

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 6, 2023

Volume 16 Issue 107

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	1

## Tonight's Research Points

- No compelling new evidence emerged on Monday.

### *Short-term Outlook*

#### *The Bottom Line*

The Aggregator is neutral. I am not inclined to take on new index exposure in this overbought market. And I am lightening up on individual positions once again with the CBI dropping all the way to 1 now (from 10 last Wed & Thurs).

**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>						
None						
<b>Active - Long Term</b>						
June 5, 2023	SPX 50-day %b crosses 100	1-50 days	Bullish	4.90%	-4.50%	-9.00%
May 22, 2023	SPX 50-day high < 1/2 SPX stocks > 50ma	1-12 months	Neutral			
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***

Monday saw mostly small dips for the market. The SPX declined 0.2%, the NASDAQ fell 0.1%, and the Russell 2000 dropped 1.3%. Breadth was weak with the NYSE Up Issues % coming in at 36% and the Up Volume % at 40%. NYSE total volume declined some from Friday's level.

This is going to be a short letter. The mild moves triggered a few old studies in the Quantifinder. So I went back and reviewed them. But as I thought would happen, none of them are suggesting a compelling edge. (Note, I suspected this because they showed up in black in the Quantifinder, which is considered neutral. Green studies generally are bullish and red ones bearish. So a quick peak at the Quantifinder can often give you a hint of what evidence is likely to say, just by noting the colors of the studies.) And while I also explored a couple of other ideas, I found nothing worth adding to the active list tonight.

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



Without any new short-term studies making the cut, the green Aggregator Line remained slightly 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.

The short-term active list is still lacking meaningful studies, since they all either expired or reached their targets recently. Of course the intermediate-term outlook is leaning bullish. So while expectations will be heavily influenced by any new evidence that emerges, expectations are currently slated to remain positive on Tuesday. Meanwhile, the Differential Pivot will be 4231.66 on Tuesday. That is 1.0% below Monday's close. Therefore, SPX will need to close down 1% on Tuesday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator is neutral. The market is squarely overbought in the short-term. But there is no compelling evidence suggesting a reversal is highly probable. I still believe patience is prudent. So I will remain sidelined, but alert to new opportunities..

*Intermediate-term Outlook (2 weeks – 2 months) – **updated 6/5 – slightly bullish***

### Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

#### *Open Catapult Triggers*

ABBV – 1/3 @ \$136.44 (bought @ limit)

#### *Broad Market Large Cap CBI – 1 (ABBV)*

### 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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
MDLZ(1/3)	5/23/2023	\$75.87	\$74.29	-2.08%	<i>sell on open</i>
MDLZ(1/3)	5/24/2023	\$75.63	\$74.29	-1.77%	<i>sell on open</i>
MDLZ(1/3)	5/25/2023	\$74.95	\$74.29	-0.88%	<i>sell on open</i>
<i>PEP(1/3)</i>	<i>5/25/2023</i>	<i>\$182.70</i>	<i>\$183.85</i>	<i>0.63%</i>	<i>sold on open</i>
<i>PEP(1/3)</i>	<i>5/26/2023</i>	<i>\$183.71</i>	<i>\$183.85</i>	<i>0.08%</i>	<i>sold on open</i>
<i>PEP(1/3)</i>	<i>5/30/2023</i>	<i>\$182.06</i>	<i>\$183.85</i>	<i>0.99%</i>	<i>sold on open</i>
ABBV(1/3)	5/31/2023	\$136.44	\$136.86	0.31%	Catapult
<i>PG(1/3)</i>	<i>5/31/2023</i>	<i>\$143.16</i>	<i>\$146.05</i>	<i>2.02%</i>	<i>sold on open</i>
<i>PG(1/3)</i>	<i>6/1/2023</i>	<i>\$142.50</i>	<i>\$146.05</i>	<i>2.49%</i>	<i>sold on open</i>

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