

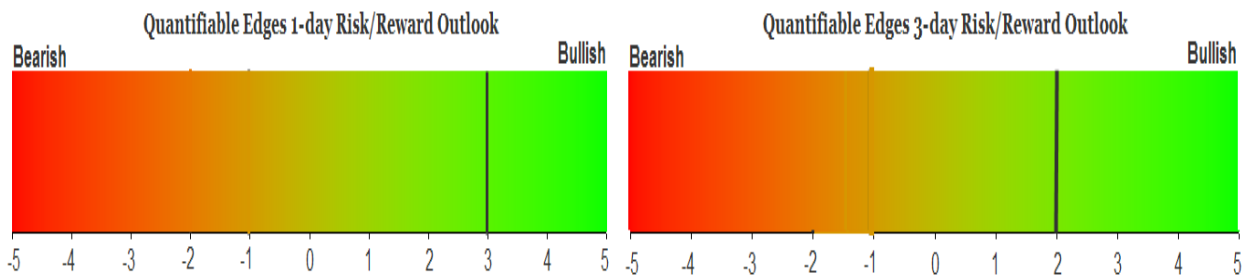
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 6, 2023

Volume 16 Issue 66

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- Holy Thursday has historically been a good day for the market.
- The employment report Friday with the market closed can create volatility for Monday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I believe Thursday carries an 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						
April 6, 2023	Holy Thursday Bullish	1 day	Bullish			
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%
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 was mostly lower. The SPX closed down 0.25%, the NASDAQ lost 1.1%, and the Russell 2000 fell 1.0%. Breadth was negative with the NYSE Up Issues % coming in at 37% and the Up Volume % at 36%. NYSE total volume declined some from Tuesday's level.

One notable tonight is that while the market is closed on Friday for Good Friday, the BLS will be releasing the employment report. This is only the 13th time since 1980 that this has happened. Below is a list of all previous instances along with their performance on Monday when the market was then back open.

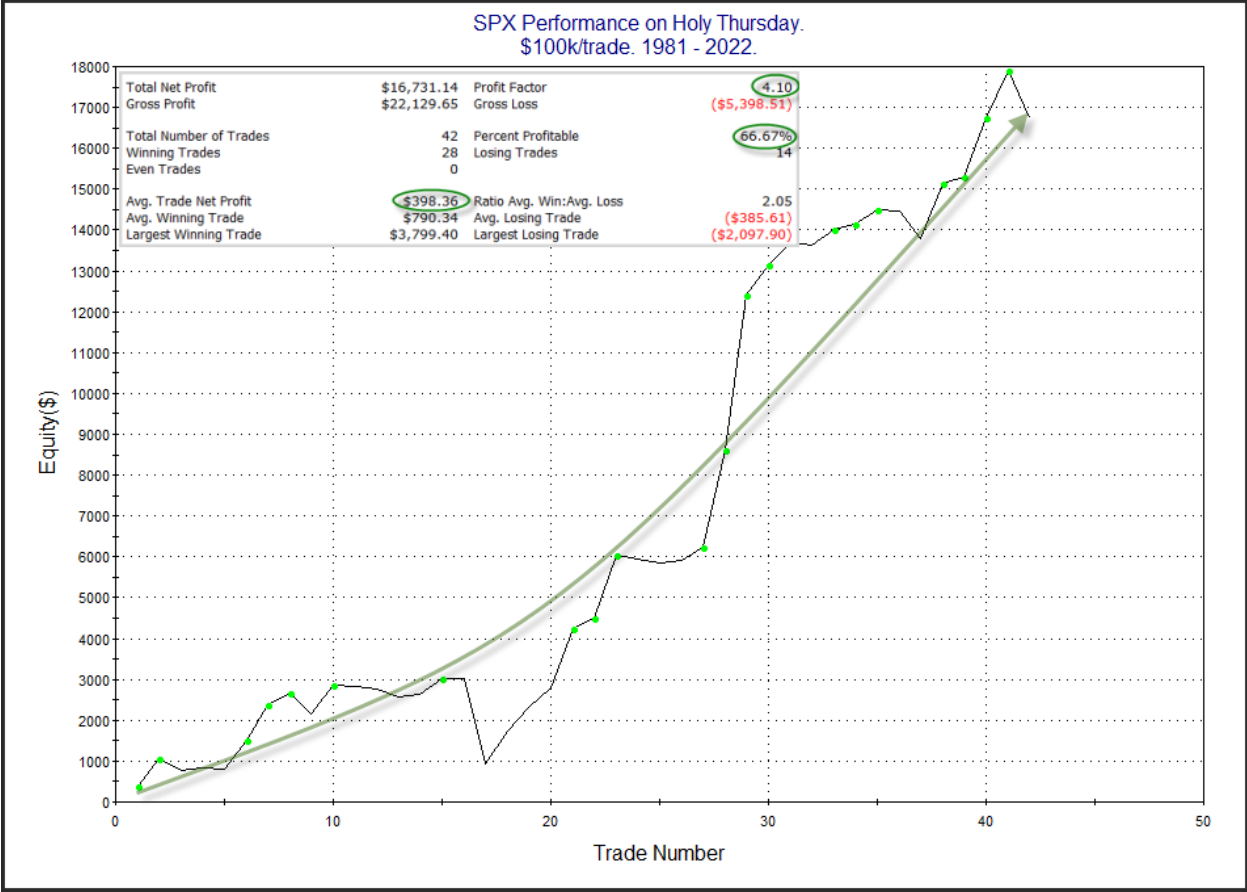
Today is Holy Thursday. The Employment Report will be released on Friday with the NYSE closed. Buy on close. Sell Monday's close. \$100k/trade. 1980 - present.

