

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 14, 2023

Volume 16 Issue 71

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- The new intermediate-term high and 5 higher highs suggest momentum could continue a few more days.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am also.

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 14, 2023	5 higher highs and fresh 20-high close	1-3 days	Bullish			
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			

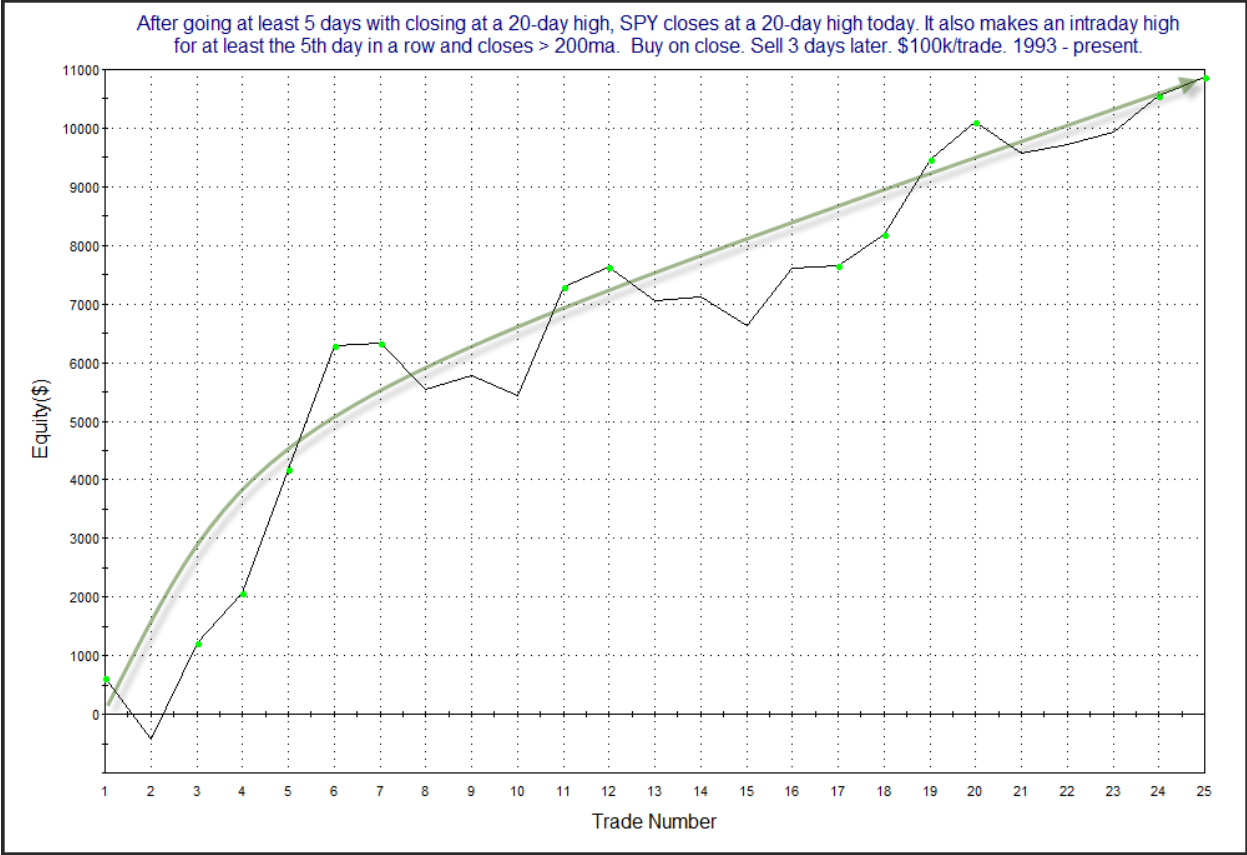
The Evidence

Thursday saw a strong move higher. The SPX rose 1.3%, the NASDAQ rallied 2.0%, and the Russell 2000 gained 1.3%. Breadth was positive with the NYSE Up Issues % coming in at 69% and the Up Volume % at 73%. NYSE total volume declined for the 3rd day in a row.

SPX closed at the highest level since February. It also made a higher high for the 5th day in a row. I look at this momentum combination and constructed the following study.

