

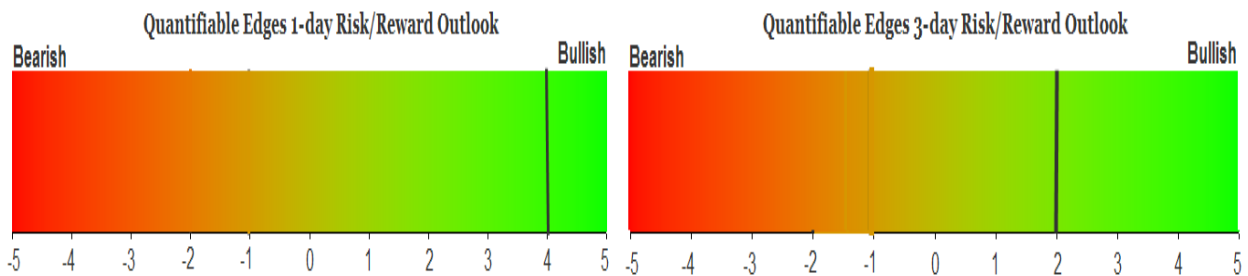
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 1, 2023

Volume 16 Issue 40

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	6

Tonight's Research Points

- SPY closing poorly to finish a month has often been followed by a good start to the next month.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I believe there is a solid upside edge.

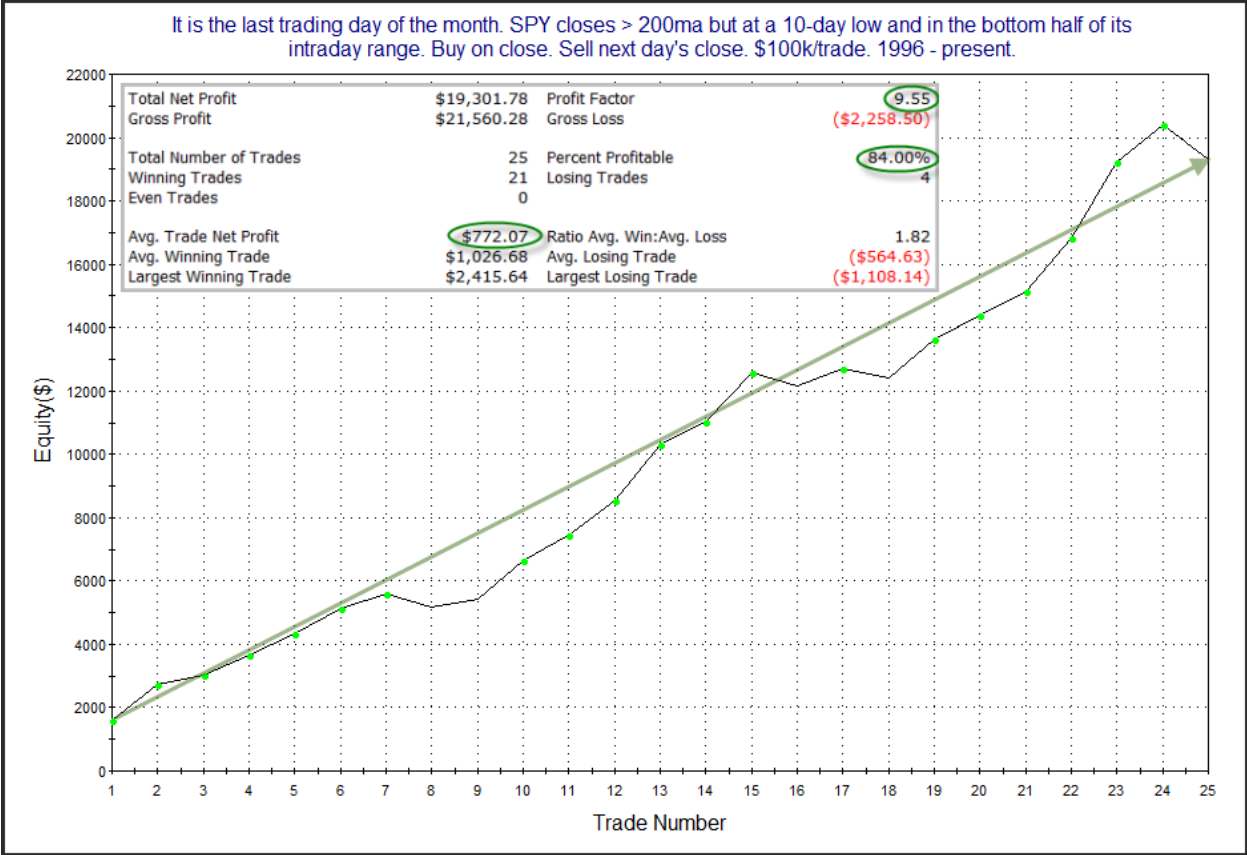
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
March 1, 2023	10-low, btm range & >200ma. EOM.	1 day	Bullish			
February 27, 2023	Yest 20-intra lo & cls 1% above. Dn 2day	1-4 days	Bullish	2.50%	-0.90%	-2.00%
February 24, 2023	20-low cls yest. 20-intra low then up cls	1-6 days	Bullish	2.30%	-1.55%	-2.90%
February 21, 2023	1st 10-low close in 30+ days. >200	1-8 days	Bullish	2.50%	-1.90%	-4.15%
Active - Long Term						
February 24, 2023	20-low cls yest. 20-intra low then up cls	1-10 days	Bullish	3.00%	-1.80%	-3.30%
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 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

