

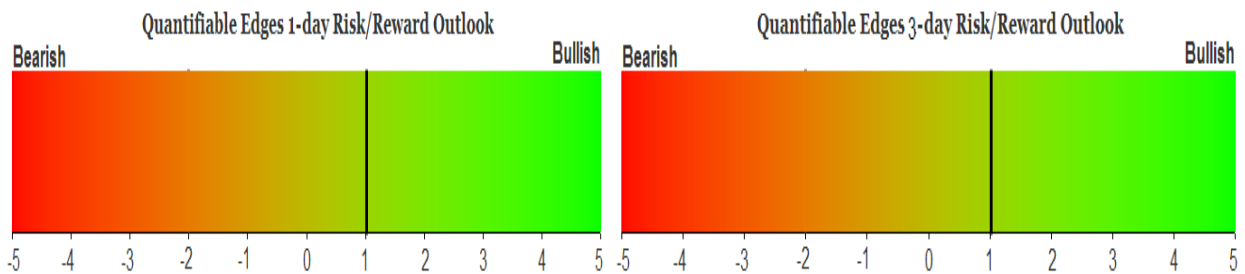
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

February 10, 2023

Volume 16 Issue 28

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- No compelling new evidence emerged on Thursday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. There appears to be a mild upside edge.

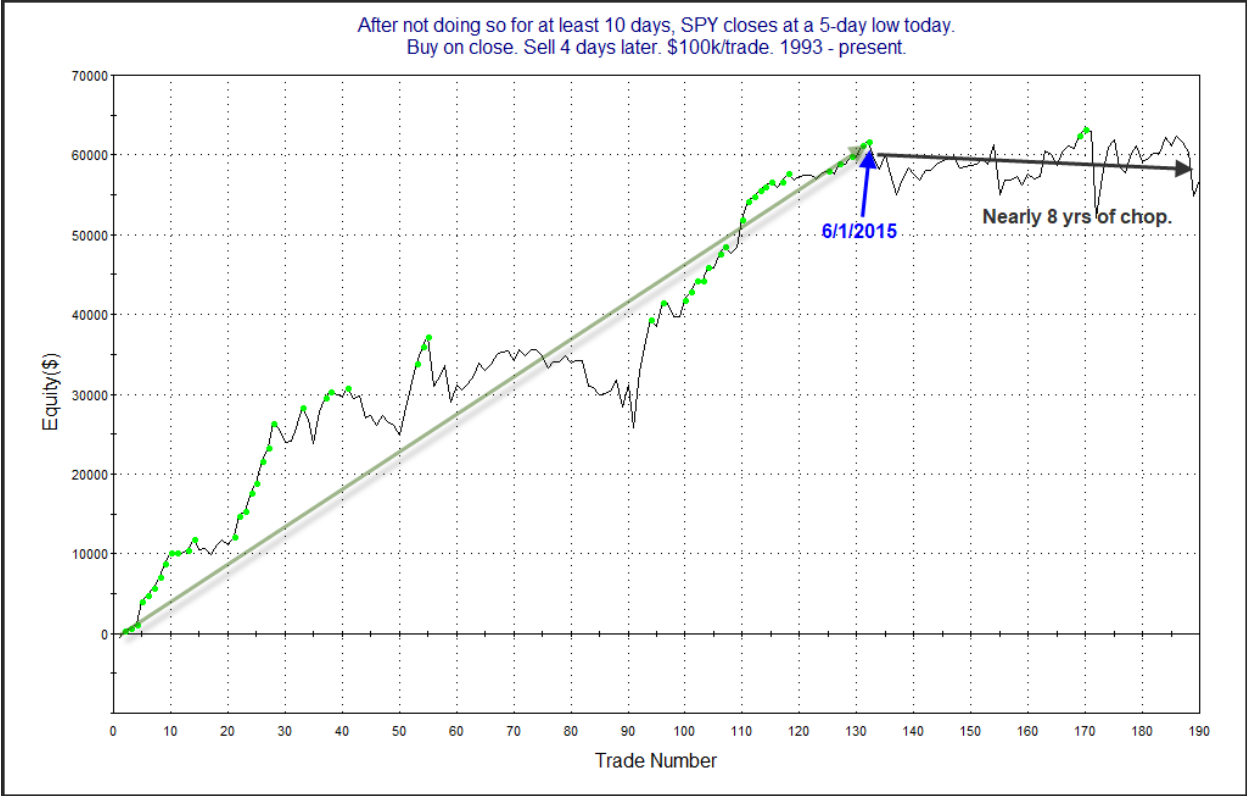
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
February 2, 2023	SPX Golden Cross	int term	Bullish			
January 23, 2023	NASDAQ Leading	int term	Bullish			
January 13, 2023	QE Triple 70 Thrust	1-80 days	Bullish			
January 13, 2023	Deemer Breakaway Momentum	1-6 months	Bullish			
January 13, 2023	Whaley ADT5 > 73.66	1-12 months	Bullish			
December 2, 2022	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.90%	-4.35%	-8.80%
December 1, 2022	SPX goes from < 15% above 50 to > 90%	1-6 months	Bullish			
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

