

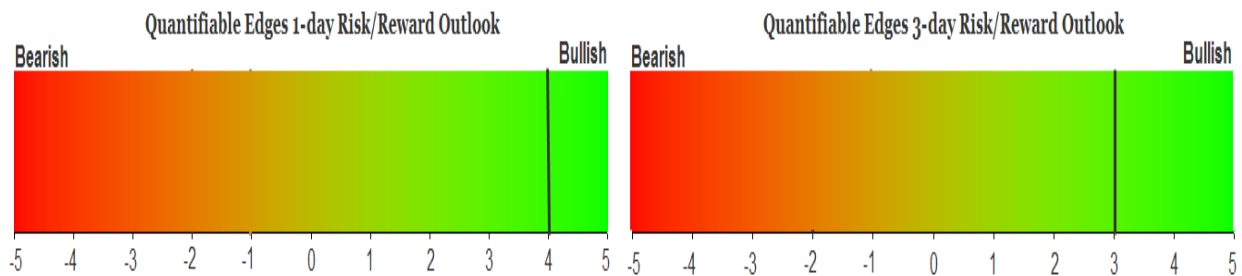
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 11, 2022

Volume 15 Issue 194

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- There are a couple of studies pointing to a likely “Turnaround Tuesday”.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. Expectations are pointing higher and the market is strongly oversold. There appears to be an upside edge – especially for Tuesday.

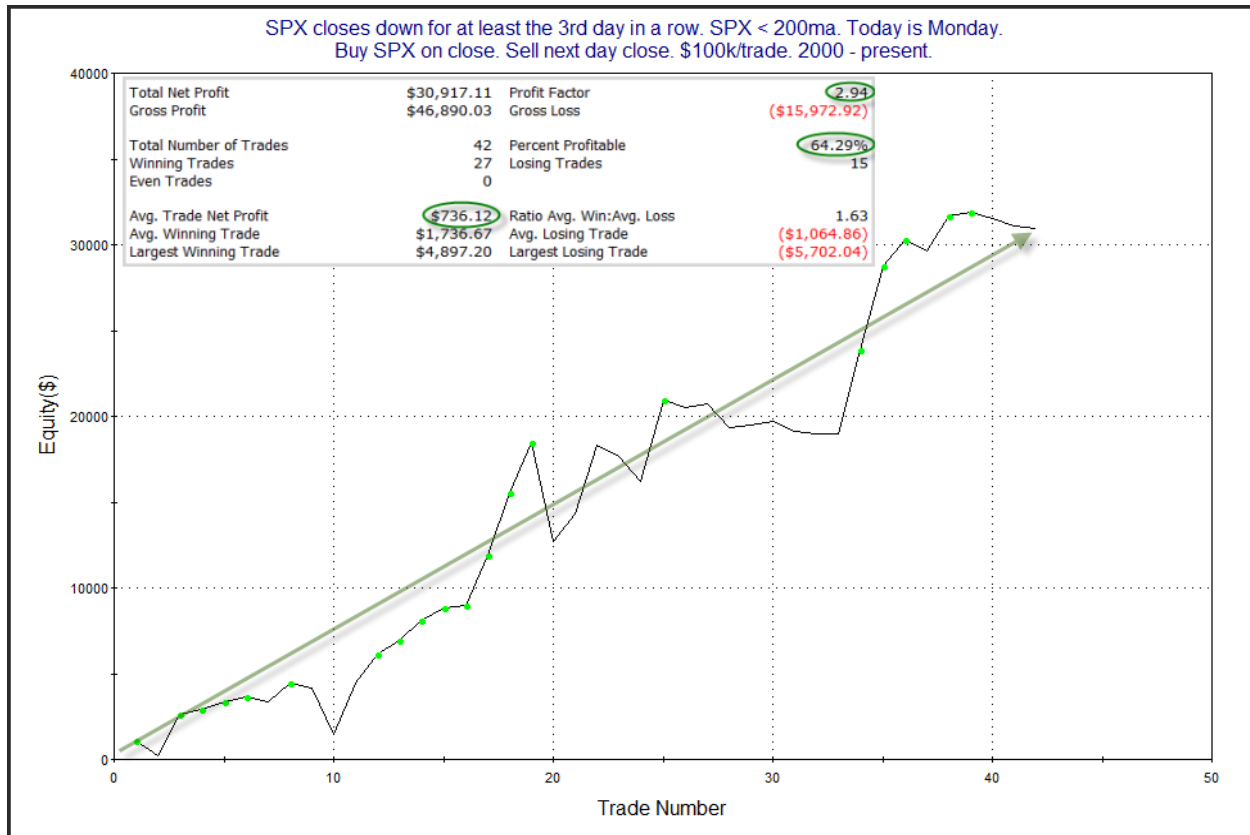
Summary of Recent Active Studies (see Letters from listed dates for details)

