

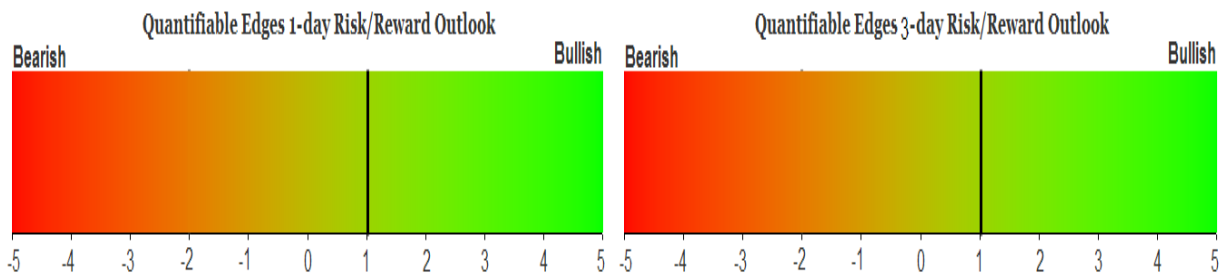
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 28, 2023

Volume 16 Issue 122

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	3

## Tonight's Research Points

- No compelling new evidence emerged on Tuesday.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish. But the Differential Pivot is inverted. So reward/risk is not terribly favorable. I'll be in profit-taking mode.

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

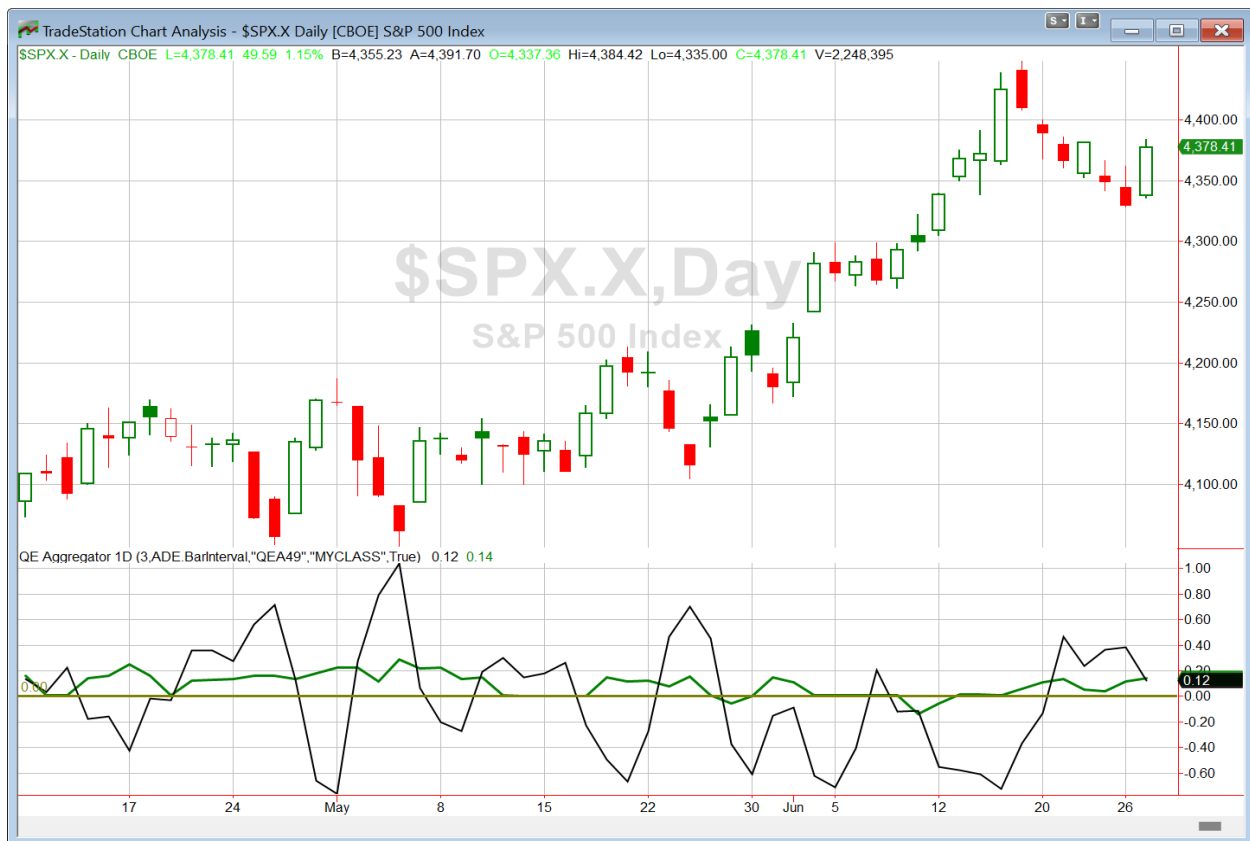
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
June 27, 2023	Close btm 10% range and 5-low on Monday	1-5 days	Bullish			
June 26, 2023	1st close < 10ma in > 15 days. > 200	1-3 days	Bullish	1.05%	0.80%	-1.70%
June 23, 2023	Up Vol < 40% SPX up and > 200ma	1-7 days	Bullish	1.70%	-1.20%	-2.50%
June 23, 2023	Up Vol & Up Iss < 40%	1-4 days	Bearish	-2.10%	1.00%	1.85%
June 22, 2023	1st 5-low in 10-day. Close > 10ma	1-5 days	Bullish			
June 22, 2023	Gap < Low Close 5. Close < open	1-5 days	Bullish			
<b>Active - Long Term</b>						
June 23, 2023	Up Vol < 40% SPX up and > 200ma	1-10 days	Bullish	2.15%	-1.50%	-3.30%
June 20, 2023	5up to 50-high. Down 1. > 200ma	1-10 days	Bullish	1.85%	-1.10%	-2.30%
June 20, 2023	20-high. Close btm 10%.	1-10 days	Bullish	2.00%	-1.50%	-2.90%
June 16, 2023	RSI(2) cross over 99.	1-15 days	Bullish	2.30%	-1.50%	-2.95%
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	Whaley ADT5 > 73.66	1-12 months	Bullish			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			

