

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 22, 2022

Volume 15 Issue 224

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- A poor close on Tuesday might enhance Wednesday's odds.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. We are getting near a few days with potentially bullish seasonality. I believe there is a moderate upside edge.

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

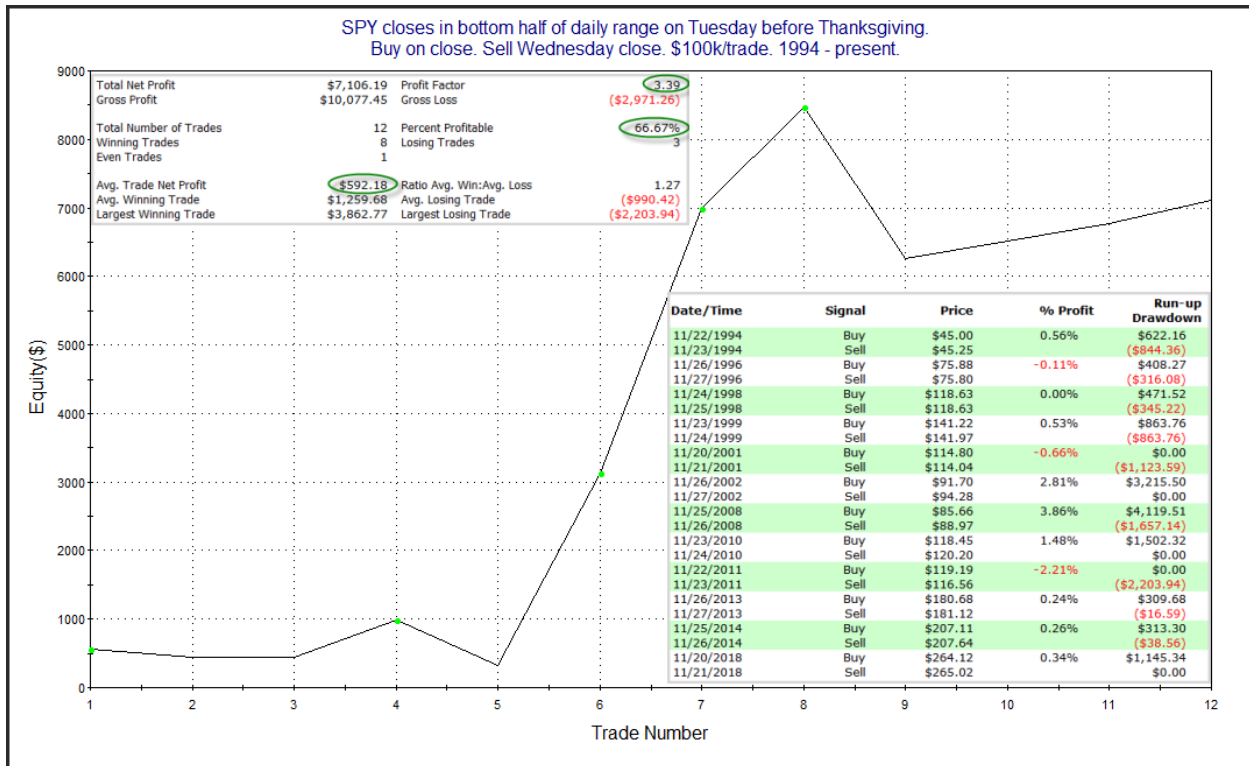
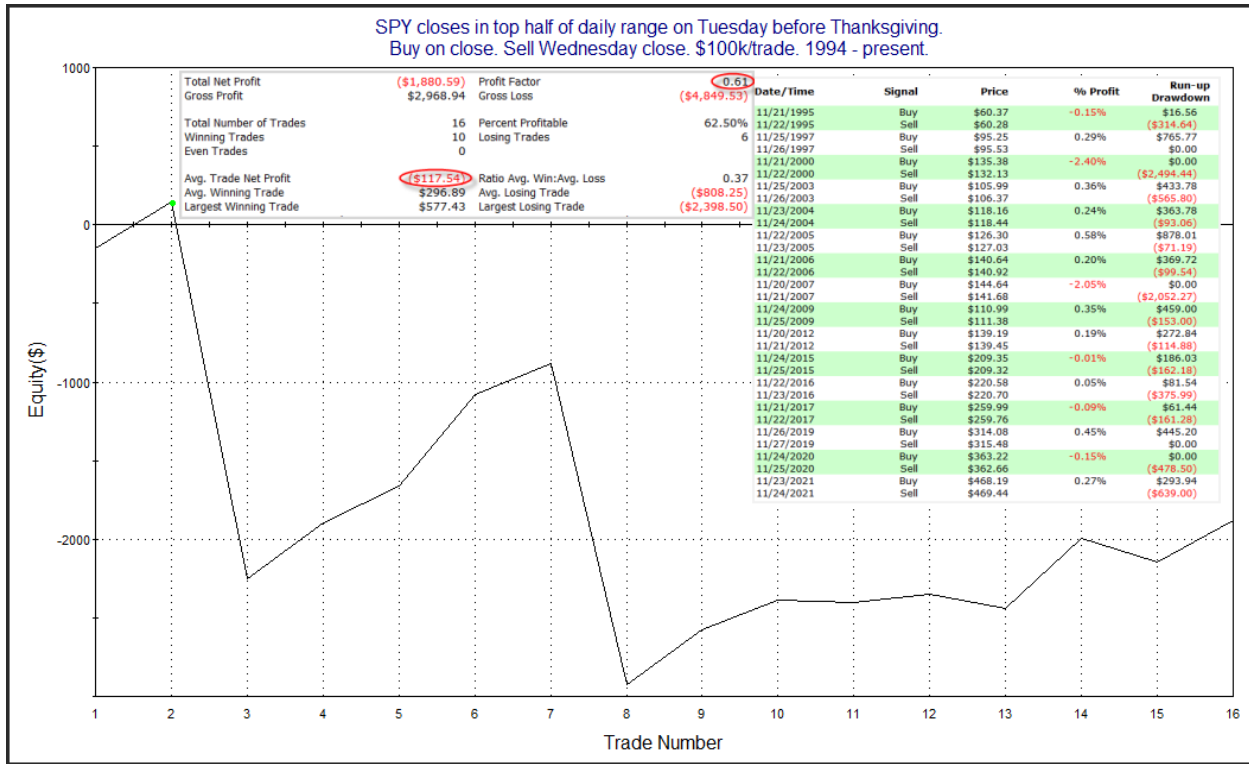
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
November 18, 2022	Unfill gap > 1%. Cls 0.5% > Opn.> 10ma	1-6 days	Bullish	3.60%	-1.90%	-4.20%
Active - Long Term						
October 31, 2022	Best 6 Months 3rd Yr. Pres Cycle	1-6 months	Bullish			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			