Date/Time	Signal	Price	% Profit	Run-up Drawdown
4/3/1980	Buy	\$102.15	-1.92%	\$117.36
4/7/1980	Sell	\$100.19		(\$2,366.76)
3/31/1983	Buy	\$152.96	0.04%	\$39.18
4/4/1983	Sell	\$153.02		(\$476.69)
4/4/1985	Buy	\$179.02	-0.56%	\$245.52
4/8/1985	Sell	\$178.02		(\$647.28)
3/31/1988	Buy	\$258.88	-1.08%	\$69.48
4/4/1988	Sell	\$256.09		(\$1,239.06)
3/31/1994	Buy	\$445.76	-1.53%	\$0.00
4/4/1994	Sell	\$438.92		(\$2,217.60)
4/4/1996	Buy	\$655.86	-1.77%	\$0.00
4/8/1996	Sell	\$644.24		(\$2,708.64)
4/1/1999	Buy	\$1,293.72	2.12%	\$2,109.80
4/5/1999	Sell	\$1,321.12		\$0.00
4/5/2007	Buy	\$1,443.76	0.06%	\$299.46
4/9/2007	Sell	\$1,444.61		(\$33.12)
4/1/2010	Buy	\$1,178.10	0.79%	\$808.92
4/5/2010	Sell	\$1,187.44		\$0.00
4/5/2012	Buy	\$1,398.08	-1.14%	\$0.00
4/9/2012	Sell	\$1,382.20		(\$1,408.64)
4/2/2015	Buy	\$2,066.96	0.66%	\$961.44
4/6/2015	Sell	\$2,080.62		(\$501.12)
4/1/2021	Buy	\$4,019.87	1.44%	\$1,525.20
4/5/2021	Sell	\$4,077.91		\$0.00

