

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 16, 2023

Volume 16 Issue 51

Market Overview



Signals Overview

Aggregator	CBI Reading
Short	1

Tonight's Research Points

- No new compelling studies emerged on Wednesday.

Short-term Outlook

The Bottom Line

The Aggregator is bearish, but I am leaning more neutral.

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 10, 2023	SPX 20-low < 200. CBI = 0.	1-5 days	Bearish	-3.10%	1.40%	2.75%
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 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

Wednesday saw more volatile trading and finished with mixed results. The SPX lost 0.7%, the NASDAQ rose 0.05%, and the Russell 2000 dropped 1.7%. Breadth was negative with the NYSE Up Issues % coming in at 23% and the Up Volume % at 21%. NYSE total volume spiked quite a bit higher than Tuesday.

The wild back and forth over the last few days failed to generate any compelling new studies. And while I toyed with some different ideas, nothing I looked at tonight seemed to provide a substantial edge. The lone remaining study on the short-term list will expire on Thursday. It was from last week and it examined 20-day lows that occurred with the CBI at zero. It turned out to be a valuable study over the last few days, since it kept me from getting into trouble with sizable long index trades. As you will see below, the CBI finally edged above zero on Wednesday, and is now “1”. That is a neutral reading.

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



Without any new evidence making the cut tonight, the green Aggregator Line remained below zero. Negative readings mean expectations are for downside over the next few days. Meanwhile the black Differential Line also dropped below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are negative and SPX is overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close below zero. Therefore, the Aggregator formation turned short at the close.

Based on the current active studies, expectations are set to turn slightly positive on Thursday. This is thanks to the intermediate-term bias. Of course any new studies that emerge will have a substantial influence on expectations. Meanwhile, the Differential Pivot will be 3849.39 on Thursday. That is 1.1% below Wednesday's close. Therefore, SPX will need to close down at least 1.1% on Thursday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is short, but the setup is not very appealing. Expectations are only slated to remain bearish for one day. Beyond that, evidence is unclear. I don't see a good reason to get involved in such a volatile market without a significant directional edge. I'm leaning more neutral than bearish. For those itching for some long exposure, the Catapult & CBI section below has a trade idea.

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

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

New

IBM – 1/3 @ \$123.28 (buy @ limit)

Broad Market Large Cap CBI – 1(IBM)

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.

IBM – Buy 1/3 Catapult position @ \$123.28 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of IBM.

Current Open Trade Ideas

None

The author of Quantifiable Edges (QE), Mr. Robert Hanna, is separately affiliated with a registered investment adviser in the States of Washington, California, Colorado, Texas, Massachusetts, and Louisiana, Eastsound Capital Advisors, LLC (ECA) d.b.a. Capital Advisors 360, LLC.

ECA may not transact business in states where it is not appropriately registered, excluded or exempted from registration. Individualized responses to persons that involve either the effecting of transaction in securities, or the rendering of personalized investment advice for compensation, will not be made without registration or exemption. Advisory clients of ECA utilizing the approaches developed by Mr. Hanna will receive the QE newsletter at no charge. ECA is not otherwise affiliated with QE, and neither endorses nor warrants the content of this site, the QE newsletter(s), any embedded advertisement, nor any linked resource herein.

This report has been prepared by Quantifiable Edges, LLC and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy securities. While information contained herein is believed to be accurate at the time of publication, we make no representation as to the accuracy or completeness of any data, studies, or opinions expressed and it should not be relied upon as such. Robert Hanna, Quantifiable Edges, LLC or clients of Quantifiable Edges, LLC may have positions or other interests in securities (including derivatives) directly or indirectly which are the subject of this report. This report is provided solely for the information of Quantifiable Edges, LLC clients and prospects who are expected to make their own investment decisions without reliance upon this report. Neither Quantifiable Edges, LLC nor any officer or employee of Quantifiable Edges, LLC accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Quantifiable Edges, LLC.

Copyright © 2023 Quantifiable Edges, LLC.