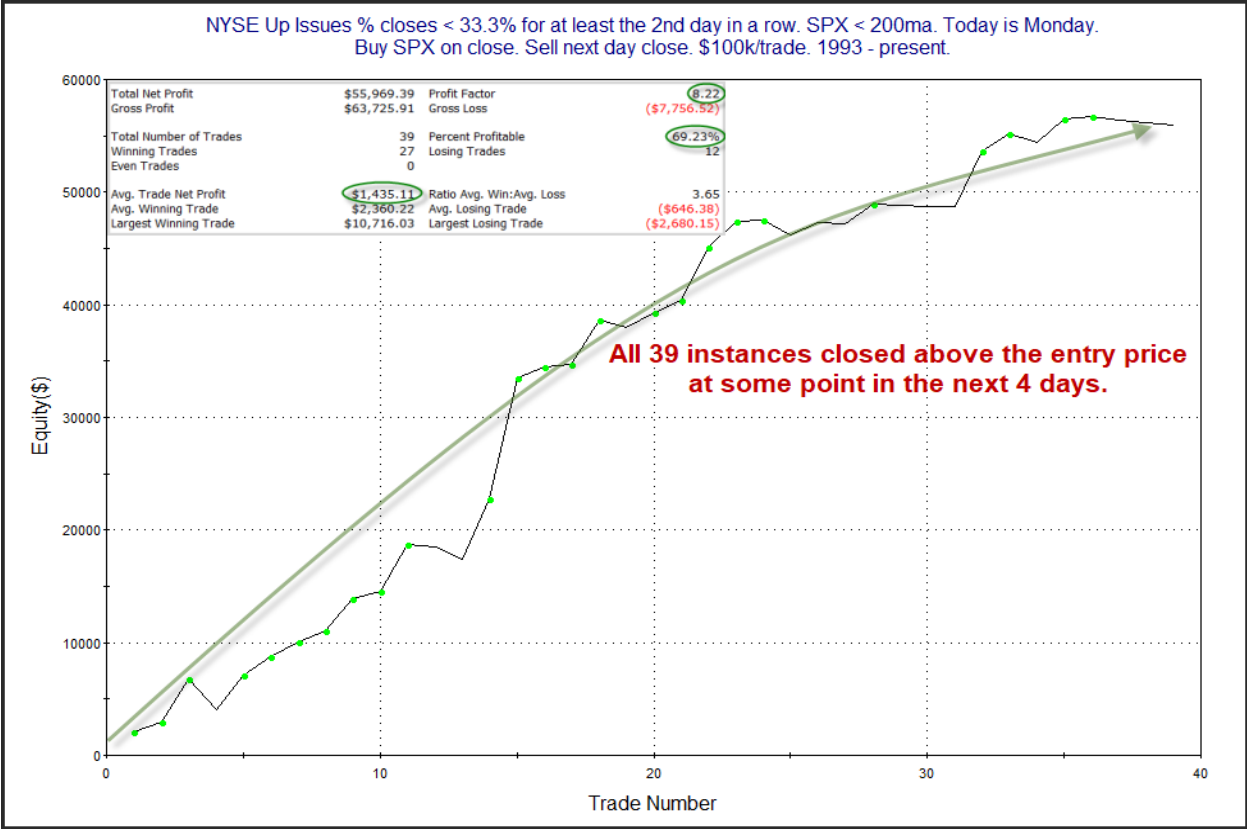
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
October 11, 2022	Up Iss < 33.3% 2x. Monday < 200	1 day	Bullish			
October 11, 2022	SPX dn 3+. Monday. Close < 200	1 day	Bullish			
October 10, 2022	Down 3 days to 20 low. 1% dn 2day.	1-3 days	Bullish	2.80%	-1.40%	-2.95%
Active - Long Term						
September 27, 2022	CBI reaches 10+. SPX 50-low < 200	1-17 days	Bullish	7.30%	-4.10%	-8.20%
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)						
October 10, 2022	Employment Day strong sellogg	1 day	Bearish			
October 10, 2022	Columbus Day bullish	1 day	Bullish			
October 4, 2022	1% drop to 50-low. Next day ttl reverse	1-5 days	Bullish	3.70%	-2.50%	-5.70%

The Evidence

Monday saw the selloff continue. The SPX finished down 0.75%. the NASDAQ lost 1.0% (and made new bear-market lows), and the Russell 2000 fell 0.6%. Breadth was strongly negative with the NYSE Up Issues % coming in at 33% and the Up Volume % at 24%. NYSE total volume came in light, which is typical on Columbus Day with the bond market closed.

