

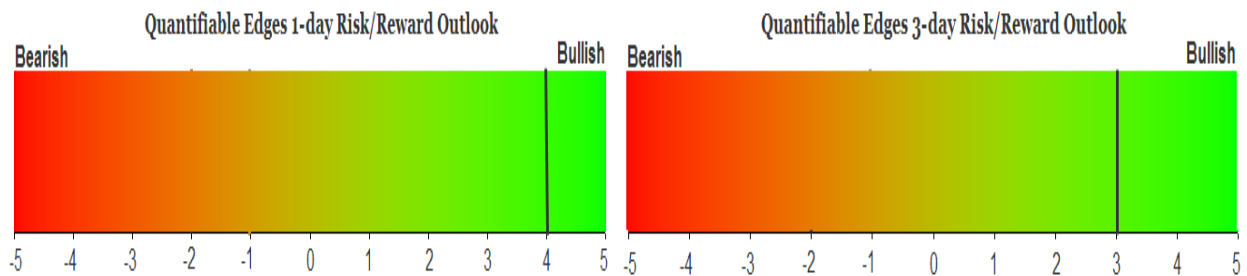
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 27, 2022

Volume 15 Issue 184

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	11

Tonight's Research Points

- Several studies are pointing to a likely “Turnaround Tuesday”
- The CBI reached rose to 11, providing additional evidence suggesting a bounce.
- The 5-day ADT breadth measure is also suggesting the market is so oversold that a bounce is likely.