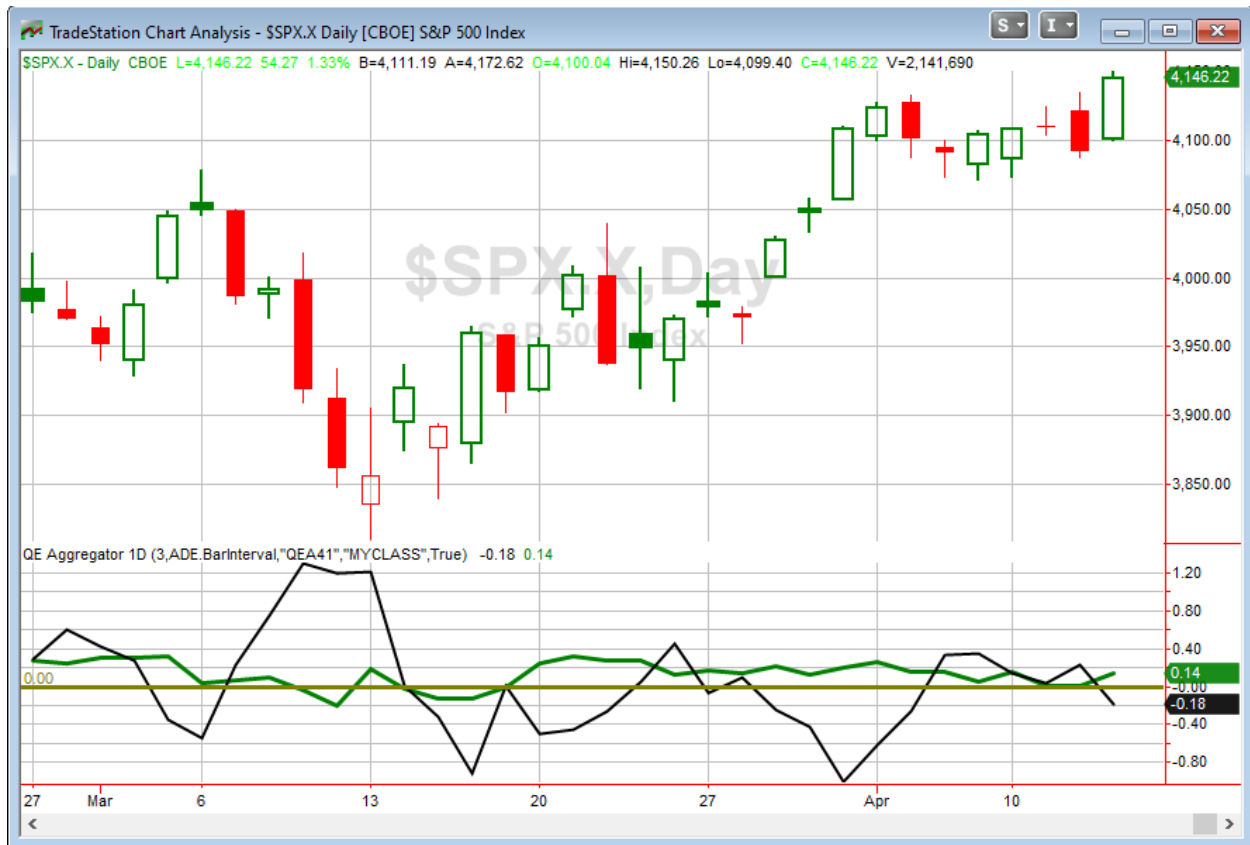
After going at least 5 days with closing at a 20-day high, SPY closes at a 20-day high today. It also makes an intraday high for at least the 5h day in a row and closes > 200ma. Buy on close. Sell X days later. \$100k/trade. 1993 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	10,398.31	25	16	9	64.00	3,452.80	-2,105.60	1,181.31	-944.74	1.25	2.22	415.93
4	8,702.23	25	17	8	68.00	1,847.04	-1,287.72	864.00	-748.23	1.15	2.45	348.09
3	10,882.62	25	19	6	76.00	2,109.17	-1,058.40	771.22	-628.42	1.23	3.89	435.30
2	9,614.00	25	15	10	60.00	2,545.92	-882.00	878.20	-355.90	2.47	3.70	384.56
1	3,128.00	25	15	10	60.00	1,495.81	-1,015.84	412.65	-306.18	1.35	2.02	125.12

It appears the push higher has often persisted under similar circumstances. Below is a profit curve assuming a 3-day holding period.



That is a pretty decent looking move higher. I decided to include this study on the active list tonight.

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



With tonight's study 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 dropped 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 turned flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Friday. Of course, expectations could very easily change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 4117.82. That is 0.7% below Thursday's close. Therefore, SPX will need to close down at least 0.7% on Friday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator is now neutral. Evidence is moderate, but leaning bullish while SPX is short-term overbought. This does not appear to be a strongly favorable reward/risk setup. The SPY trade idea that was active the last few days was exited at the close on Thursday. I'll wait until a more compelling setup emerges before looking to jump back into a position.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/10 – 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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	4/6/2023	\$406.77	\$411.33	1.12%	price shown is avg exit price

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