

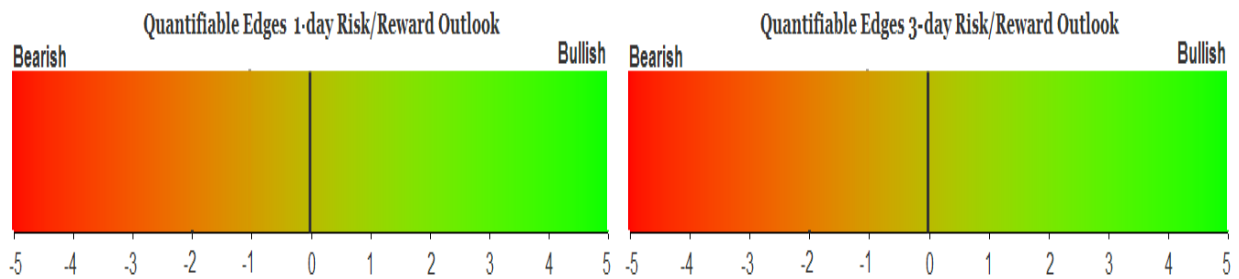
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 16, 2022

Volume 15 Issue 220

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- No new compelling evidence emerged on Tuesday.

### *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
<b>Active - Short Term</b>						
None						
<b>Active - Long Term</b>						
October 31, 2022	Best 6 Months 3rd Yr. Pres Cycle	1-6 months	Bullish			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			
<b>Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)</b>						
<b>November 15, 2022</b>	<b>SPX 20-day intra high. Close btm 1</b>	<b>1-2 days</b>	<b>Bullish</b>			

