

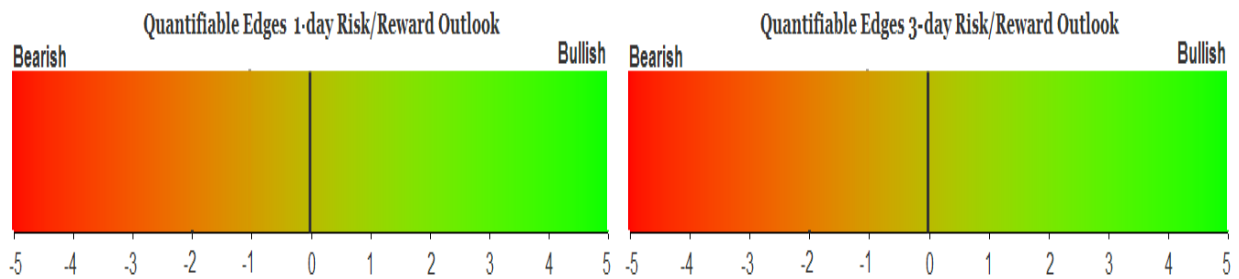
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 15, 2022

Volume 15 Issue 219

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- When SPX has posted a 20-day high and a poor close in the past it has led to short-term gains.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am as well.

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 15, 2022	SPX 20-day intra high. Close btm 10%	1-2 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

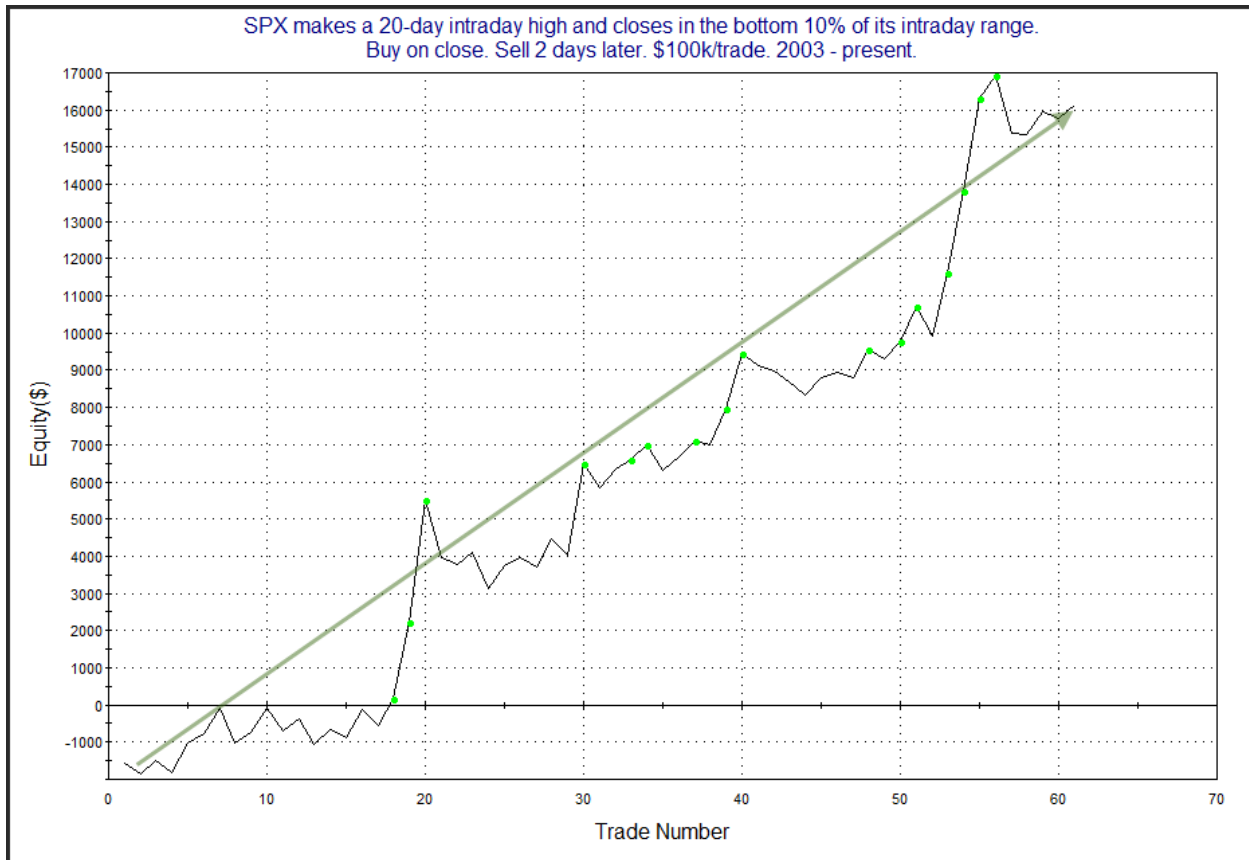
Afternoon selling saw the indices flip from positive to negative on the day and the market closed near its lows. SPX finished down 0.9%, the NASDAQ dropped 1.1%, and the Russell 2000 also fell 1.1%. Breadth was negative with the NYSE Up Issues % coming in at 28.6% and the Up Volume % at 29.2%. NYSE total volume declined some from Friday's level.