The Evidence

Monday the major indices lost money on quiet trading. SPX closed down 0.4%, the NASDAQ fell 1.1%, and the Russell 2000 dropped 0.6%. Breadth was negative with the NYSE Up Issues % coming in at 46% and the Up Volume % at 39%. NYSE total volume came in light.

Range was light to go with the volume. That did trigger a few older studies from the Quantifinder. I discussed similar studies last week and showed that low-range days below the 200ma have not exhibited the kind of bearish edge in recent years that they did previously. I won't be going into detail again tonight, but I thought I would mention it.

In the weekend letter I mentioned that SPY has more forcefully demonstrated its Wed-Fri Thanksgiving edge over the years when SPY has closed poorly on the Tuesday of Thanksgiving week. Tonight I thought I would share 1-day results of weak Thanksgiving Tuesday vs strong Thanksgiving Tuesday instances. Both charts and results can be found below.



The 2nd setup, with SPY closing in the bottom half of the day's range, appears favorable to the 1st setup. Would also seem like something to keep in mind as we approach the close on Tuesday.

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



Without anything being added yet tonight, the green Aggregator Line held above zero. Positive readings mean expectations are for upside over the next few days. Meanwhile the black Differential Line also remained 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. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 3955.97 on Tuesday. That is 0.15% above Monday's close. Therefore, SPX will need to close up over 0.15% on Tuesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. There appears to be an upside edge. We are also about to head into a couple of days that have shown bullish seasonality over the years. I did look for an exit to my partial SPY position on Monday, but was never filled. With the setup again bullish, I will just look to hold onto it on Tuesday. If SPY closes poorly on Tuesday, I may look to add to the position to take advantage of Thanksgiving bullishness.

Intermediate-term Outlook (2 weeks – 2 months) – updated 11/21 – neutral

The intermediate-term outlook was last updated in the 11/21/22 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

New

TSLA – 1/3 @ \$167.87 (buy @ limit)

Broad Market Large Cap CBI – 1(TSLA)

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.

SPY – Buy ¼ index position @ \$394.00 LIMIT ON CLOSE IF SPY ALSO CLOSSES IN THE BOTTOM HALF OF ITS DAILY RANGE. From the short-term section above, I will look to add to my SPY position if we get some further selling and a poor close on Tuesday.

TSLA – Buy ¼ Catapult position @ \$167.87 LIMIT. From the Catapult section above, this is the 1st lot of TSLA.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	11/18/2022	\$394.24	\$394.59	0.09%	Aggregator

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