

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 15, 2023

Volume 16 Issue 50

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- No new compelling studies emerged on Tuesday.

## *Short-term Outlook*

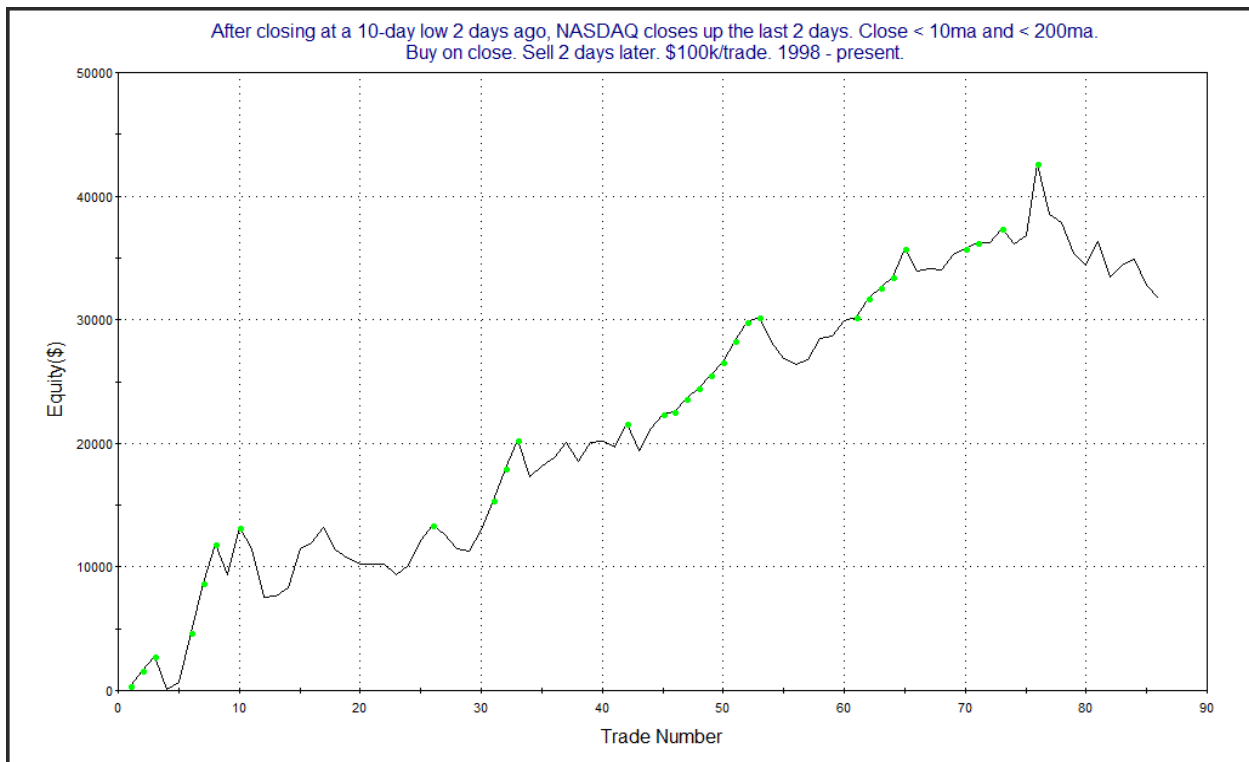
### *The Bottom Line*

The Aggregator is neutral. I am also.

