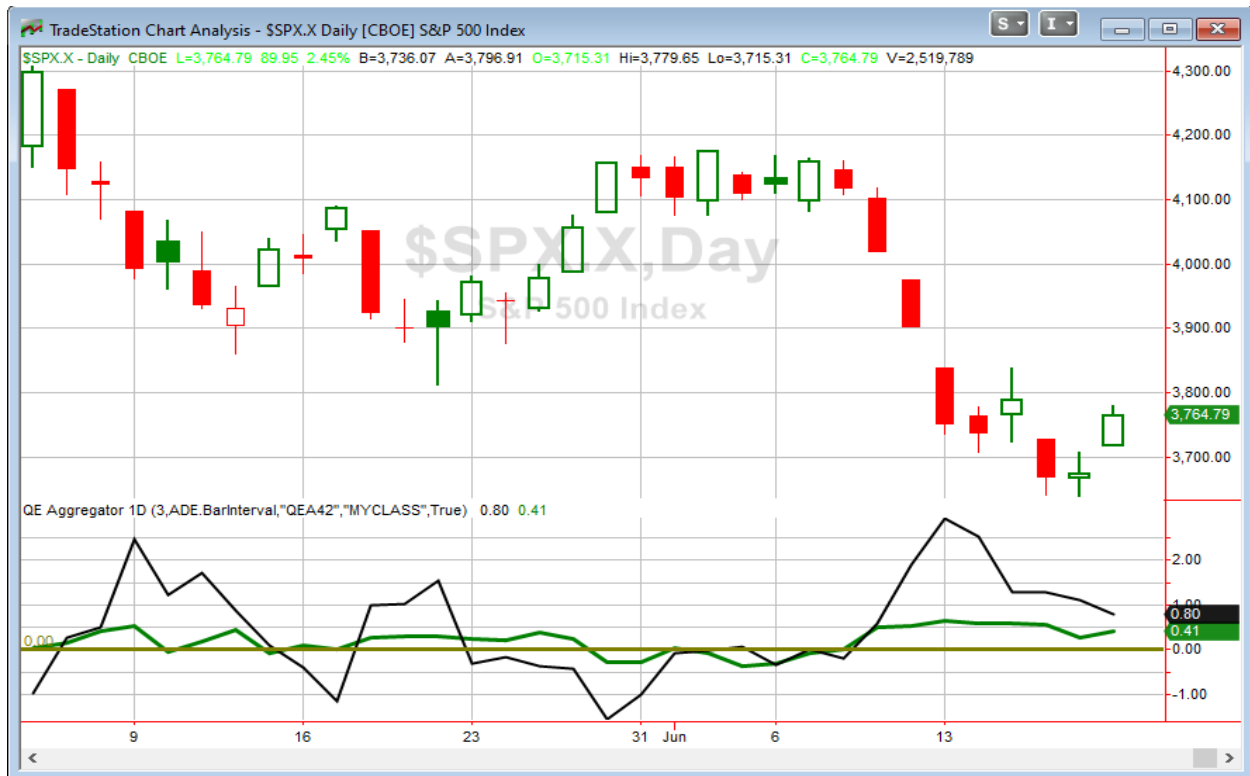
After closing at a 20-day low 2 days ago SPX closes up the last 2 days but still below the close of 3 days ago. Close < 200ma. Buy on close. Sell X days later. \$100k/trade. 2000 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	-18,397.08	22	10	12	45.45	4,138.50	-7,353.33	2,053.92	-3,244.69	0.63	0.53	-836.23
4	-9,270.29	22	11	11	50.00	4,871.43	-4,944.54	1,747.64	-2,590.39	0.67	0.67	-421.38
3	-16,424.15	24	7	17	29.17	5,558.47	-3,535.84	2,183.78	-1,865.33	1.17	0.48	-684.34
2	-16,999.98	24	8	16	33.33	3,251.01	-4,424.00	1,605.76	-1,865.38	0.86	0.43	-708.33
1	-6,414.39	24	11	13	45.83	3,863.25	-5,253.30	1,611.22	-1,856.76	0.87	0.73	-267.27

The setup appears to suggest a bearish edge. I have included below a 2-day equity curve.



Despite some choppiness, the downslope here is fairly persistent and the curve is again at new lows. This seems to support the suggestion of a bearish edge.

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



Even with tonight's bearish evidence considered, the green Aggregator line remained well above zero. Positive readings mean expectations are for upside over the next few days. Meanwhile the black Differential Line is also 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 remain positive on Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted at 3729.34*. That is 0.9% *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 over 0.9% in order to remain oversold vs recent expectations. Anything other than that and it will flip to "overbought" vs expectations as of Wednesday's close.

So the Aggregator is still bullish. But with the inverted pivot, it is unlikely that that it will remain bullish on Wednesday. Evidence is mixed. Tonight's study suggests we could see a pullback in the next couple of days, but the short-term studies from the weekend expect gains to be even larger than what we saw on Tuesday. I'm a bit torn. I will often look to take exits if I see an inverted pivot. On the other hand, I will sometimes ride CBI spikes of 10 or higher until the CBI reverts back to 3 or lower. In this case, I will look to sell if we get a strong gap up or a higher close on Wednesday. Without a favorable exit, I'll hold tight and re-evaluate again tomorrow night.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 6/21 – neutral***

The intermediate-term outlook was last updated in the 6/21/22 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***

TGT – 1/3 @ \$144.81 (bought @ limit)

BRK.B – 1/3 @ \$281.56 (bought @ limit)

TGT – 1/3 @ \$142.70 (bought @ limit)

BRK.B – 1/3 @ \$277.64 (bought @ limit)

MDT – 1/3 @ \$88.48 (bought @ limit)

DUK – 1/3 @ \$97.82 (buy @ limit)

MMM – 1/3 @ \$129.84 (buy @ limit)

MO – 1/3 @ \$45.31 (buy @ limit)

***Broad Market Large Cap CBI – 8 (TGT-2, BRK.B-2, MDT, DUK, MMM, MO)***

**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)	6/10/2022	\$389.80	\$376.65	-3.37%	* dividend adjusted - see note below
TGT(1/3)	6/14/2022	\$144.81	\$144.70	-0.08%	Catapult
BRK.B(1/3)	6/14/2022	\$281.56	\$271.77	-3.48%	Catapult
TGT(1/3)	6/15/2022	\$142.52	\$144.70	1.53%	Catapult
BRK.B(1/3)	6/15/2022	\$277.64	\$271.77	-2.11%	Catapult
MDT(1/3)	6/15/2022	\$88.48	\$88.71	0.26%	Catapult
PG(1/3)	6/15/2022	\$133.84	\$136.37	1.89%	sell on open
PG(1/3)	6/16/2022	\$131.03	\$136.37	4.08%	sell on open
DUK(1/3)	6/21/2022	\$97.82	\$99.21	1.42%	Catapult
MMM(1/3)	6/21/2022	\$129.84	\$130.01	0.13%	Catapult
MO(1/3)	6/21/2022	\$45.31	\$45.70	0.86%	Catapult

I will look to sell SPY @ \$375.50 LIMIT ON OPEN. If not filled, I will cancel the order and look to exit @ \$375.08 LIMIT ON CLOSE.

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.