Short-term Outlook

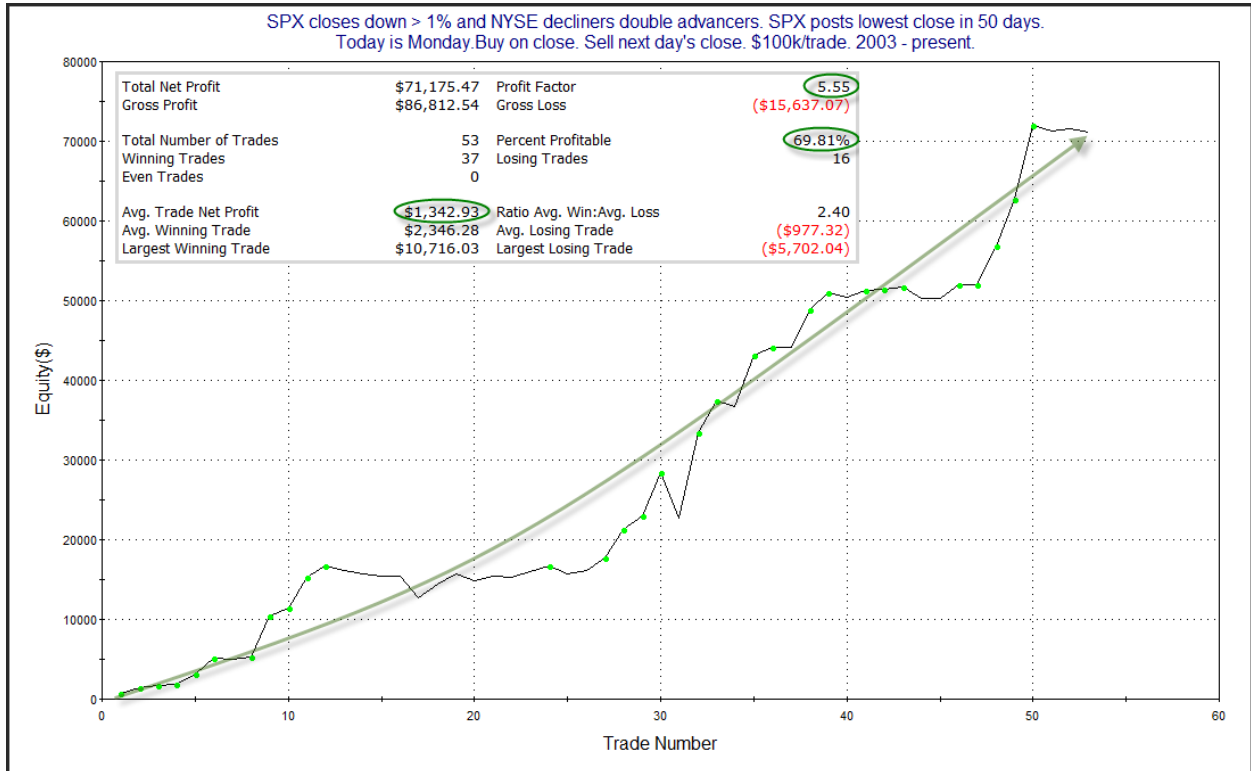
The Bottom Line

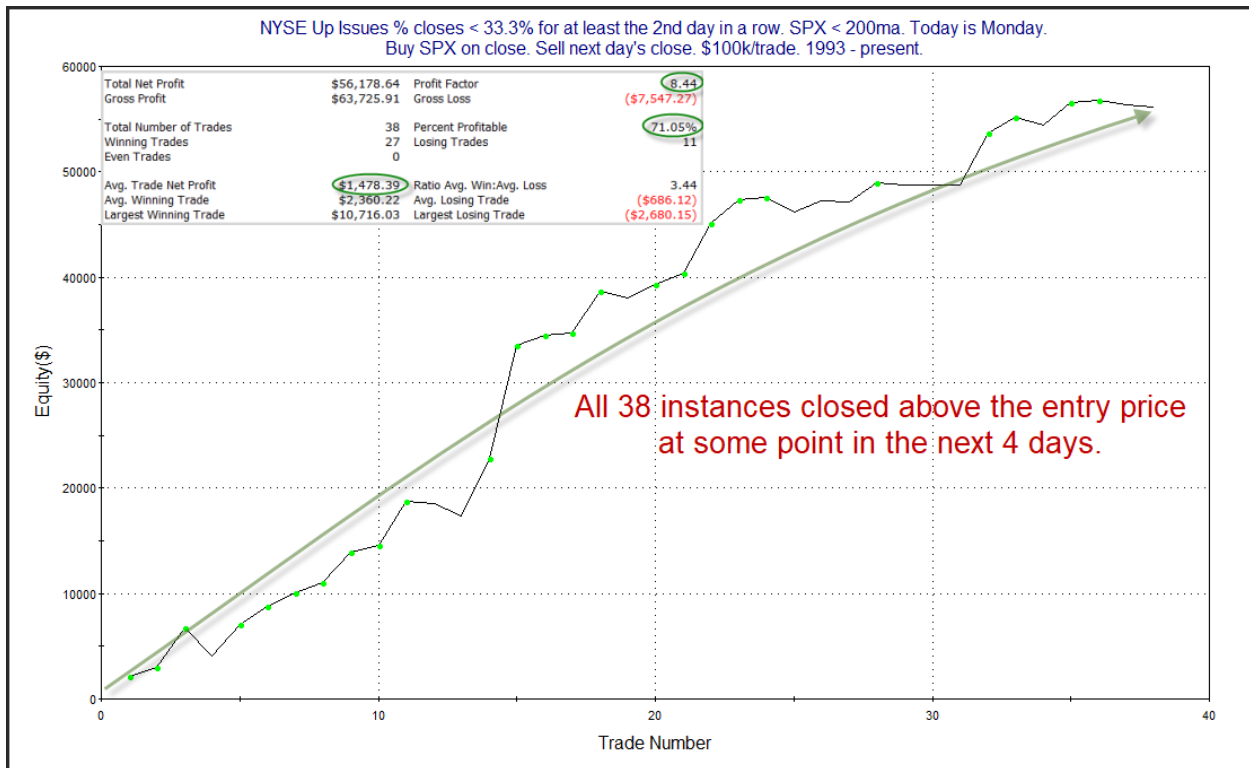
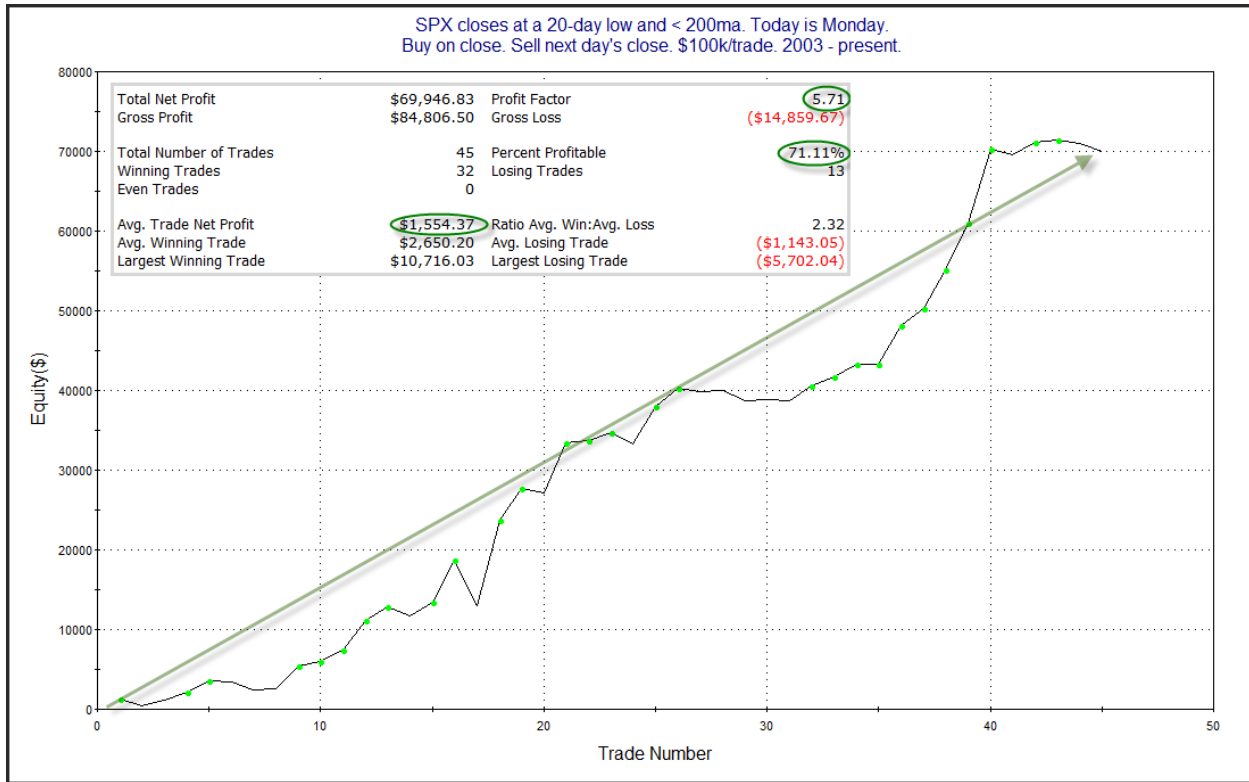
The Aggregator is bullish. I like the long side for the short-term.

The Evidence

The market declined again on Monday. SPX closed at the lowest level since December. The SPX finished down 1.0%, the NASDAQ lost 0.6%, and the Russell 2000 dropped 1.4%. Breadth was negative with the NYSE Up Issues % coming in at 18% and the Up Volume % at 13%. NYSE total volume declined some from Friday's level.

There were several "Turnaround Tuesday" studies that suggested an upside edge. Rather than discuss them individually, I have pasted 3 of the most compelling ones below.





Strongly bullish evidence supporting the idea of a Turnaround Tuesday.

Two of the three Turnaround Tuesday studies above note the weak breadth readings we had on Monday and the last few days. And it was some breadth measures that really stood out on Monday. For one, the Quantifiable Edges Capitulative Breadth Index closed at a sizable 11. Let's examine a few studies that look at other moves like this to high levels.

This 1st study is similar to one I shared in the Sunday letter. Here we look at times the CBI reached 10 or higher in conjunction with a 50-day low.

