

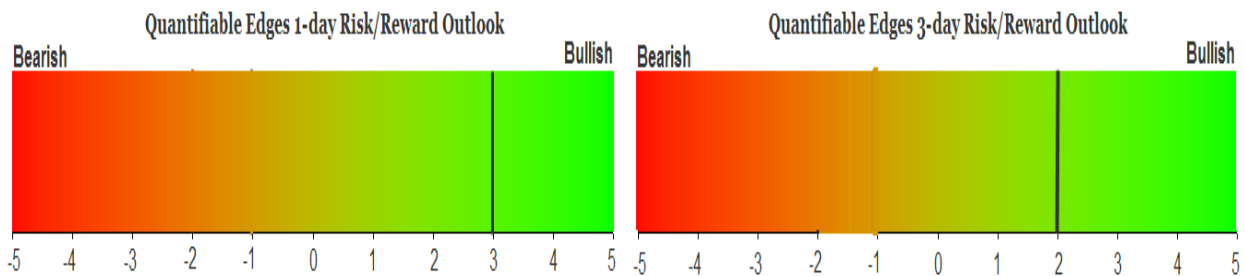
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 30, 2022

Volume 15 Issue 165

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- Pullbacks into “Turnaround Tuesday” often see a bounce.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. Odds appear to favor a bounce from this oversold condition.

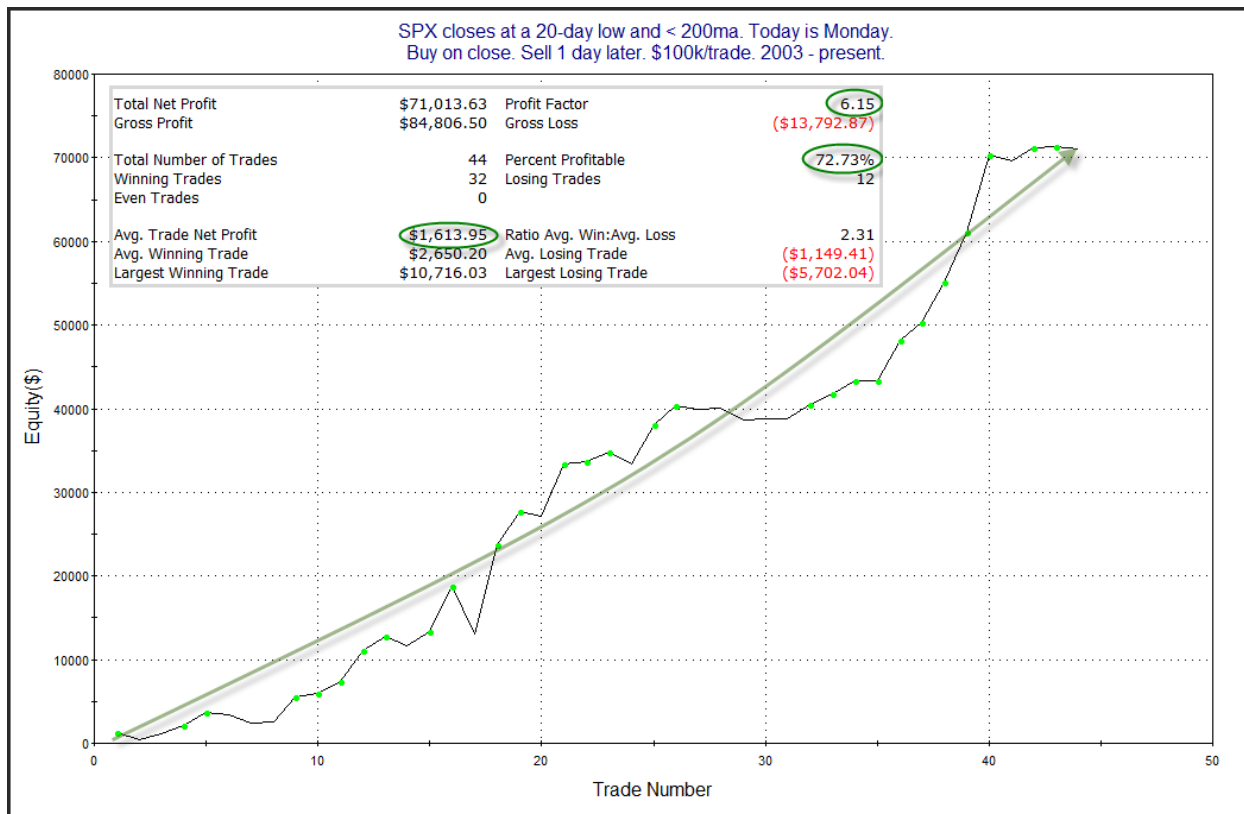
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
August 30, 2022	Turn Tues from 20-low < 200	1 day	Bullish			
August 29, 2022	Friday down 1.5x the 20-day ATR.	1-4 days	Bullish	2.50%	-1.50%	-2.70%
Active - Long Term						
August 23, 2022	10ema breadth collapse	1 month	Bearish			
August 16, 2022	SPX goes from < 15% above 50 to > 90%	1-6 months	Bullish			
August 15, 2022	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.90%	-4.35%	-8.80%
August 11, 2022	50-day high breakout on 90% Up Vol	1-40 days	Bullish	8.00%	-1.80%	-4.40%
August 1, 2022	NYSE Up Issues % > 70% 3 straight days	1-80 days	Bullish	9.85%	-4.72%	-11.90%
July 11, 2022	NASDAQ Leading	int term	Bullish			
June 13, 2022	Inverse Zweig Breadth Collapse	1-3 months	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)						
August 29, 2022	SPX down 3% but NOT after 5-day low	1 day	Bullish			

