

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 9, 2023

Volume 16 Issue 110

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- The SOMA saw just a slight decline this past week, but that is a typical amount of QT for this time of the month.

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						
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

Thursday reversed some of Wednesday’s moves, with the indices flipping direction. The SPX rose 0.6%, the NASDAQ gained 1.0%, and the Russell 2000 declined 0.4%. Breadth was mixed with the NYSE Up Issues % coming in at 48% and the Up Volume % at 52%. NYSE total volume declined some from Wednesday’s level.

Back and forth market action has again failed to generate compelling edges. One notable was that the Fed released the latest SOMA holdings after the close on Thursday. Updated holdings data can be found below.

Domestic Security Holdings as of	
◀ Previous June 7, 2023 📅	
Posted June 8, 2023 at 4:30 PM	
SUMMARY T-BILLS T-NOTES AND T-BONDS FRNS TIPS AGENCY DEBTS MBS CMBS	
SECURITY TYPE	TOTAL (\$Thousands)
US Treasury Bills (T-Bills)	278,066,307.6
US Treasury Notes and Bonds (Notes/Bonds)	4,388,626,165.1
US Treasury Floating Rate Notes (FRNs)	20,426,754.0
US Treasury Inflation-Protected Securities (TIPS)*	368,253,286.5
Federal Agency Securities**	2,347,000.0
Agency Mortgage-Backed Securities***	2,549,844,573.7
Agency Commercial Mortgage-Backed Securities***	8,391,409.0
Total SOMA Holdings	7,615,955,495.9
Change From Prior Week	-2,975,043.8

The SOMA declined by nearly \$3 billion this past week. While that is a lot of money in comparison to my account, it is not in comparison to the Fed’s SOMA account. There was some QT, but it was very mild. This is nothing to read into, other than the fact that the first new week of the month

often is quiet. So QT was light, but it typically is this time of the month because there are not many bonds that expire between the 1st and the 7th. Next week should also be light before we get more of a QT boost the following week. I'll discuss the Fed in a little more detail in the weekend letter as I typically do.

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 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.

The short-term active list is still lacking meaningful studies. 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 Friday. Meanwhile, the Differential Pivot will be 4284.49 on Friday. That is 0.2% below Thursday's close. So SPX will need to close down at least 0.2% on Friday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator is quickly back to neutral. The green Aggregator line has been flatlined just barely above 0 for the last week. I can't remember seeing such a flatline over the last few years. But short-term evidence has been lacking, and data-mining until something pops up is generally a good way to be wrong. Edges don't evade us for very long, and it has already been a fairly long time. I suspect we will see some compelling evidence emerge soon enough. I'll continue to exercise patience until that happens.

*Intermediate-term Outlook (2 weeks – 2 months) – **updated 6/5 – 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 tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
ABBV(1/3)	5/31/2023	\$136.44	\$137.64	0.88%	<i>sell on open</i>

The author of Quantifiable Edges (QE), Mr. Robert Hanna, is separately affiliated with a registered investment adviser in the States of Washington, California, Colorado, Texas, Massachusetts, and Louisiana, Eastsound Capital Advisors, LLC (ECA) d.b.a. Capital Advisors 360.

ECA may not transact business in states where it is not appropriately registered, excluded or exempted from registration. Individualized responses to persons that involve either the effecting of transaction in securities, or the rendering of personalized investment advice for compensation, will not be made without registration or exemption. Advisory clients of ECA utilizing the approaches developed by Mr. Hanna will receive the QE newsletter from QE at no charge. ECA is not otherwise affiliated with QE, and neither endorses nor warrants the content of this site, the QE newsletter(s), any embedded advertisement, nor any linked resource herein.

This report has been prepared by Quantifiable Edges, LLC and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy securities. While information contained herein is believed to be accurate at the time of publication, we make no representation as to the accuracy or completeness of any data, studies, or opinions expressed and it should not be relied upon as such. Robert Hanna, Quantifiable Edges, LLC or clients of Quantifiable Edges, LLC may have positions or other interests in securities (including derivatives) directly or indirectly which are the subject of this report. This report is provided solely for the information of Quantifiable Edges, LLC clients and prospects who are expected to make their own investment decisions without reliance upon this report. Neither Quantifiable Edges, LLC nor any officer or employee of Quantifiable Edges, LLC accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Quantifiable Edges, LLC.

Copyright © 2023 Quantifiable Edges, LLC.