Quantifiable Edges CBI reaches crosses over 9 and SPX closes at a 50-day low and < 200ma. Buy on close. Sell X days later. \$100k/trade. 1995 - 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
20	103,054.05	20	17	3	85.00	17,878.08	-2,880.90	6,256.43	-1,101.73	5.68	32.18	5,152.70
19	102,692.39	20	16	4	80.00	17,534.88	-2,993.00	6,749.30	-1,324.11	5.10	20.39	5,134.62
18	108,280.38	20	18	2	90.00	20,061.36	-2,748.00	6,177.51	-1,457.38	4.24	38.15	5,414.02
17	109,172.55	20	19	1	95.00	21,217.68	-4,214.00	5,967.71	-4,214.00	1.42	26.91	5,458.63
16	96,948.88	20	19	1	95.00	15,329.16	-6,614.00	5,450.68	-6,614.00	0.82	15.66	4,847.44
15	89,638.71	20	17	3	85.00	17,338.20	-5,572.00	5,672.27	-2,263.32	2.51	14.20	4,481.94
14	64,449.95	21	17	4	80.95	15,991.80	-14,731.00	4,759.28	-4,114.46	1.16	4.92	3,069.05
13	68,649.13	21	16	5	76.19	19,377.60	-11,946.00	5,393.97	-3,530.87	1.53	4.89	3,269.01
12	72,505.28	21	17	4	80.95	17,982.36	-8,812.00	5,232.83	-4,113.21	1.27	5.41	3,452.63
11	85,139.66	21	17	4	80.95	20,758.32	-9,945.00	5,828.23	-3,485.08	1.67	7.11	4,054.27
10	75,589.35	21	18	3	85.71	16,319.16	-4,118.00	4,600.83	-2,408.51	1.91	11.46	3,599.49
9	75,611.62	21	18	3	85.71	12,246.96	-1,765.40	4,413.78	-1,278.80	3.45	20.71	3,600.55
8	59,928.12	21	17	4	80.95	15,615.60	-5,568.00	4,231.92	-3,003.64	1.41	5.99	2,853.72
7	61,087.88	21	16	5	76.19	12,720.84	-4,980.00	4,525.00	-2,262.43	2.00	6.40	2,908.95
6	59,206.21	21	16	5	76.19	18,349.11	-8,839.00	4,713.60	-3,242.29	1.45	4.65	2,819.34
5	58,535.03	21	16	5	76.19	18,981.60	-5,174.95	4,648.23	-3,167.33	1.47	4.70	2,787.38
4	47,759.74	21	15	6	71.43	17,851.68	-4,365.00	4,221.70	-2,594.30	1.63	4.07	2,274.27
3	8,203.25	21	12	9	57.14	13,853.40	-9,701.00	3,705.04	-4,028.58	0.92	1.23	390.63
2	511.60	21	11	10	52.38	13,116.84	-8,631.00	3,369.91	-3,655.74	0.92	1.01	24.36
1	8,829.46	21	10	11	47.62	10,716.03	-6,760.90	3,165.93	-2,075.44	1.53	1.39	420.45

The 1st 3 days don't show much of an edge. But once you get out to Day 4 and beyond, there does appear to be a substantial bullish tendency. Below is the full list of instances with a 17-day holding period.

Quantifiable Edges CBI crosses over 9 and SPX closes at a 50-day low and < 200ma.
Buy on close. Sell 17 days later. \$100k/trade. 1995 - present.