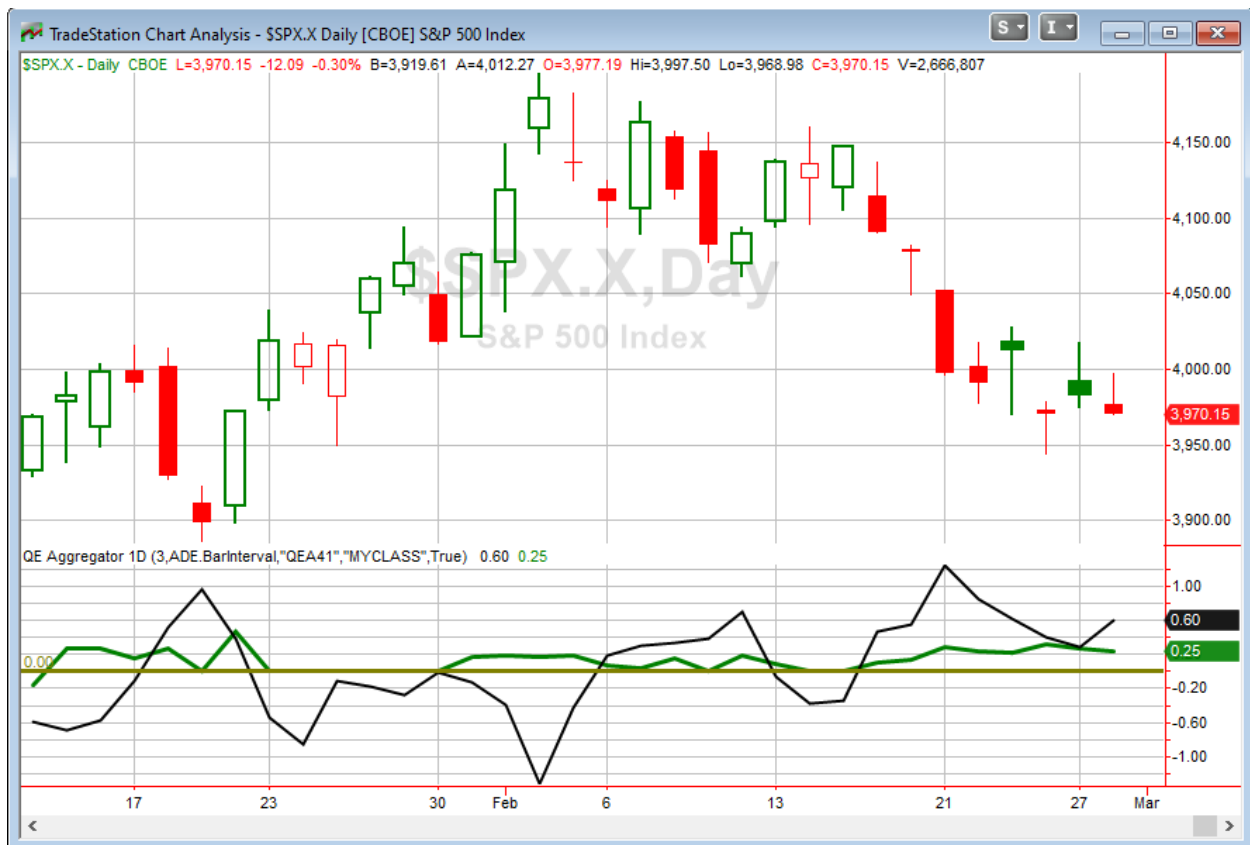
Tuesday was a back and forth day that finished mostly lower. The SPX lost 0.3%, the NASDAQ declined 0.1%, and the Russell 2000 rose 0.04%. Breadth was negative with the NYSE Up Issues % coming in at 46% and the Up Volume % at 41%. NYSE total volume rose quite a bit from Monday's level.