### *The Evidence*

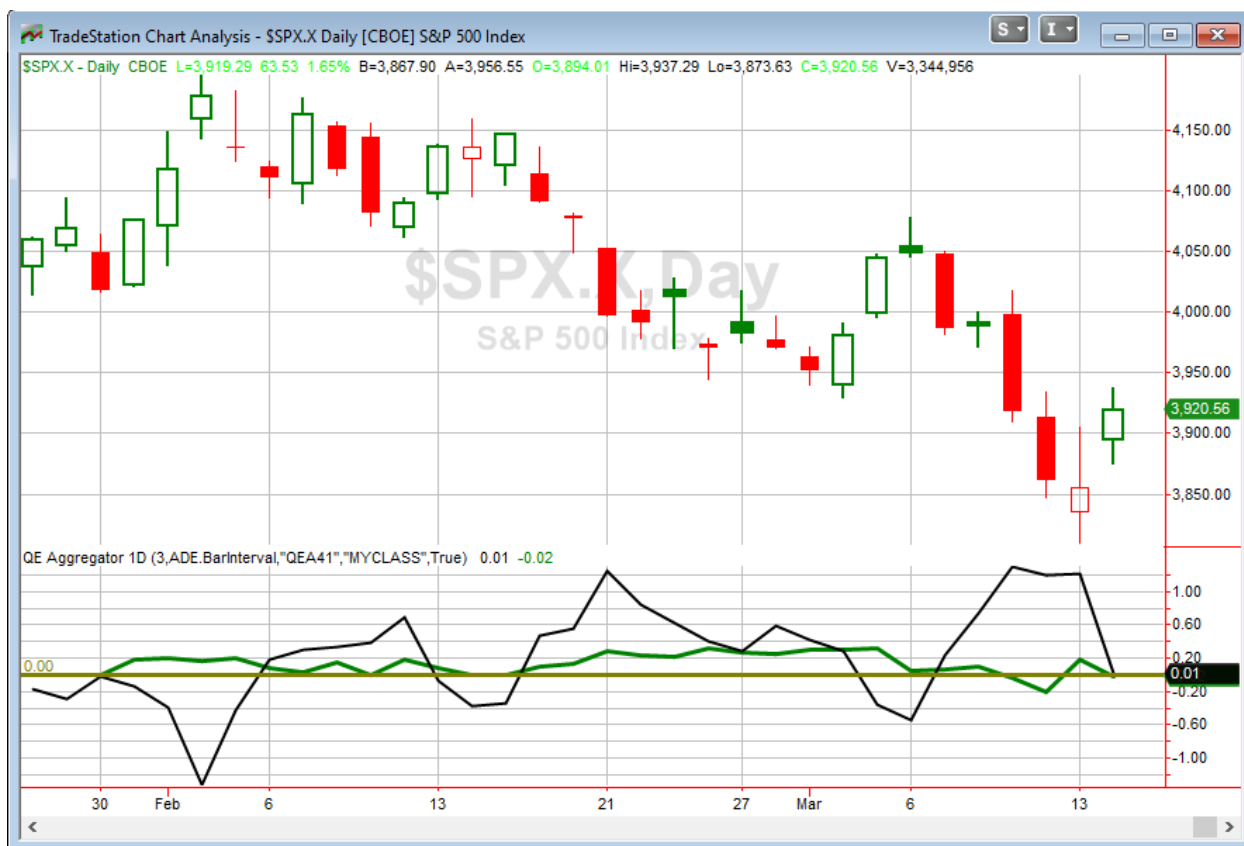
Turnaround Tuesday kicked in and provided stocks a nice bounce. The SPX gained 1.7%, the NASDAQ rose 2.1%, and the Russell 2000 climbed 1.9%. Breadth was positive with the NYSE Up Issues % coming in at 72% and the Up Volume % at 71%. NYSE total volume declined some from Monday's level.

The action did not generate much in the way of compelling new short-term evidence. There was one study that emerged that noted the moderate bounce we have seen in the NASDAQ composite over the last couple of days, following the 10-day low. I last showed it in the 1/30/20 letter and have updated it below.



The 2-day results are some of the best, which is why I am showing them here. The current drawdown is the largest on the chart. So that casts some doubt on the setup. I'll also note that SPX numbers and chart are less compelling when the NASDAQ has set up like this. Also worth mentioning is that while NASDAQ triggered the setup on Tuesday, SPX is only up one day. Therefore, it did not trigger the setup. With all this in mind, I elected *not* to include the above study on the active list. No new studies were added to the active list tonight.

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



Without any new evidence making the cut tonight, the green Aggregator Line dipped very slightly below zero. Negative readings mean expectations are for downside over the next few days. Meanwhile the black Differential Line held just barely above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are slightly negative and SPX is slightly oversold. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of zero. Therefore, the Aggregator formation turned flat at the close.

Based on the current active studies, expectations are set to remain negative on Wednesday. This could easily change if new bullish evidence emerges. Meanwhile, the Differential Pivot will be *inverted at 3855.00* on Wednesday. That is 1.6% *below* Tuesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close down a sizable 1.6% if it is going to remain oversold vs expectations. Anything other than that and SPX will flip to short-term overbought on Wednesday afternoon.

So the Aggregator is neutral. And with both lines so close to 0, it does not get much more neutral than the current setup. I am flat and am still waiting for a strongly favorable reward/risk setup before putting new capital to work.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 3/13 – slightly bullish*

## **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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