

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 17, 2023

Volume 16 Issue 94

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Yawn. Again.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am too.

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

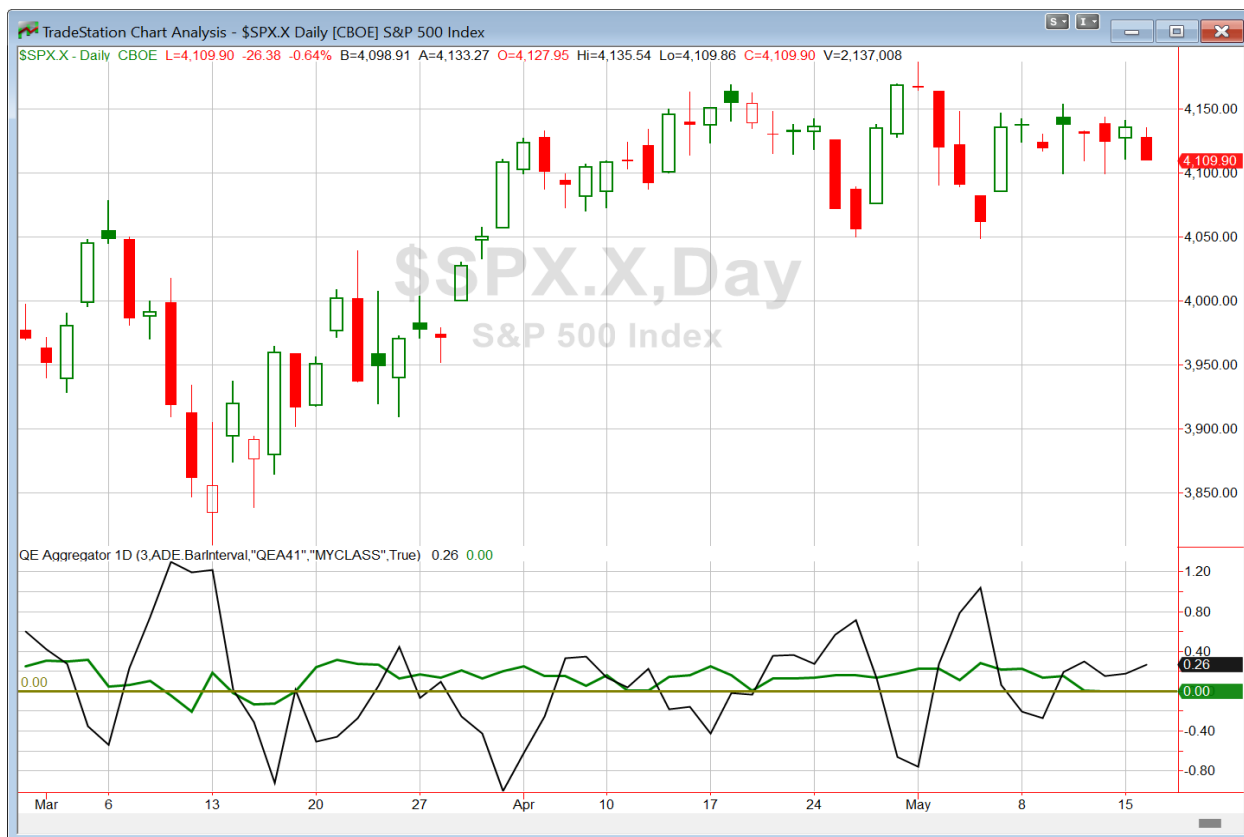
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
May 1, 2023	NASDAQ Leading	int term	Bullish			
February 2, 2023	SPX Golden Cross	int term	Bullish			
January 13, 2023	Deemer Breakaway Momentum	1-6 months	Bullish			
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			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			

The Evidence

Tuesday saw mild selling for most of the day, but a sizable drop in the last 15 minutes saw the market close at its lows. The SPX finished down 0.6%, the NASDAQ lost 0.2%, and the Russell 2000 tumbled 1.4%. Breadth was weak with the NYSE Up Issues % coming in at 20% and the Up Volume % at 16%. NYSE total volume declined some from Monday's level.

Tuesday was the 2nd inside day in a row. That is somewhat unusual, but not necessarily predictive. Range continues to contract. And we could get a strong move out of the range at some point soon. But the direction of that move is difficult to anticipate. I am not seeing compelling directional evidence. Again tonight, I have nothing to add to the Active List. Apologies if you are on a 1-week trial, but this market is boring as hell. And data mining to uncover a questionable edge is no way to generate consistent profits. I'll remain patient.

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



With evidence lacking, the green Aggregator Line remained right at zero. Zero readings mean expectations are flat over the next few days. Meanwhile the black Differential Line held above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are flat and SPX is oversold. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines fail to close on the same side of zero. Therefore, the Aggregator formation turned flat at the close.

The short-term list is bare, and the intermediate-term outlook is neutral. So expectations over the next few days will depend largely on any new evidence that emerges. Meanwhile, the Differential Pivot will be 4130.44 on Wednesday. That is 0.5% above Tuesday's close. Therefore, SPX will need to close up at least 0.5% on Wednesday in order to flip from oversold to overbought vs recent expectations.

So the Aggregator is neutral, and Tuesday did not change anything. Even if we had a bullish study to add to the active list tonight, there is a good chance I would still be wary of taking on a new long position. SPX is only down one day here, and remains well within the congestion zone of the last few weeks. Without compelling evidence, there is no chance I will look to take on new index exposure. So I will continue to stay alert to new edges and keep my cash position high until a compelling setup emerges.

Intermediate-term Outlook (2 weeks – 2 months) – updated 5/15 – neutral

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 tonight.

Current Open Trade Ideas

None

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