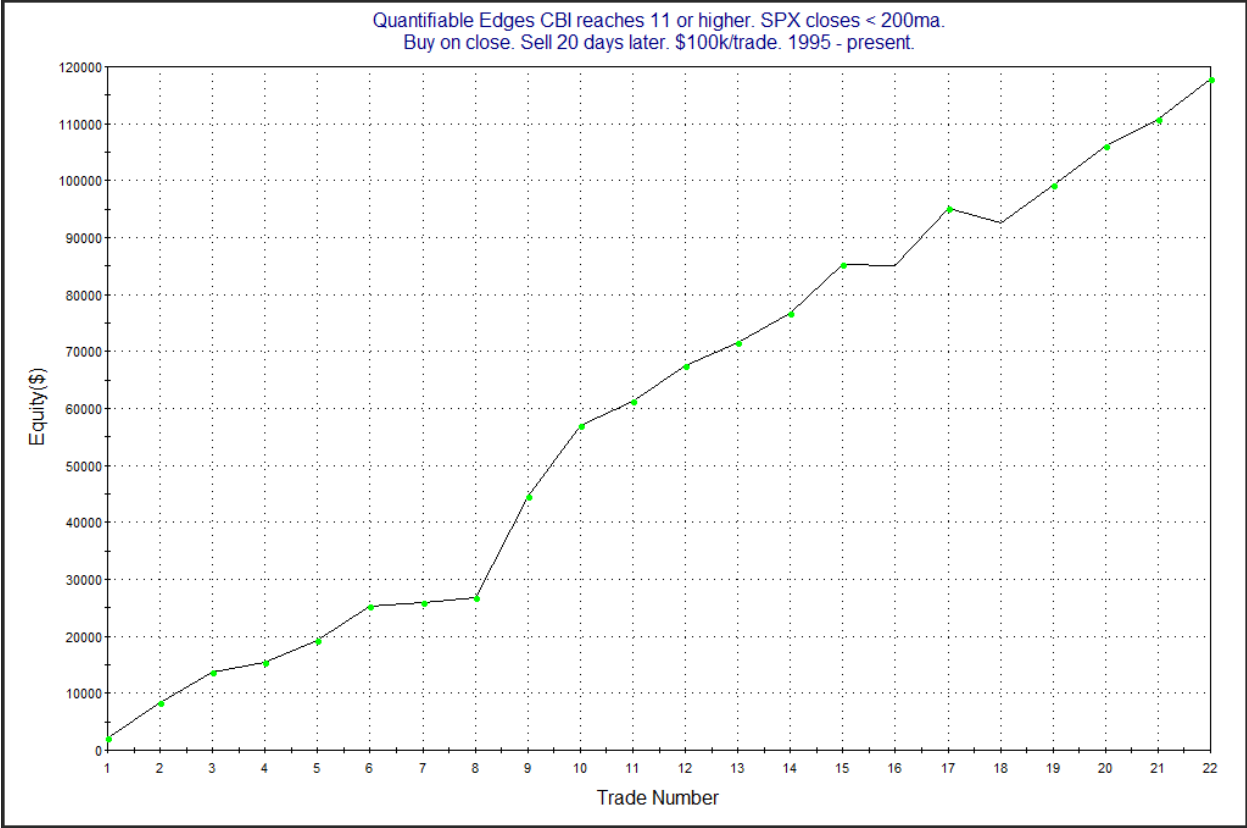
Date/Time	Signal	Price	% Profit	Run-up Drawdown
8/28/1998	Buy	\$1,027.25	3.78%	\$3,768.45
9/23/1998	Sell	\$1,066.10		(\$8,463.25)
9/18/2001	Buy	\$1,032.74	6.26%	\$6,376.32
10/11/2001	Sell	\$1,097.43		(\$8,447.04)
7/18/2002	Buy	\$881.56	2.52%	\$3,660.07
8/12/2002	Sell	\$903.80		(\$11,964.44)
8/12/2004	Buy	\$1,063.23	5.46%	\$5,719.90
9/7/2004	Sell	\$1,121.29		(\$235.94)
11/21/2007	Buy	\$1,416.76	2.06%	\$7,476.70
12/17/2007	Sell	\$1,445.91		(\$746.20)
1/22/2008	Buy	\$1,310.51	2.93%	\$6,498.76
2/14/2008	Sell	\$1,348.86		(\$3,074.96)
3/7/2008	Buy	\$1,293.37	5.73%	\$6,512.66
4/2/2008	Sell	\$1,367.54		(\$2,802.03)
7/15/2008	Buy	\$1,214.90	4.21%	\$6,295.14
8/7/2008	Sell	\$1,266.08		(\$287.82)
10/7/2008	Buy	\$996.23	-4.23%	\$4,808.00
10/30/2008	Sell	\$954.09		(\$15,643.00)
11/20/2008	Buy	\$752.44	21.36%	\$21,929.16
12/16/2008	Sell	\$913.18		(\$1,453.32)
3/2/2009	Buy	\$700.82	16.13%	\$17,886.32
3/25/2009	Sell	\$813.88		(\$4,832.26)
5/20/2010	Buy	\$1,071.59	4.07%	\$4,092.00
6/15/2010	Sell	\$1,115.23		(\$2,865.33)
6/29/2010	Buy	\$1,041.24	5.90%	\$5,999.04
7/23/2010	Sell	\$1,102.66		(\$2,911.68)
8/8/2011	Buy	\$1,119.46	8.88%	\$9,901.25
8/31/2011	Sell	\$1,218.89		(\$1,594.88)
10/13/2014	Buy	\$1,874.74	7.94%	\$7,935.16
11/5/2014	Sell	\$2,023.57		(\$2,866.24)
8/21/2015	Buy	\$1,970.89	1.24%	\$1,318.50
9/16/2015	Sell	\$1,995.31		(\$5,194.00)
10/24/2018	Buy	\$2,656.10	3.02%	\$5,884.85
11/16/2018	Sell	\$2,736.27		(\$1,944.72)
12/20/2018	Buy	\$2,467.42	6.03%	\$6,333.60
1/16/2019	Sell	\$2,616.10		(\$4,833.60)
5/31/2019	Buy	\$2,752.06	6.01%	\$7,635.24
6/25/2019	Sell	\$2,917.38		(\$837.00)
1/25/2022	Buy	\$4,356.45	0.55%	\$5,254.92
2/17/2022	Sell	\$4,380.26		(\$1,407.78)

We see here some strong moves higher. I should note that not all of them went straight up though. There were a few with sizable drawdowns before the reversal ensued. These include instances in 1998, 2001, 2002 and 2015 among others. So it seems to be a nice sign for the intermediate-term, but no guarantee that the bounce will begin immediately.

In the past I have also noted that simply closing at 11 or higher has been a strong intermediate-term signal. The study below looks at times the CBI closed at 11 or higher and below the 200ma.

Quantifiable Edges CBI reaches 11 or higher. SPX closes < 200ma. Buy on close. Sell X days later. \$100k/trade. 1995 - 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
20	117,857.62	22	20	2	90.91	17,878.08	-2,628.36	6,034.10	-1,412.18	4.27	42.73	5,357.16
19	111,695.41	22	19	3	86.36	17,534.88	-2,993.00	6,175.37	-1,878.85	3.29	20.82	5,077.06
18	113,957.22	22	20	2	90.91	20,061.36	-2,748.00	5,949.88	-2,520.24	2.36	23.61	5,179.87
17	111,351.07	22	19	3	86.36	21,217.68	-4,214.00	6,223.38	-2,297.70	2.71	17.15	5,061.41
16	97,262.80	22	20	2	90.91	15,329.16	-6,614.00	5,208.69	-3,455.52	1.51	15.07	4,421.04
15	87,794.14	22	17	5	77.27	17,338.20	-5,572.00	5,662.65	-1,694.18	3.34	11.36	3,990.64
14	67,088.23	23	17	6	73.91	15,991.80	-14,731.00	5,101.04	-3,271.57	1.56	4.42	2,916.88
13	72,216.56	23	17	6	73.91	19,377.60	-11,946.00	5,422.43	-3,327.45	1.63	4.62	3,139.85
12	67,892.38	23	17	6	73.91	17,982.36	-8,812.00	5,029.80	-2,935.71	1.71	4.85	2,951.84
11	76,312.06	23	17	6	73.91	20,758.32	-9,945.00	5,349.37	-2,437.88	2.19	6.22	3,317.92
10	68,790.21	23	18	5	78.26	16,319.16	-4,118.00	4,400.01	-2,082.01	2.11	7.61	2,990.88
9	75,244.18	23	18	5	78.26	12,246.96	-2,384.41	4,596.89	-1,499.96	3.06	11.03	3,271.49
8	56,362.90	23	17	6	73.91	15,615.60	-5,568.00	4,253.02	-2,656.41	1.60	4.54	2,450.56
7	60,308.67	23	17	6	73.91	12,720.84	-4,980.00	4,367.46	-2,323.02	1.88	5.33	2,622.12
6	50,933.11	23	17	6	73.91	18,349.11	-8,839.00	4,051.96	-2,991.71	1.35	3.84	2,214.48
5	57,959.69	23	17	6	73.91	18,981.60	-5,174.95	4,378.74	-2,746.48	1.59	4.52	2,519.99
4	47,616.58	23	16	7	69.57	17,851.68	-4,365.00	4,032.10	-2,413.85	1.67	3.82	2,070.29
3	11,756.54	23	14	9	60.87	13,853.40	-9,701.00	3,449.30	-4,059.29	0.85	1.32	511.15
2	-1,278.26	23	11	12	47.83	13,116.84	-8,631.00	3,463.99	-3,281.84	1.06	0.97	-55.58
1	4,535.56	23	11	12	47.83	10,716.03	-6,760.90	2,793.87	-2,183.08	1.28	1.17	197.20

