

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 19, 2023

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## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- No compelling new evidence emerged on Tuesday.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. That is where I am at as well.

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

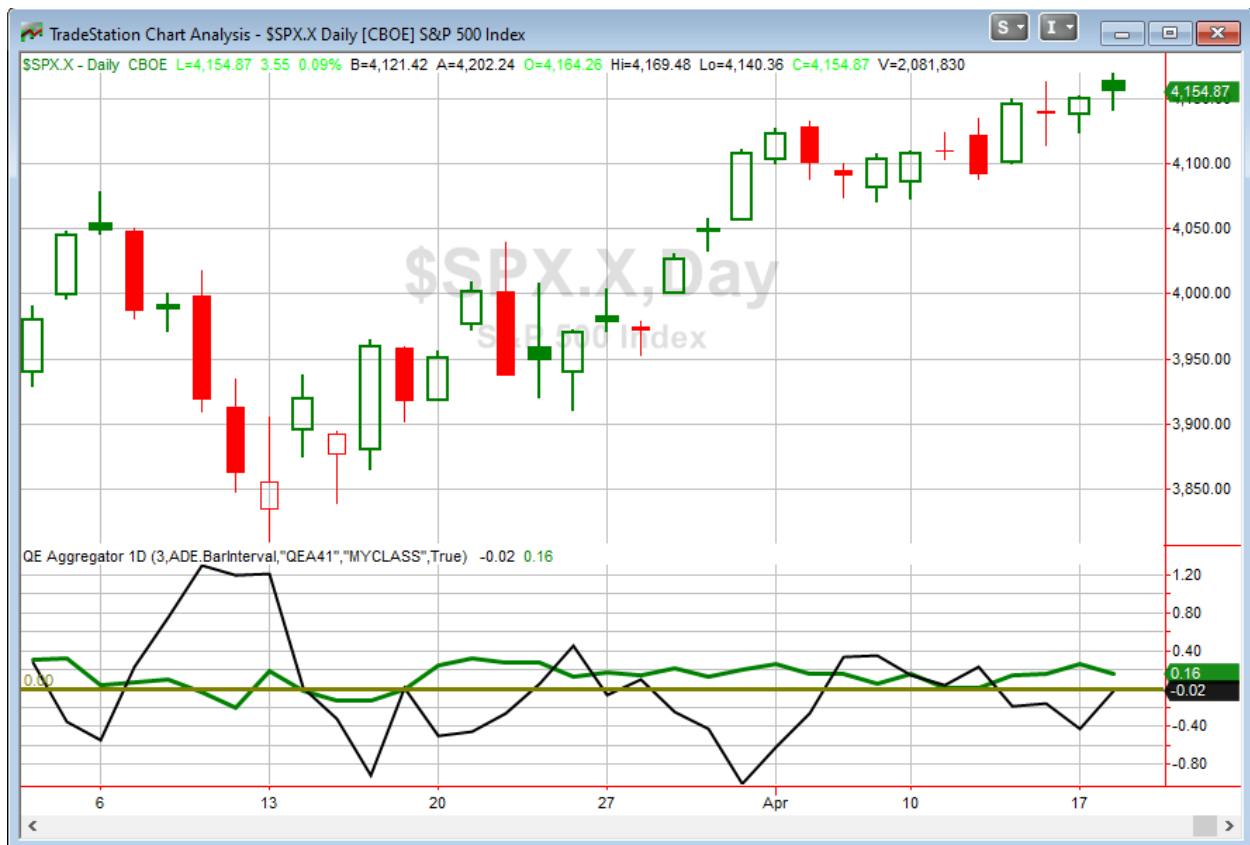
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
April 18, 2023	Tax Day & Day After Bullish	1-2 days	Bullish			
<b>Active - Long Term</b>						
February 2, 2023	SPX Golden Cross	int term	Bullish			
January 23, 2023	NASDAQ Leading	int term	Bullish			
January 13, 2023	QE Triple 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			
<b>Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)</b>						
April 17, 2023	April opex Mon-Tues strong	1-2 days	Bullish			
April 14, 2023	5 higher highs and fresh 20-high close	1-3 days	Bullish			

***The Evidence***

Tuesday was mixed and mild. The SPX gained 0.1%, the NASDAQ lost 0.04%, and the Russell 2000 declined 0.4%. Breadth was also mixed with the NYSE Up Issues % coming in at 46% and the Up Volume % at 50.4%. NYSE total volume declined some from Monday's level.

Nothing compelling triggered on Tuesday that I was able to uncover. That is not very surprising since the market has been choppy and moves have been small lately. By multiple measures, volatility is at its lowest level in a long time. The VIX closed at 16.83, which is the lowest close since Jan of 2022. So it might seem like option prices are cheap right now. But compared to 21-day realized volatility for SPX, they are not. The 21-day realized volatility for SPX closed at just 11.55. This is the 1<sup>st</sup> time it has closed under 12 since November of 2021. So realized is substantially lower than implied volatility. We are in a quiet period right now. There is no telling how long this will last. But for the time being, potential risk and potential reward are muted vs what volatility suggested for the last year-plus. No new studies are being added to the active list tonight.

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



Without any new studies making the active list, 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 slightly 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 Wednesday. Of course, expectations could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 4150.48. That is just 0.1% below Tuesday's close. So it will only take a decline of 0.1% on Wednesday in order for SPX to flip from overbought to oversold vs recent expectations.

So the Aggregator is again neutral. While evidence suggests we could see more upside in the next few days, SPX remains overbought. This dampens reward/risk and has me sidelined and waiting for a more compelling entry opportunity.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 4/17 – 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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