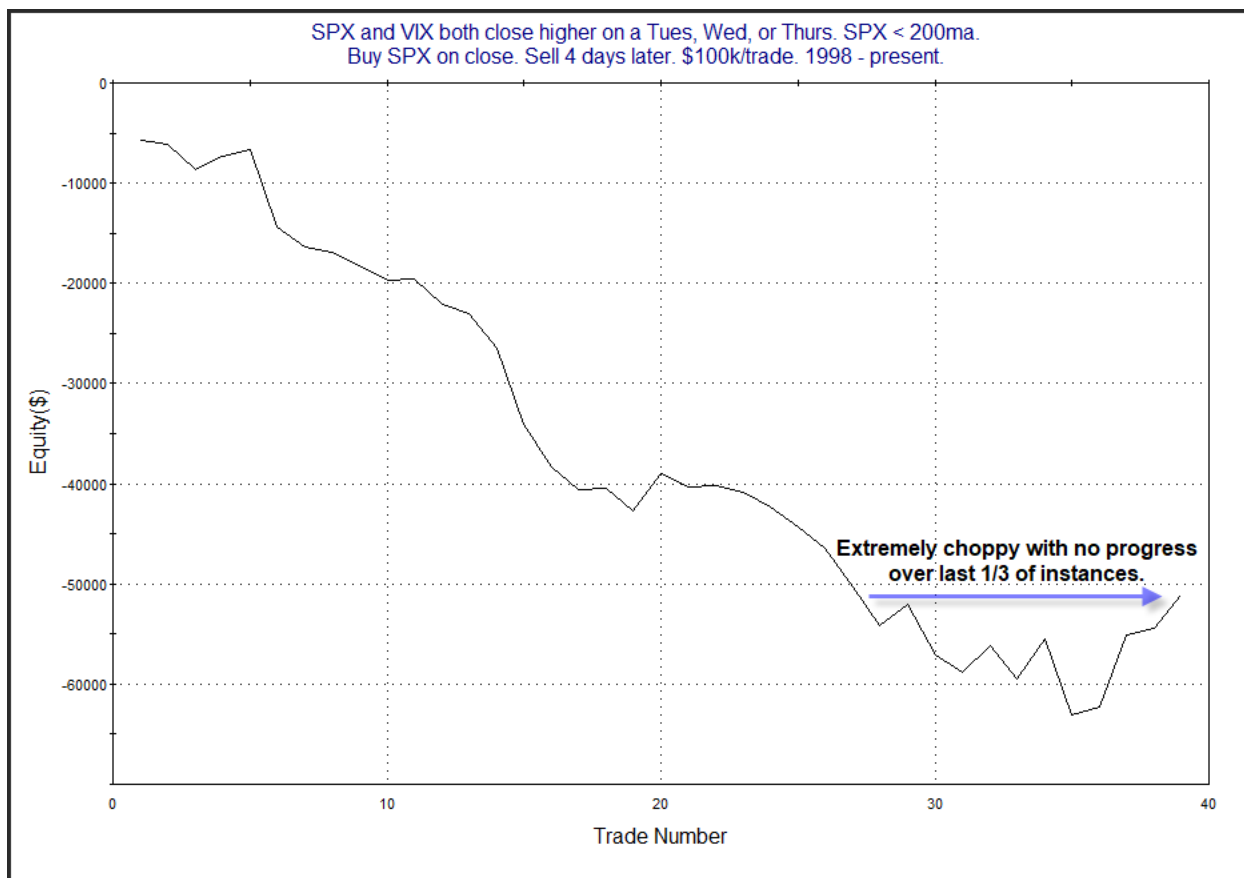
**The Evidence**

The market liked the PPI report to start the day, but early afternoon news about wayward rockets landing in Poland and killing two people sent the market into a brief nosedive. Over the last two hours it did fight back to post strong numbers. SPX finished up 0.9%, the NASDAQ climbed 1.45%, and the Russell 2000 rallied 1.5%. Breadth was positive with the NYSE Up Issues % coming in at 75% and the Up Volume % at 76%. NYSE total volume rose some from Monday's level.

The Quantifinder was light on new studies tonight. There was one that noted the rise in the VIX that occurred in conjunction with the rise in the SPX. Often, but not always, they will trade opposite each other. I last featured that study a couple of years ago and decided give it a fresh look again tonight.

SPX and VIX both close higher on a Tues, Wed, or Thurs. SPX < 200ma. Buy SPX on close. Sell X days later. \$100k/trade. 1998 - 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
5	-33,198.42	38	13	25	34.21	5,674.40	-7,204.80	2,123.61	-2,432.21	0.87	0.45	-873.64
4	-51,112.59	39	13	26	33.33	7,172.80	-7,745.95	2,053.91	-2,992.82	0.69	0.34	-1,310.58
3	-34,906.05	39	14	25	35.90	4,285.32	-5,299.32	1,682.51	-2,338.45	0.72	0.40	-895.03
2	-18,530.79	40	15	25	37.50	7,309.60	-6,672.34	2,294.68	-2,118.04	1.08	0.65	-463.27
1	-4,570.50	43	21	22	48.84	6,180.40	-3,035.25	1,403.70	-1,547.65	0.91	0.87	-106.29

The numbers look bearish. But the profit curves are not terribly appealing. Below is a look at the 4-day profit curve.



This is actually the best looking profit curve of the bunch. But as you can see there have been choppy results and no progress over the last 1/3 of the chart. A general rule of thumb I have used for years is that when the last 1/3 of the chart shows no progress, I tend to discount the results. I'll continue to follow this study, but I won't utilize it to help establish my bias unless I see the downward edge begin to reassert itself.

On another note, the study from last night reached its target with SPX trading up about 2.0% early on Tuesday. Therefore, I have removed it from the active list.

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



Without any new evidence making the cut tonight, and yesterday's study being removed from the Active List, the green Aggregator closed right at zero. Zero readings mean expectations are breakeven over the next few days. Meanwhile the black Differential Line is still below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are breakeven and 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.

With the last of the short-term studies being removed tonight, expectations over the next few days will be largely dependent on new evidence that emerges. Meanwhile, the Differential Pivot will be 3989.66 on Wednesday. That is just 0.1% below Tuesday's close. Therefore, SPX will remain overbought on any up close, but turn oversold with almost any lower close on Wednesday.

So the Aggregator remains neutral. Evidence is weak and the market is reaching a point where it is no longer strongly overbought nor oversold. I am still not seeing a strong and compelling edge to attempt my next index swing trade. I will continue to exercise patience until a more favorable risk/reward opportunity arises.

***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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