Numbers here are fantastic. Below is a look at the profit curve.



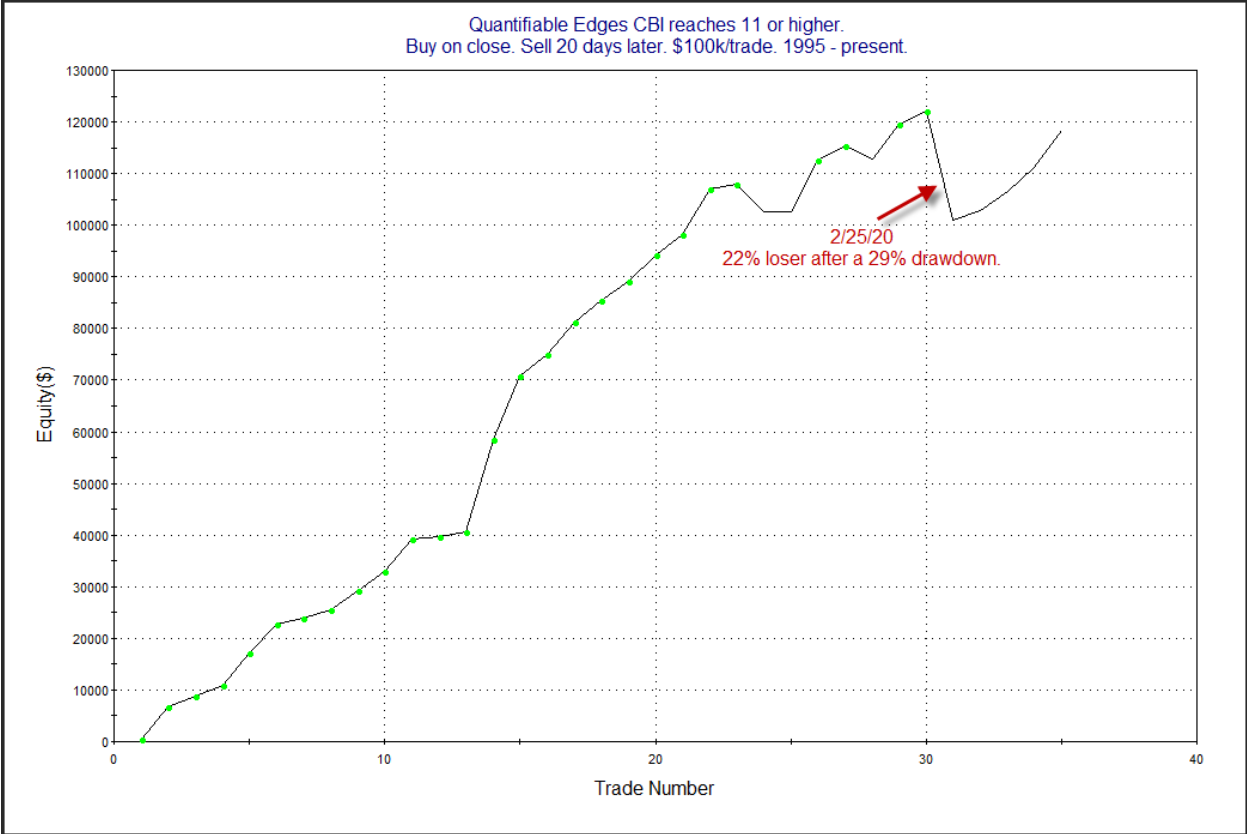
It does not get much better than that.

But the 200ma filter here is masking a big loser. Here is the same study without the 200ma filter.