**The Evidence**

Tuesday was a strong day for stocks. The SPX gained 1.15%, the NASDAQ rallied 1.65%, and the Russell 2000 gained 1.5%. Breadth was unusually strong with the NYSE Up Issues % coming in at 73% and the Up Volume % at 81%. NYSE total volume rose some from Monday's level.

We've seen a good amount of evidence the last few days suggesting a bounce was likely. Tuesday we finally got one. Hopefully it can manage to last for more than just one day. The bounce was strong enough to bring SPX from a 10-day low to a close above its 10-day moving average. That sounds impressive, but past instances have not shown a substantial directional edge moving forward. And neither did anything else I looked at. While Tuesday's action was strong, there do still remain several bullish studies that were anticipating an even bigger rally. So the active list still has a good amount pointing higher.

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



With Tuesday's action 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 also held above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator formation stayed long at the close.

Based on the current active studies, expectations are set to remain positive on Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted* at 4357.86 on Wednesday. That is 0.5% *below* Tuesday's close. An inverted pivot means the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close down at least 0.5% in order to remain oversold vs recent expectations. Anything other than that and it will be considered overbought as of Wednesday's close.

So the Aggregator is again bullish. But I typically view inverted pivots as opportune times to take profits on open index positions. And there are some open profits on the index trade ideas right now. I do this because upside is quite limited. So reward/risk is not very favorable. Any close higher, or even less than 0.5% lower will mean the end of the long signal. Therefore, I will look to take some off the table on Wednesday if I can get a favorable fill during the day. And I will look to take the rest off the table if SPX manages to finish with a gain.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 6/26 – bullish*

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

### ***Open Catapult Triggers***

AMD @ \$110.01 (bought at limit)

IBM @ \$129.43 (bought at limit)

KHC @ \$35.55 (bought at limit)

***Broad Market Large Cap CBI – 3 (AMD, IBM, KHC)***

### **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**

<b>Symbol</b>	<b>Entry Date</b>	<b>Entry Price</b>	<b>Current Price</b>	<b>% Gain/Loss</b>	<b>Notes</b>
SPY(1/4)	6/22/2023	\$433.95	\$436.17	0.51%	<i>Sell @ \$436.50 LIMIT</i>
COF(1/3)	6/23/2023	\$105.50	\$108.70	3.03%	<i>Sell on open</i>
COF(1/3)	6/26/2023	\$106.60	\$108.70	1.97%	<i>Sell on open</i>
AMD(1/3)	6/26/2023	\$110.01	\$110.39	0.35%	Catapult
IBM(1/3)	6/26/2023	\$129.39	\$132.34	2.28%	Catapult
SPY(1/4)	6/26/2023	\$432.62	\$436.17	0.82%	<i>Sell @ \$436.18 LIMIT ON CLOSE</i>
COF(1/3)	6/27/2023	\$106.20	\$108.70	2.35%	<i>Sell on open</i>
KHC(1/3)	6/27/2023	\$35.55	\$35.58	0.08%	Catapult

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