There were several studies that triggered in the Quantifinder that considered the fact that Wednesday is the 1st day of a new month. As I discussed last night, turn of the month is often a bullish day. Over the years we have found that it tends to be more bullish under certain circumstances. These include 1) being in an uptrend, 2) closing low in the day's range, 3) and closing at a short-term low. The study I shared last night looked at times #1 and #2 above triggered. The study below was last seen in the 11/1/21 letter. It adds #3 as an additional filter. Results are updated.



The numbers and curve look great and suggest a good chance at a close higher on Wednesday. I will note that while SPY managed to (barely) close at a 10-day low on Tuesday, SPX just missed. It closed just a fraction of a point above a new low. Still, as we saw last night, even without the 10-day low filter, the stats remain very compelling.

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



With tonight's evidence considered, the green Aggregator Line remained above zero. Positive readings mean expectations are for upside over the next few days. Meanwhile the black Differential Line also held 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 active studies, expectations are set to remain positive on Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will 4001.15 on Wednesday. That is 0.8% above Tuesday's close. Therefore, SPX will need to close up at least 0.8% on Wednesday in order to flip from oversold to overbought vs recent expectations.

The Aggregator is again bullish. Evidence says we are primed for a bounce, but we just have not seen a strong one yet, despite being oversold for a while now. It is also worth noting that the Quantifiable Edges Capitulative Breadth indicator is starting to perk up for the 1st time in a long time. It reached six on Tuesday. If we fail to see a bounce materialize in the next couple of days, it could easily reach the 10 level that I have viewed as bullish for a long time. If that occurs, I will certainly be looking to up my long index exposure even further.

Intermediate-term Outlook (2 weeks – 2 months) – updated 2/27 – bullish

The intermediate-term outlook was last updated in the 2/27/23 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

AXP – 1/3 @ \$173.48 (bought @ limit)

GM – 1/3 @ \$39.18 (bought @ limit)

PFE – 1/3 @ \$40.78 (bought @ limit)

New

PFE – 1/3 @ \$40.57 (buy @ limit)

IBM – 1/3 @ \$129.30 (buy @ limit)

JNJ – 1/3 @ \$153.26 (buy @ limit)

Broad Market Large Cap CBI – 6(AXP, GM, PFE-2, IBM, JNJ)

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.

PFE – Buy 1/3 Catapult position @ \$40.57 LIMIT. From the Catapult section above, this is the 2nd of up to 3 possible lots for PFE.

IBM – Buy 1/3 Catapult position @ \$129.30 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots for IBM.

JNJ – Buy 1/3 Catapult position @ \$153.26 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots for JNJ.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
SPY(1/4)	2/21/2023	\$403.06	\$396.26	-1.69%		Aggregator
SPY(1/4)	2/22/2023	\$398.00	\$396.26	-0.44%		Aggregator
AXP(1/3)	2/22/2023	\$173.48	\$173.99	0.29%		Catapult
GM(1/3)	2/27/2023	\$39.18	\$38.74	-1.12%		Catapult
PFE(1/3)	2/28/2023	\$40.50	\$40.57	0.17%		Catapult

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