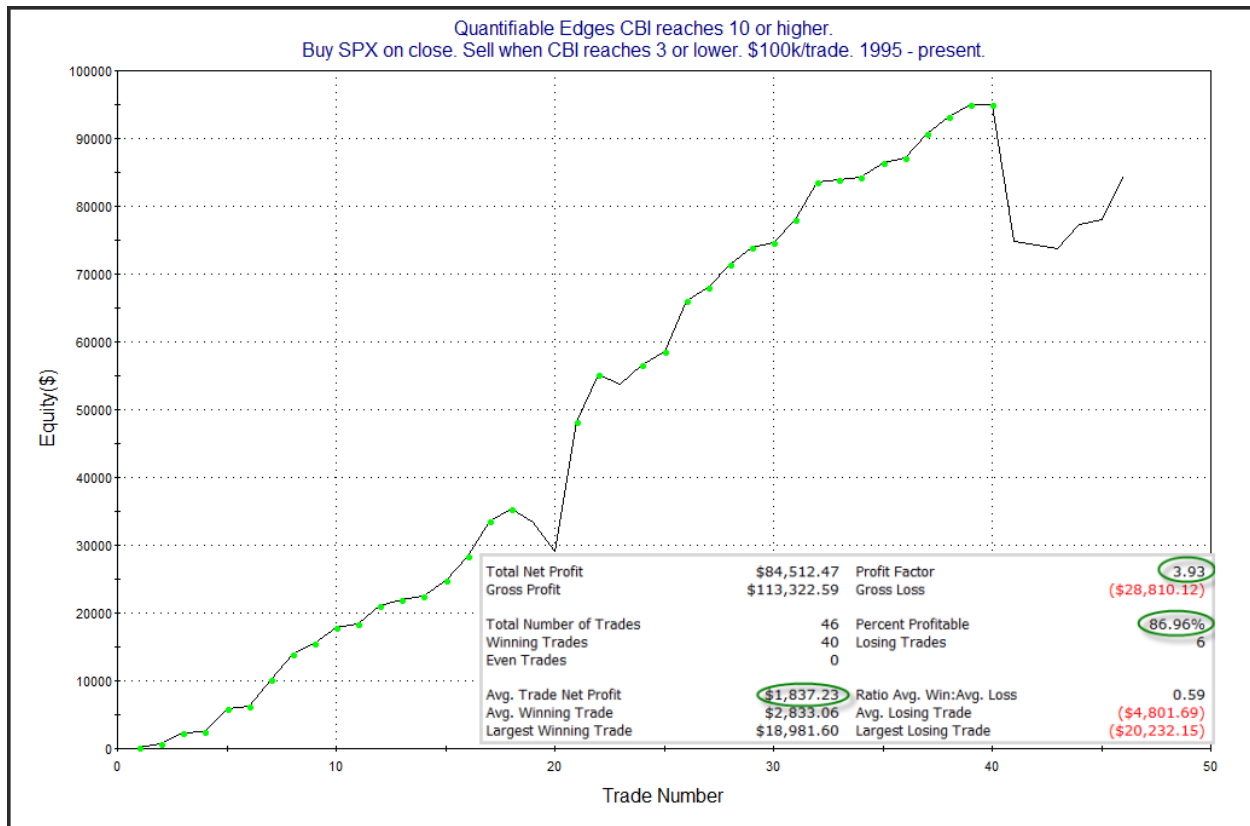
Quantifiable Edges CBI reaches 11 or higher.
Buy on close. Sell X days later. \$100k/trade. 1995 - present.

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
20	118,309.82	35	31	4	88.57	17,878.08	-21,107.28	4,756.84	-7,288.03	0.65	5.06	3,380.28
19	107,432.07	35	29	6	82.86	17,534.88	-27,615.11	4,961.33	-6,074.43	0.82	3.95	3,069.49
18	109,401.79	35	30	5	85.71	20,061.36	-25,521.99	4,685.01	-6,229.73	0.75	4.51	3,125.77
17	107,658.94	35	31	4	88.57	21,217.68	-22,283.42	4,414.05	-7,294.13	0.61	4.69	3,075.97
16	94,904.95	35	32	3	91.43	15,329.16	-22,633.41	3,889.04	-9,848.15	0.39	4.21	2,711.57
15	89,081.14	35	27	8	77.14	17,338.20	-18,569.62	4,314.84	-3,427.43	1.26	4.25	2,545.18
14	62,118.36	36	28	8	77.78	15,991.80	-23,004.48	3,825.43	-5,624.20	0.68	2.38	1,725.51
13	82,173.69	37	29	8	78.38	19,377.60	-12,932.89	4,040.16	-4,373.87	0.92	3.35	2,220.91
12	69,003.73	37	29	8	78.38	17,982.36	-20,074.67	3,706.83	-4,811.78	0.77	2.79	1,864.97
11	83,338.64	37	28	9	75.68	20,758.32	-11,991.73	3,989.85	-3,153.02	1.27	3.94	2,252.40
10	72,580.26	37	25	12	67.57	16,319.16	-7,625.38	3,780.46	-1,827.60	2.07	4.31	1,961.63
9	74,607.59	37	28	9	75.68	12,246.96	-11,831.15	3,535.63	-2,709.99	1.30	4.06	2,016.42
8	66,631.10	37	29	8	78.38	15,615.60	-5,568.00	3,125.22	-3,000.03	1.04	3.78	1,800.84
7	69,478.29	37	27	10	72.97	12,720.84	-4,980.00	3,361.38	-2,127.89	1.58	4.27	1,877.79
6	62,308.83	37	28	9	75.68	18,349.11	-8,839.00	3,019.51	-2,470.83	1.22	3.80	1,684.02
5	69,173.24	37	27	10	72.97	18,981.60	-5,174.95	3,360.18	-2,155.16	1.56	4.21	1,869.55
4	62,042.38	37	26	11	70.27	17,851.68	-4,365.00	3,226.64	-1,986.40	1.62	3.84	1,676.82
3	21,216.23	37	23	14	62.16	13,853.40	-9,701.00	3,038.15	-3,475.80	0.87	1.44	573.41
2	7,817.45	37	20	17	54.05	13,116.84	-8,631.00	2,757.29	-2,784.01	0.99	1.17	211.28
1	12,653.01	37	21	16	56.76	10,716.03	-6,760.90	2,017.17	-1,856.73	1.09	1.43	341.97

Most numbers are still strong. Just not to the same degree. The max loser column is what really stands out. Below is the profit curve.



Damn COVID crash. Lastly, here is an updated version of a study I have shown many times over the years. It looks at buying SPX when the CBI hits 10 or higher and then selling when the CBI eventually returns to 3 or lower.



The COVID Crash made this one a lot uglier as well. The CBI spiked early in that selloff. To me, this CBI spike does not appear to be very “early”. SPX is down 11% over the last 10 days and 6.3% in the last 5 days, and also closed at the lowest level of the year. So we have an extremely extended price condition as well. Bottom line is that the high CBI is suggesting a good chance of a bounce in the next few days. But that does not guarantee it will occur immediately or without some initial drawdown.