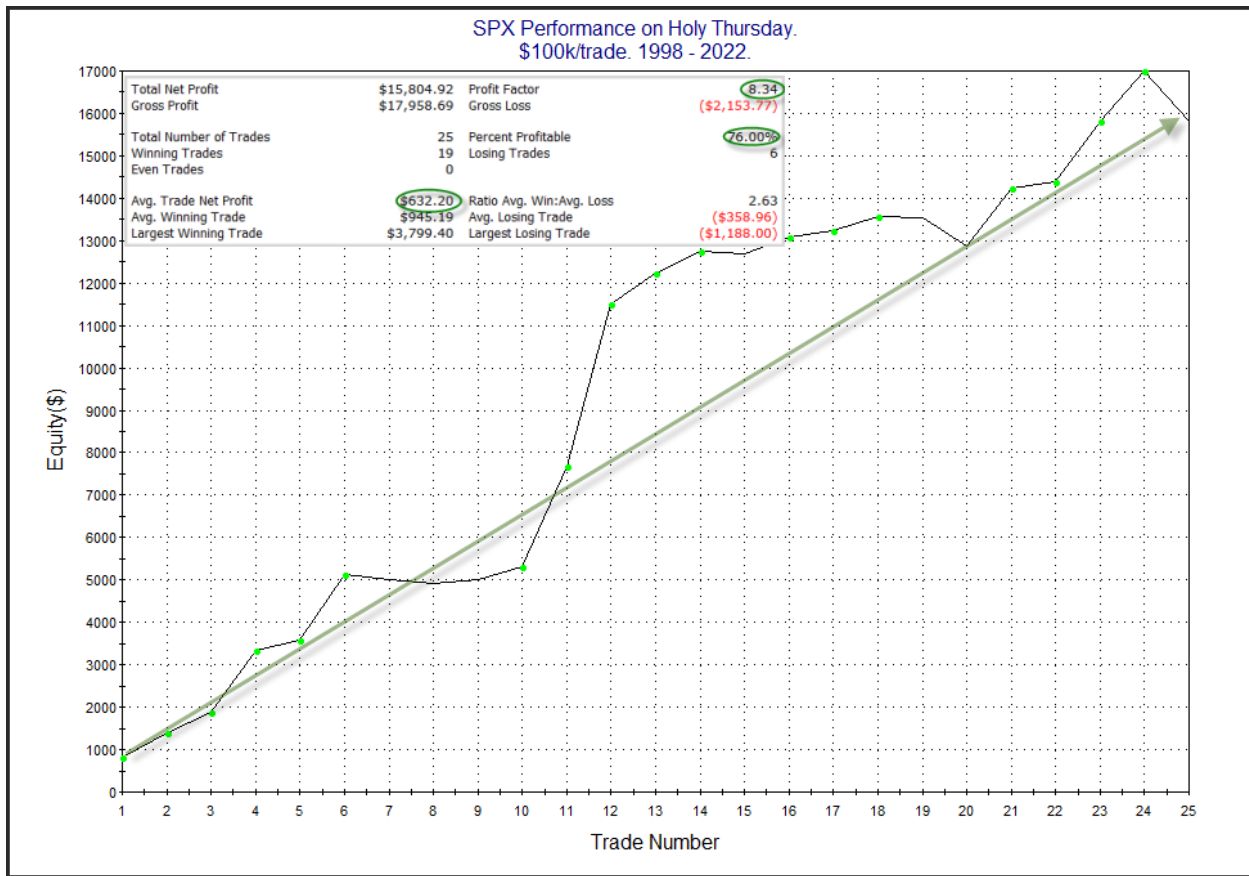
Six instances closed down and six closed up on Monday, so on the surface this study does not seem to provide useful information. But what is notable to me is that 8 of the 12 instances saw the market close either up or down by more than 0.75%. (Those are all circled in blue.) That shows the Monday reaction has often been volatile, and suggests risk may be elevated a bit because of this.

Last night I noted that Holy Thursday has been seasonally bullish. Below I have copied that research.

Stock market performance leading up to and around many holidays has often been bullish. This is something I have written about several times over the years. Holy Thursday is one such day that has done quite well. I have shown Holy Thursday stats several times in the past. The chart and statistics below are all updated through last year.



This curve really started to steepen in 1998. Below I zoomed in on the 1998 – 2022 time period.



No matter how you look at it. Holy Thursday has had some impressive historical performance. I'll be adding this to the Active List starting tomorrow night.

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 moved back 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 turned long at the close.

Based on the current list of active studies, expectations are set to remain positive on Thursday. This could easily change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 4148.10. That is 1.4% above Wednesday's close. Therefore, SPX will need to close up at least 1.4% on Thursday in order to flip from oversold to overbought vs recent expectations.

So the Aggregator is now bullish. And after a couple of down days, SPX is somewhat oversold. There appears to be an upside edge. But Friday's employment report makes holding over the long weekend a bit more risky. If I can get a favorable fill near the open on Thursday I will take it. But I may exit some of my position before the close on Thursday if I have a profit.

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.

SPY – Buy ¼ index position at \$407.59 LIMIT ON OPEN. If not filled on open, cancel order.

Based on the short-term outlook above, I will look to buy into any gap down on Thursday. I will sell ½ of this position @ \$407.60 LIMIT ON CLOSE on Thursday, so as to take some profits off the table and keep exposure very limited over the long weekend, if such profits are available.

Current Open Trade Ideas

None

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