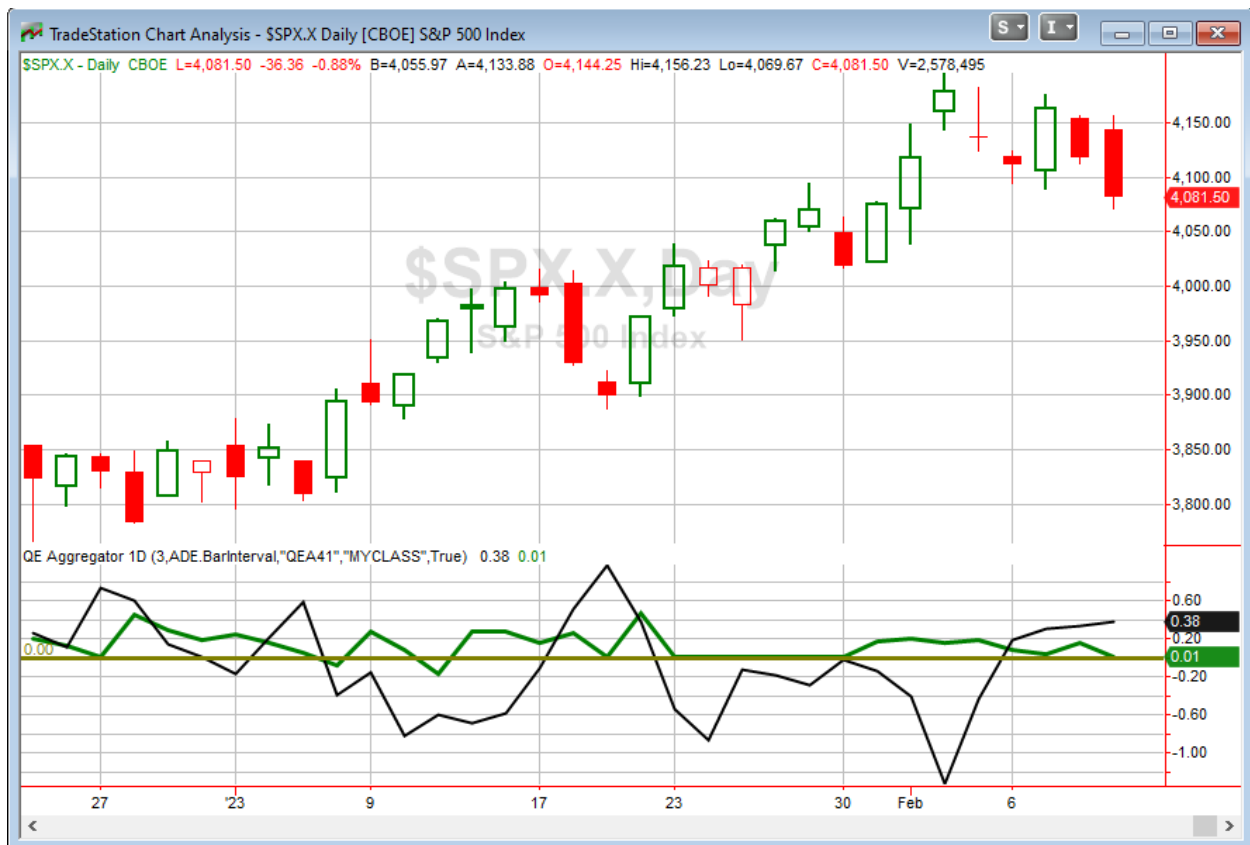
On Thursday, stocks dropped for the 2nd day in a row. The SPX declined 0.9%, the NASDAQ fell 1.0%, and the Russell 2000 lost 1.4%. Breadth was negative with the NYSE Up Issues % coming in at 26% and the Up Volume % at 23%. NYSE total volume rose some from Wednesday's level.

I examined today's action several ways today, and I am simply not seeing anything suggesting a strong edge. There was an old study from the Quantifinder that triggered that looked at other times SPY made a 5-day low for the 1st time in over 2 weeks. For years that study used to suggest a short-term upside edge. But it has not really played out since mid-2015. Below is an updated 4-day profit curve, which was typical of what the other curves looked like.



Clearly I won't be including this study on the active list tonight. In fact, I am removing it from the Quantifinder. No new studies are being added tonight.

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



Without compelling new evidence to consider tonight, the green Aggregator Line remained above zero. Positive readings mean expectations are for upside over the next few days. Meanwhile the black Differential Line held above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is still 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.

The last of the short-term studies expired on Thursday. This leaves expectations slightly positive based on the intermediate-term evidence. Of course this could easily change if new bearish evidence emerges on Friday. Meanwhile, the Differential Pivot will be 4175.75 on Friday. That is 2.3% above Thursday's close. Therefore, SPX will need to close up at least 2.3% on Friday in order to change from oversold to overbought vs recent expectations.

So the Aggregator is still bullish. SPX is quite oversold, but short-term evidence is lacking. It is the intermediate-term evidence that has expectations positive. I'm not inclined to take on new long exposure without any bullish short-term evidence in my favor. So I will sit Friday out from an index standpoint. There is a new Catapult trigger that I have listed down below for those looking to get a trade on.

Intermediate-term Outlook (2 weeks – 2 months) – updated 2/6 – bullish

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

New

NKE – 1/3 @ \$122.18 (buy @ limit)

Broad Market Large Cap CBI – 1(NKE)

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.

NKE – But 1/3 Catapult position @ \$122.18 LIMIT. This is from the Catapult section above. It is the 1st of up to 3 possible lots of NKE.

Current Open Trade Ideas

None.

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