The extremely weak breadth over the last 5 days also triggered a very low 5-day ADT reading as described by Wayne Whaley in his 2010 paper [Planes, Trains, & Automobiles: A Study of Various Market Thrust Measures](#). The ADT is basically a 5-day measure of the % of advancing issues vs total issues. On Monday it hit 18.67. In the paper Wayne noted that drops below 20 had always been followed by a higher market 1 year later, and that the average gain over the next year was quite strong. Below I have recreated the study using Amibroker with Norgate Data.

5-day ADT reading closes < 20. SPX forward performance shown. 1957 - present.																	
Ticker	Date/Time	Close	Whaley ADT	Next Day % Chg	2-Day %Chg	3-Day %Chg	4-Day %Chg	5-Day %Chg	6-Day %Chg	7-Day %Chg	8-Day %Chg	9-Day %Chg	10-Day %Chg	21-Day %Chg	63-Day %Chg	126-Day %Chg	252-Day %Chg
SSPX	10/22/1957	38.98	19.41	4.49	4.44	4.13	3.69	4.39	5.23	5.34	3.75	3.57	3.72	3.85	6.11	9.8	31.53
SSPX	5/28/1962	55.5	14.02	4.65	7.44	6.99	3.19	3.73	5.21	5.23	5.32	4.18	1.51	-5.23	7.3	11.23	26.14
SSPX	10/23/1962	53.49	18.86	3.22	2.24	1.96	4.17	5.7	5.66	6.79	7.96	9.09	9.76	15.05	22.92	30.42	36.47
SSPX	8/22/1966	78.24	18.08	-0.17	1.06	-0.23	-2.34	-4.74	-3.04	-1.46	-0.69	-1.05	-1.64	-0.68	2.36	11.63	19.81
SSPX	4/28/1970	80.27	19.53	1.92	1.56	1.46	-1.12	-2.08	-1	-0.55	-1.03	-2.08	-3.01	-9.34	-3.26	4.36	29.49
SSPX	5/25/1970	70.25	18.48	-1.37	3.59	6.21	8.97	10.8	10.8	11.77	10.12	8.43	8.6	6.42	12.8	18.02	43.76
SSPX	10/19/1978	99.33	19.05	-1.39	-1.16	-1.85	-2.03	-3.32	-4.77	-4.3	-6.22	-2.5	-3.75	-4.94	0.42	1.91	4.31
SSPX	10/19/1987	224.84	19.17	5.33	14.92	10.41	10.4	1.26	3.71	3.75	8.86	11.99	13.75	8.09	10.89	14.71	22.94
SSPX	10/8/2008	984.94	18.75	-7.62	-8.7	1.87	1.33	-7.83	-3.91	-4.51	0.05	-3.03	-8.95	-8.13	-7.64	-13.03	8.18
SSPX	11/20/2008	752.44	18.78	6.32	13.21	13.95	17.97	19.11	8.48	12.81	15.72	12.33	16.43	15.84	2.75	20.98	45.05
SSPX	8/24/2015	1893.21	19.42	-1.35	2.5	4.99	5.05	4.17	1.09	2.94	3.06	1.48	4.02	2.41	10.35	1.93	15.51
SSPX	2/27/2020	2978.76	18.72	-0.82	3.74	0.83	5.08	1.52	-0.21	-7.8	-3.24	-7.97	-16.72	-14.68	1.71	16.78	27.94
			Avg	1.10	3.74	4.23	4.53	2.73	2.27	2.50	3.64	2.87	1.98	0.72	5.56	10.73	25.93
			Median	0.88	3.05	3.05	3.93	2.63	2.40	3.35	3.41	2.53	2.62	0.87	4.43	11.43	27.04
			Win %	50%	83%	83%	75%	67%	58%	58%	67%	58%	58%	50%	83%	92%	100%

There are now 12 instances since 1957, and they all saw the market higher 1 year later. And by an average of 26%. I'll also note that the Whaley 5-day ADT < 20 signal was triggered near the start of the COVID Crash as well – just like the CBI spike. It triggered at the end of February right before all hell broke loose in March.

I will also point out that I was able to run this study back even further by measuring S&P 90 performance from 1928 – 1956. The S&P 90 was the predecessor to the S&P 500.