The Evidence

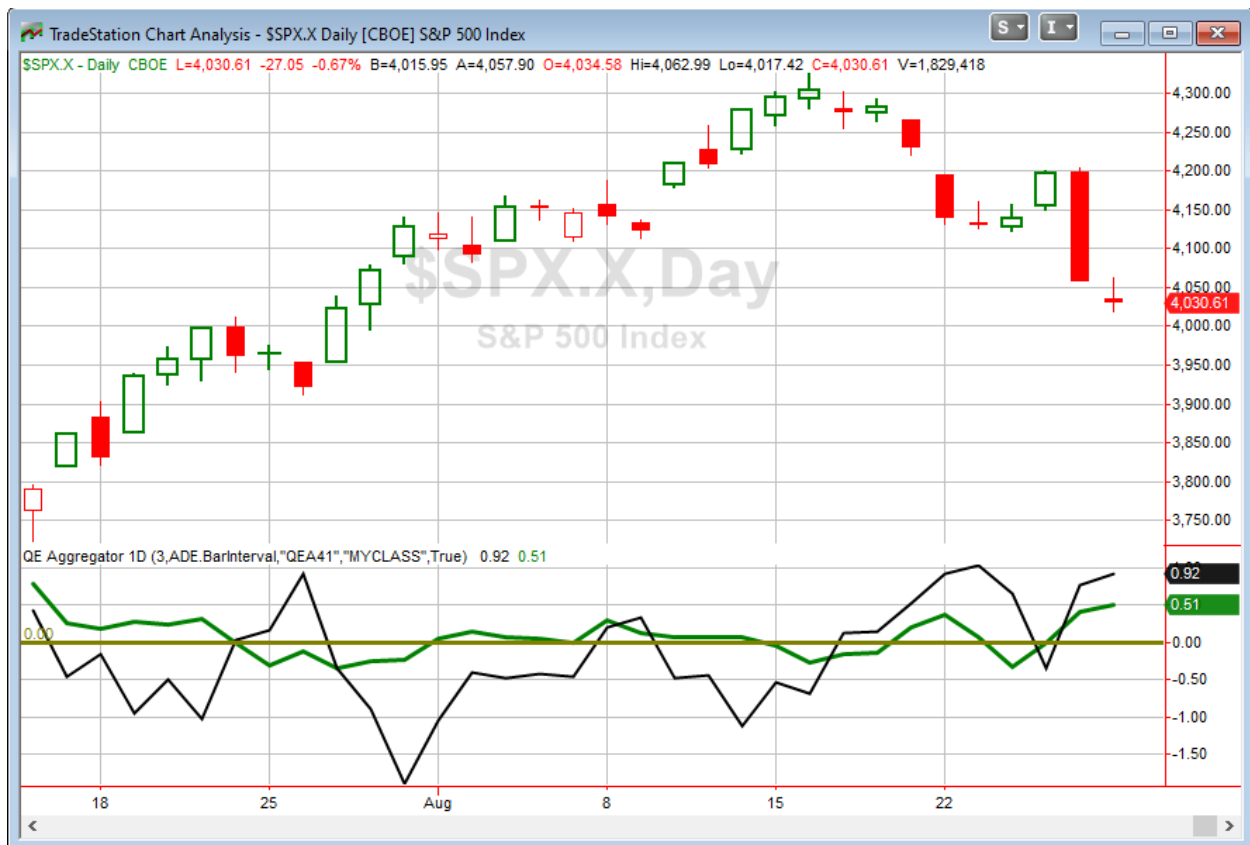
The market opened weak, fought its way back, and then stumbled at the end of the day, posting losses across the board. The SPX declined 0.7%, the NASDAQ dropped 1.0%, and the Russell 2000 slid 0.9%. Breadth was negative with the NYSE Up Issues % coming in at 34.0% and the Up Volume % at 34.4%. NYSE total volume declined some from Friday's level.

After poking into positive territory in the last hour, the late selling felt like a disappointment for the bulls. But it did manage to trigger a compelling "Turnaround Tuesday" study that provides some hope for Tuesday. Last seen in the 6/14/22 letter, I have updated the results below.



Those are very strong numbers and an impressive profit curve. I have added this study to the active list tonight. I did not uncover anything else tonight worth mentioning.

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



With tonight's evidence considered, the green Aggregator line moved further above zero. Positive readings mean expectations are for upside over the next 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 studies, expectations are set to remain positive on Tuesday. Of course this could easily change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 4183.27. That is a whopping 3.8% above Monday's close. Therefore, SPX would need to close up at least 3.8% on Tuesday to flip from oversold to overbought vs recent expectations. I don't see that happening on Tuesday. It will almost certainly take a multi-day rally or consolidation to work of the oversold condition.

So the Aggregator is again bullish. SPX is extremely oversold and a quick bounce appears likely. But volatility is quite high and evidence is really just moderate. I like tonight's study, but it is just a 1-day edge. And there is not a whole lot else triggering for the bulls at the moment. I took some long exposure on Monday, and I am content to just ride that for the time being. If more evidence emerges on Tuesday, then perhaps I'll add a 2nd lot on Wednesday.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/29 – neutral

The intermediate-term outlook was last updated in the 8/29/22 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
MMM(1/3)	8/23/2022	\$141.00	\$128.79	-8.66%	<i>sold on open</i>
SPY(1/4)	8/29/2022	\$402.20	\$402.63	0.11%	Aggregator

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