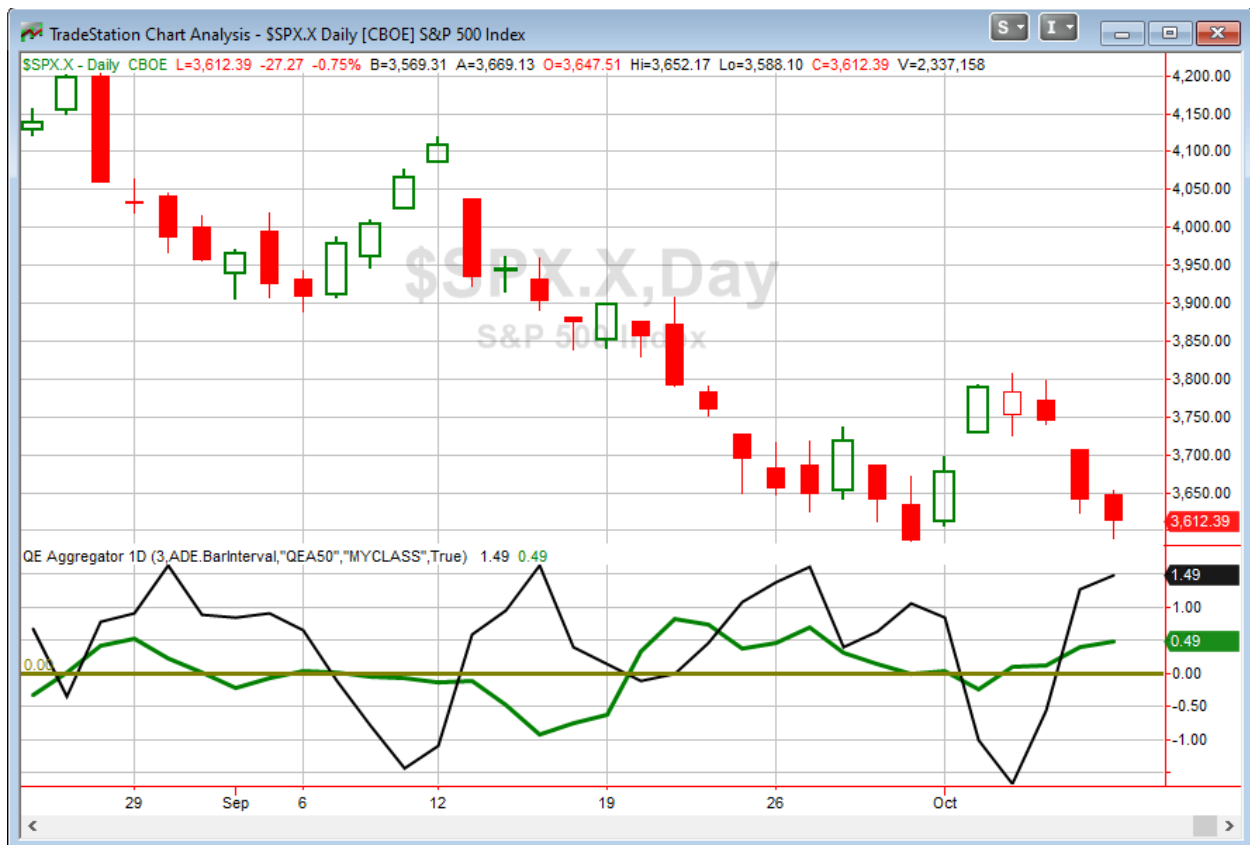
There were a couple of intriguing “Turnaround Tuesday” studies that suggested an upside edge. I have pasted updated results for them below.





Solidly bullish evidence supporting the idea of a Turnaround Tuesday edge. I have added these studies to the active list tonight.

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 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 strongly 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 compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3739.78 on Tuesday. That is 3.5% above Monday's close. Therefore, SPX would need to close up over 3.5% on Tuesday in order to flip from oversold to overbought vs recent expectations. Most likely it will take a multi-day rally or consolidation to work off the oversold condition.

So the Aggregator is bullish. The market is strongly oversold, and we have some evidence pointing to a likely bounce – especially for Tuesday. I took some long exposure near the close on Monday in anticipation of the bullish Aggregator and the Turnaround Tuesday setup. Evidence beyond Tuesday is currently light. So I won't look to add to my position tomorrow. I'll see how Tuesday plays out and what new evidence emerges before making any new decisions.

Intermediate-term Outlook (2 weeks – 2 months) – *updated 10/10 – neutral*

The intermediate-term outlook was last updated in the 10/10/22 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

CMCSA – 1/3 @ \$30.26 (bought @ limit)

Broad Market Large Cap CBI – 1(CMCSA)

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.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
CMCSA(1/3)	10/3/2022	\$29.84	\$29.13	-2.38%	Catapult
SPY(1/3)	10/10/2022	\$360.02	\$360.02	0.00%	Aggregator

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