

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 8, 2022

Volume 15 Issue 214

Market Overview



Signals Overview

Aggregator	CBI Reading
Short	0

Tonight's Research Points

- No new evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is bearish. I am cautious and feeling more neutral than bearish.

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

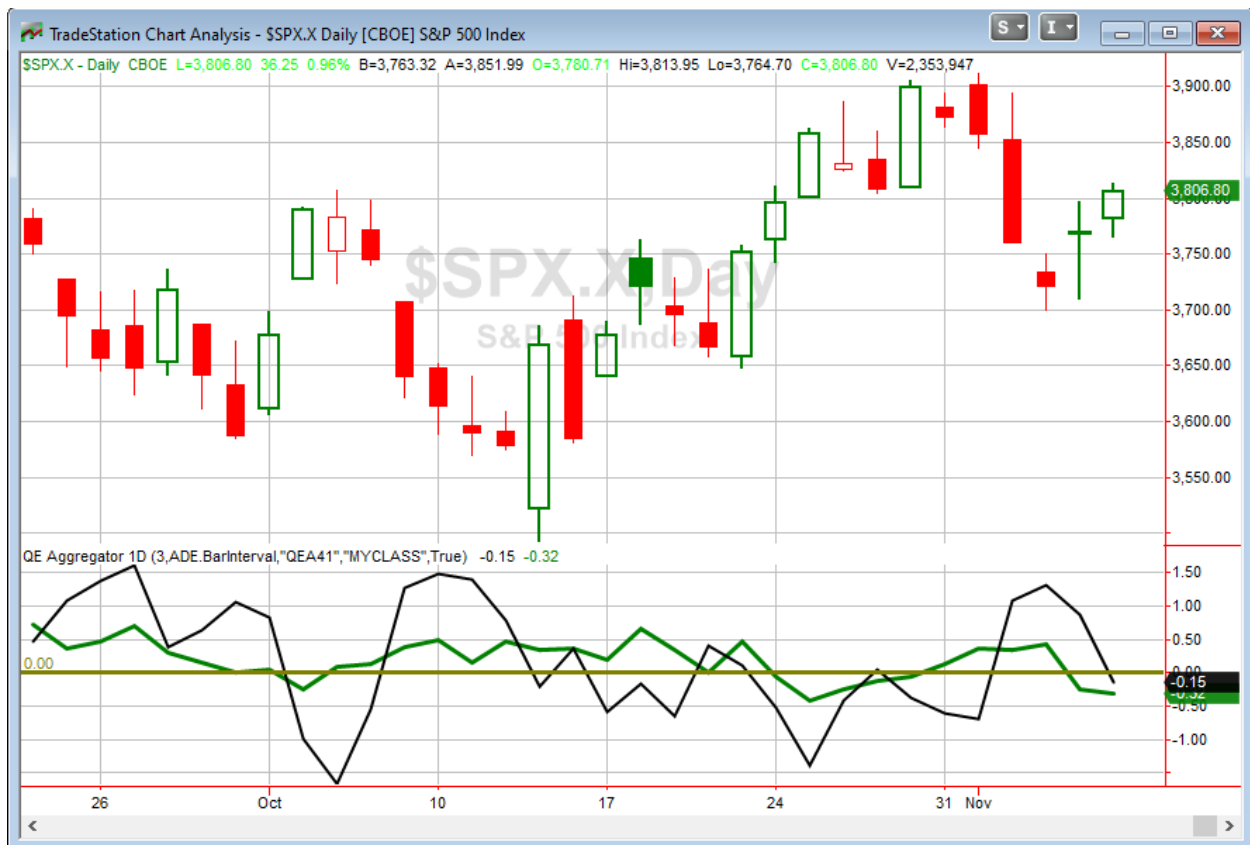
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
November 7, 2022	1% gain on jobs day under 200ma	1-3 days	Bearish	-3.00%	1.50%	2.90%
November 3, 2022	1st 5 low in 5 days. 2% drop < 200ma	1-4 days	Bullish			
Active - Long Term						
October 31, 2022	Best 6 Months 3rd Yr. Pres Cycle	1-6 months	Bullish			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			

The Evidence

Monday was a day of solid gains. SPX closed up just under 1%, the NASDAQ rose 0.85%, and the Russell 2000 gained 0.55%. Breadth was positive with the NYSE Up Issues % coming in at 63% and the Up Volume % at 62%. NYSE total volume declined some from Friday's level.

Action on Monday failed to generate any compelling new studies that I could identify. And that is ok. The market seems focused on the elections on Tuesday. Of course we won't know much until after the market closes on Tuesday, so the real action could come Wednesday. And then Thursday is the big CPI release. So there will be plenty of news for the market to (over)react to in the next few days. And that news, and the reactions to it, should generate some clues for us. So I will keep it short tonight. No new studies are being added to the active list.

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



Without any new studies being added tonight, the green Aggregator line remained below zero. Negative readings mean expectations are for downside over the next few days. Meanwhile the black Differential Line dropped below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are negative and SPX is overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close below zero. Therefore, the Aggregator formation turned short at the close.

Based on the current list of active studies, expectations are primed to remain negative Tuesday. Of course this can change if new bullish evidence emerges. Meanwhile, the Differential Pivot will be 3761.60 on Tuesday. That is 1.2% below Monday's close. Therefore, SPX will need to close down at least 1.2% on Tuesday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator is bearish. But evidence is light, and we received zero confirming evidence tonight. Additionally, between the elections and the CPI report over the next few days, we have plenty of news that could generate volatility – in either direction. With all this in mind, I do not find the current setup terribly compelling. I will sit out until a more favorable reward/risk scenario emerges.

Intermediate-term Outlook (2 weeks – 2 months) – *updated 11/7 – neutral*

The intermediate-term outlook was last updated in the 11/7/22 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
<i>SPY(1/4)</i>	<i>11/3/2022</i>	<i>\$371.46</i>	<i>\$377.71</i>	<i>1.68%</i>	<i>sold on open</i>

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