Before the dip near the end of the day, the SPX managed to make a new 20-day intraday high. The new high followed by a poor and downward close triggered the study below, which was last seen in the 12/19/19 subscriber letter. Results are all updated.

SPX makes a 20-day intraday high and closes in the bottom 10% of its intraday range. Buy on close. Sell X days later. \$100k/trade. 2003 - 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
10	47,398.79	56	42	14	75.00	4,119.18	-3,210.80	1,652.58	-1,572.11	1.05	3.15	846.41
9	45,413.92	56	41	15	73.21	3,613.36	-3,775.10	1,654.39	-1,494.40	1.11	3.03	810.96
8	42,573.59	57	43	14	75.44	4,483.84	-3,803.24	1,594.09	-1,855.16	0.86	2.64	746.91
7	34,127.46	58	42	16	72.41	3,761.94	-4,159.32	1,459.76	-1,698.91	0.86	2.26	588.40
6	32,552.14	59	42	17	71.19	3,703.30	-3,567.90	1,320.89	-1,348.53	0.98	2.42	551.73
5	21,794.58	59	39	20	66.10	4,377.84	-3,566.84	1,082.23	-1,020.62	1.06	2.07	369.40
4	14,629.58	61	38	23	62.30	5,024.25	-2,435.84	1,021.62	-1,051.83	0.97	1.60	239.83
3	12,201.78	61	37	24	60.66	3,368.93	-3,384.50	895.41	-872.02	1.03	1.58	200.03
2	16,149.10	61	35	26	57.38	3,288.48	-1,575.22	860.37	-537.07	1.60	2.16	264.74
1	10,814.86	62	41	21	66.13	2,588.08	-2,471.25	550.51	-559.81	0.98	1.92	174.43

