

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 4, 2023

Volume 16 Issue 64

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- No new compelling evidence was identified tonight.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. Seasonality and momentum are suggesting possible upside, but the market is already quite overbought. So I remain neutral as well.

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

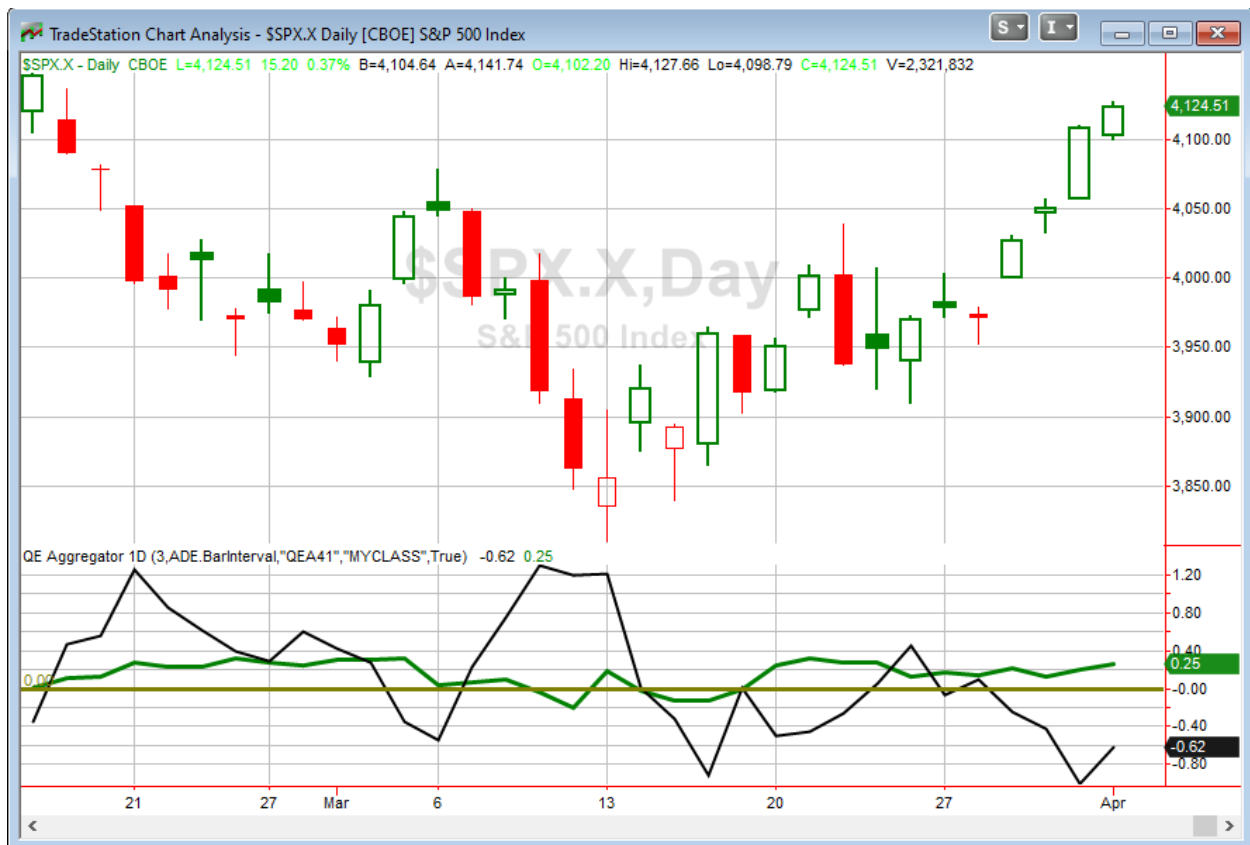
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
April 3, 2023	Early April bullish	1-4 days	Bullish	1.80%	-1.30%	-3.00%
April 3, 2023	End of month at high of month	1-5 days	Bullish	2.00%	-1.10%	-2.30%
<b>Active - Long Term</b>						
February 2, 2023	SPX Golden Cross	int term	Bullish			
January 23, 2023	NASDAQ Leading	int term	Bullish			
January 13, 2023	QE Triple 7 o 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***

Monday was mixed and moderate. The SPX closed up 0.4%, the NASDAQ lost 0.3%, and the Russell 2000 was basically breakeven with a 0.01% loss. Breadth was positive with the NYSE Up Issues % coming in at 51% and the Up Volume % at 52%. NYSE total volume rose some from Thursday's level.

Action was interesting but not seemingly predictive based on studies I looked at. For instance, the VIX closed down for the 7<sup>th</sup> day in a row. We have seen before that 7 up days has often been followed by a market bounce. Seven down days do not seem to be as significant. I also noted that QQQ declined while XLE rocketed higher. Looking at other instances where they diverged similarly did not seem to provide a substantial directional market clue. So I will not be adding any new studies to the active list tonight.

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



Without any new studies being added 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 below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. 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 stayed flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 4069.29. That is 1.3% below Monday's close. Therefore, SPX will need to close down at least 1.3% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is again neutral. And Monday did not really change anything. The market has nice momentum and strong seasonality going for it right now. But being so overbought on a short-term basis, this is not exactly an ideal entry point for a short-term trade. I will continue to wait for a more favorable setup before putting on my next index position.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 4/3 – 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.**

## **Current Open Trade Ideas**

**None**

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