5-day ADT reading closes < 20. S&P 90 forward performance shown. 1928 - 1956.																	
Ticker	Date/Time	Close	Whaley ADT	Next Day % Chg	2-Day %Chg	3-Day %Chg	4-Day %Chg	5-Day %Chg	6-Day %Chg	7-Day %Chg	8-Day %Chg	9-Day %Chg	10-Day %Chg	21-Day %Chg	63-Day %Chg	126-Day %Chg	252-Day %Chg
SSPX	9/9/1931	12.76	18.32	-1.1	-0.55	-5.17	-6.03	-7.37	-5.64	-10.19	-14.34	-15.36	-9.72	-16.77	-32.76	-34.87	-36.13
SSPX	12/14/1931	8.01	16.16	1.37	-1	-3.62	4.37	1.75	3.5	-0.75	-0.62	-3.12	-0.62	11.11	1.25	-36.08	-11.99
SSPX	4/6/1932	6.53	16.96	-1.07	-3.68	-7.04	-7.2	-8.42	-4.29	-1.68	-6.28	-7.66	-7.66	-13.02	-29.56	23.28	9.34
SSPX	5/31/1932	4.47	17.73	-1.57	3.8	9.4	13.42	8.5	2.24	2.24	10.07	7.83	10.51	0.89	91.95	46.53	136.47
SSPX	10/10/1932	6.42	19.15	7.17	3.89	11.06	9.03	11.06	15.26	12.62	6.23	6.39	5.3	15.89	12.62	20.25	46.11
SSPX	10/19/1933	8.61	18.2	2.9	4.76	8.94	11.85	9.64	10.8	4.99	4.07	5.92	7.08	18.82	26.71	27.76	4.41
SSPX	7/26/1934	8.36	16.58	2.87	3.71	3.83	7.06	7.78	6.46	4.19	3.95	5.62	9.21	13.88	6.82	7.42	32.54
SSPX	10/15/1937	11.84	16.26	-9.12	-6.25	0.76	2.79	0	1.35	-0.84	-0.68	1.77	4.31	-3.8	-1.44	-12.08	10.39
SSPX	11/19/1937	10.51	19.25	-2.47	-0.76	-3.24	1.52	4.28	5.71	4.38	6.47	7.9	5.9	8.28	6.09	-3.81	22.55
SSPX	12/28/1937	10.31	18.7	1.07	2.42	2.33	2.04	6.6	5.92	10.77	9.8	15.13	15.91	4.66	-10.09	9.21	27.35
SSPX	1/27/1938	10.64	19.58	-0.85	0.47	2.35	0.94	-2.82	-0.94	-0.75	3.2	2.44	3.1	6.58	-8.18	17.29	15.6
SSPX	3/23/1938	9.86	18.79	0.3	-5.17	-5.98	-11.46	-12.58	-13.79	-9.63	-6.29	-3.85	-5.98	5.98	8.82	21.3	19.98
SSPX	5/31/1938	9.27	19.29	3.24	2.91	1.62	5.07	4.64	4.96	7.23	5.72	2.7	3.88	26.43	27.83	36.03	24.16
SSPX	8/12/1938	11.92	18.33	0	1.34	1.51	1.43	3.27	2.94	5.29	5.03	5.87	4.87	-4.61	-12	4.7	-2.94
SSPX	5/15/1940	10.38	18.75	0.96	-4.14	-5.68	-11.95	-11.56	-11.37	-11.75	-9.63	-11.46	-10.89	-4.24	-4.53	8.77	-9.92
SSPX	2/14/1941	9.53	19.92	1.26	1.05	0.21	1.99	2.41	3.25	4.2	4.41	3.67	4.09	5.25	-2.1	6.3	-11.02
SSPX	11/8/1943	11.26	18.97	0.36	1.33	0.27	-0.09	-0.53	-1.15	-0.89	0.36	0.71	0.36	1.51	2.66	7.37	15.1
			Avg	0.31	0.24	0.68	1.46	0.98	1.48	1.14	1.26	1.44	2.33	4.52	6.36	8.79	17.18
			Median	0.36	1.05	0.76	1.99	2.41	2.94	2.24	3.95	2.70	4.09	5.25	2.66	8.77	15.10
			Win %	59%	59%	65%	71%	59%	65%	53%	65%	71%	71%	71%	59%	76%	71%

Numbers here are not nearly as impressive. The 1-year perfect record is not even close to perfect, with only 71% of instances closing higher. Still, it has been a pretty good signal in the modern market. Like the CBI, it does not offer a guarantee of an immediate bounce. There still may be some painful selling in the next few days. But the combination of the studies we are seeing tonight is certainly pointing towards an upside edge.

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



With tonight's evidence considered, the green Aggregator line remained above zero. Positive readings mean expectations are for upside over the next over the next few days. Meanwhile the black Differential Line also held 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 list of active studies, expectations are set to remain positive on Tuesday. This could change if extremely compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3824.06. That is a whopping 4.6% above Monday's close. I don't see that all getting done on Tuesday. It will almost certainly take a multi-day rally or consolidation to work off the oversold condition.

So the Aggregator is again bullish. Evidence is pointing higher and the SPX is certainly oversold. I like the long side. I have been building up a long index position over the last few days. I added another lot to it near the close on Monday. With the massive volatility the market is currently experiencing I am not looking to put on my final lot just yet. And I might not at all. This is not the kind of market that I like to take on huge size. It is not like we are experiencing a pullback within an uptrend. SPX made a new bear market close on Monday. Tuesday could be very good. But I am not looking to take more on yet. Of course for traders looking for places to add more exposure, there are new Catapults tonight.

Intermediate-term Outlook (2 weeks – 2 months) – updated 9/26 – neutral

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

CHTR – 1/3 @ \$353.03 (bought @ limit)

CHTR – 1/3 @ \$333.96 (bought @ limit)

MMM – 1/3 @ \$114.14 (bought @ limit)

T – 1/3 @ \$16.24 (bought @ limit)

CHTR – 1/3 @ \$321.66 (buy @ limit)

MMM – 1/3 @ \$112.99 (buy @ limit)

T – 1/3 @ \$16.01 (buy @ limit)

New

MMM – 1/3 @ \$113.00 (buy @ limit)

T – 1/3 @ \$15.67 (buy @ limit)

INTC – 1/3 @ \$26.97 (buy @ limit)

ADBE – 1/3 @ \$276.96 (buy @ limit)

Broad Market Large Cap CBI – 11(CHTR-3, MMM-3, T-3, INTC, ADBE)

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.

MMM – Buy 1/3 Catapult position @ \$113.00 LIMIT. From the Catapult section above, this is the 3rd and final lot of MMM.

T – Buy 1/3 Catapult position @ \$15.67 LIMIT. From the Catapult section above, this is the 3rd and final lot of T.

INTC – Buy 1/3 Catapult position @ \$26.97 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of INTC.

ADBE – Buy 1/3 Catapult position @ \$276.96 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of ADBE.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	9/22/2022	\$376.58	\$364.31	-3.26%	Aggregator
CHTR(1/3)	9/22/2022	\$352.03	\$306.20	-13.02%	Catapult
SPY(1/4)	9/23/2022	\$367.95	\$364.31	-0.99%	Aggregator
CHTR(1/3)	9/23/2022	\$330.98	\$306.20	-7.49%	Catapult
MMM(1/3)	9/23/2022	\$113.73	\$113.00	-0.64%	Catapult
T(1/3)	9/23/2022	\$16.10	\$15.67	-2.67%	Catapult
SPY(1/4)	9/24/2022	\$364.31	\$364.31	0.00%	Aggregator
CHTR(1/3)	9/24/2022	\$321.44	\$306.20	-4.74%	Catapult
MMM(1/3)	9/24/2022	\$112.76	\$113.00	0.21%	Catapult
T(1/3)	9/24/2022	\$15.91	\$15.67	-1.51%	Catapult

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