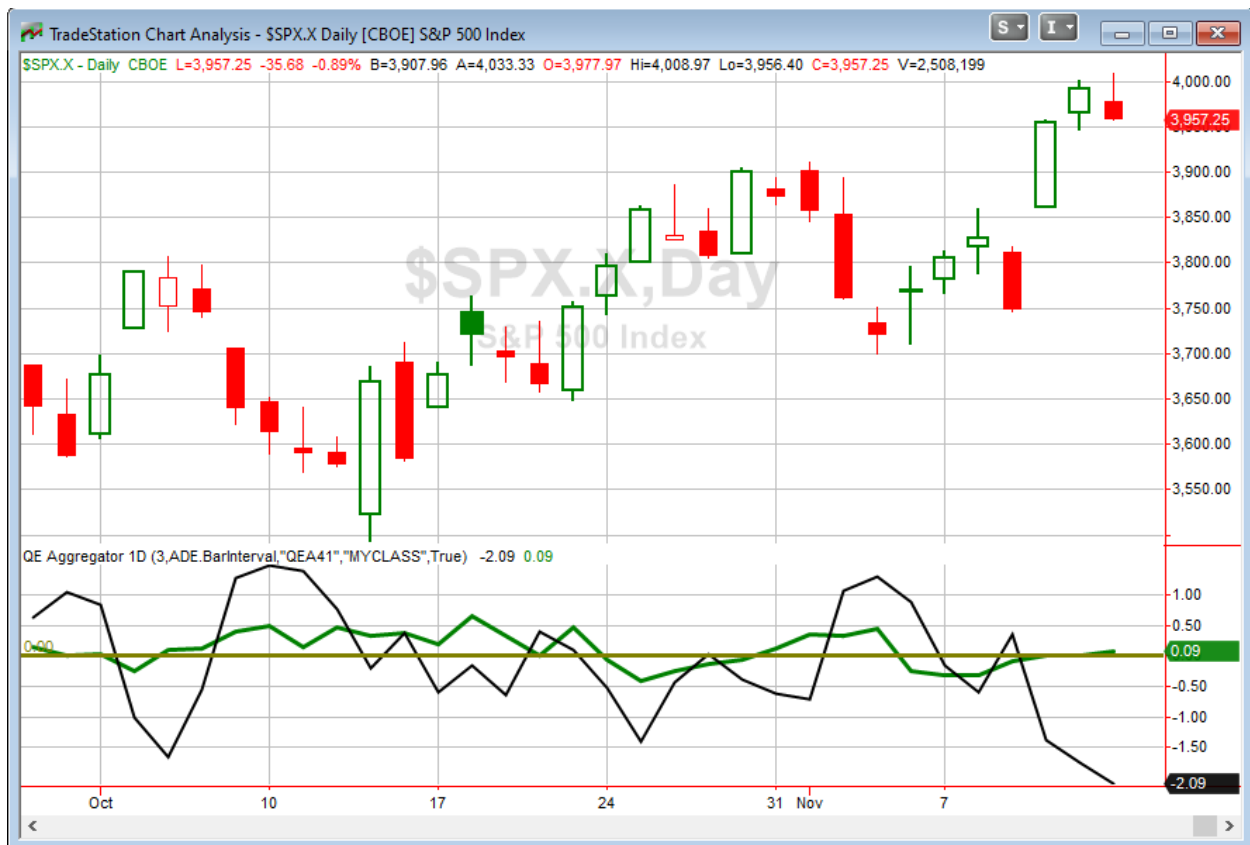
97% of instances closed above the entry price at some point in the next week.

Results here seem to suggest an upside edge. Below is a look at the 2-day profit curve.



Definitely choppy, but it has made its way higher for a long time. I have added this study to the active list tonight.

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



With tonight's evidence considered, the green Aggregator moved above zero. Positive readings mean expectations are for upside over the next few days. Meanwhile the black Differential Line is still far below zero. The negative Differential Line reading means that SPX is strongly overbought versus recent expectations. So expectations are positive but SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close fail to close on the same side of zero. Therefore, the Aggregator formation stayed flat at the close.

Based on the current active studies, expectations are set to remain positive on Tuesday. Of course this could easily change if new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3940.72 on Tuesday. That is 0.4% below Monday's close. Therefore, SPX will need to close down at least 0.4% on Tuesday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator remains neutral. There is some evidence pointing higher, but with the market already extended upwards, reward/risk is not favorable. It is an easy choice to just sit and wait at this point. In a market this volatile, it should not take too long for the next favorable reward/risk opportunity to emerge.

Intermediate-term Outlook (2 weeks – 2 months) – updated 11/14 – neutral

The intermediate-term outlook was last updated in the 11/14/22 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

None

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