

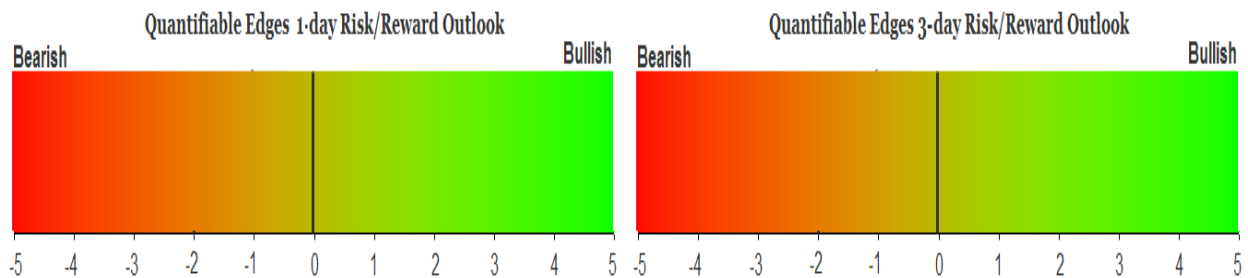
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 27, 2023

Volume 16 Issue 142

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	1

## Tonight's Research Points

- The slight dip occurring with strong breadth appears to be a positive.

### *Short-term Outlook*

#### *The Bottom Line*

The Aggregator is neutral. I am not seeing a favorable setup here.

**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>						
July 27, 2023	SPX recent intraday high. Dn cls. ++Breadth	1-4 days	Bullish	1.90%	-1.10%	-2.40%
<b>Active - Long Term</b>						
July 19, 2023	DJI close up 7 days in a row & > 200ma	1-19 days	Bullish			
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			

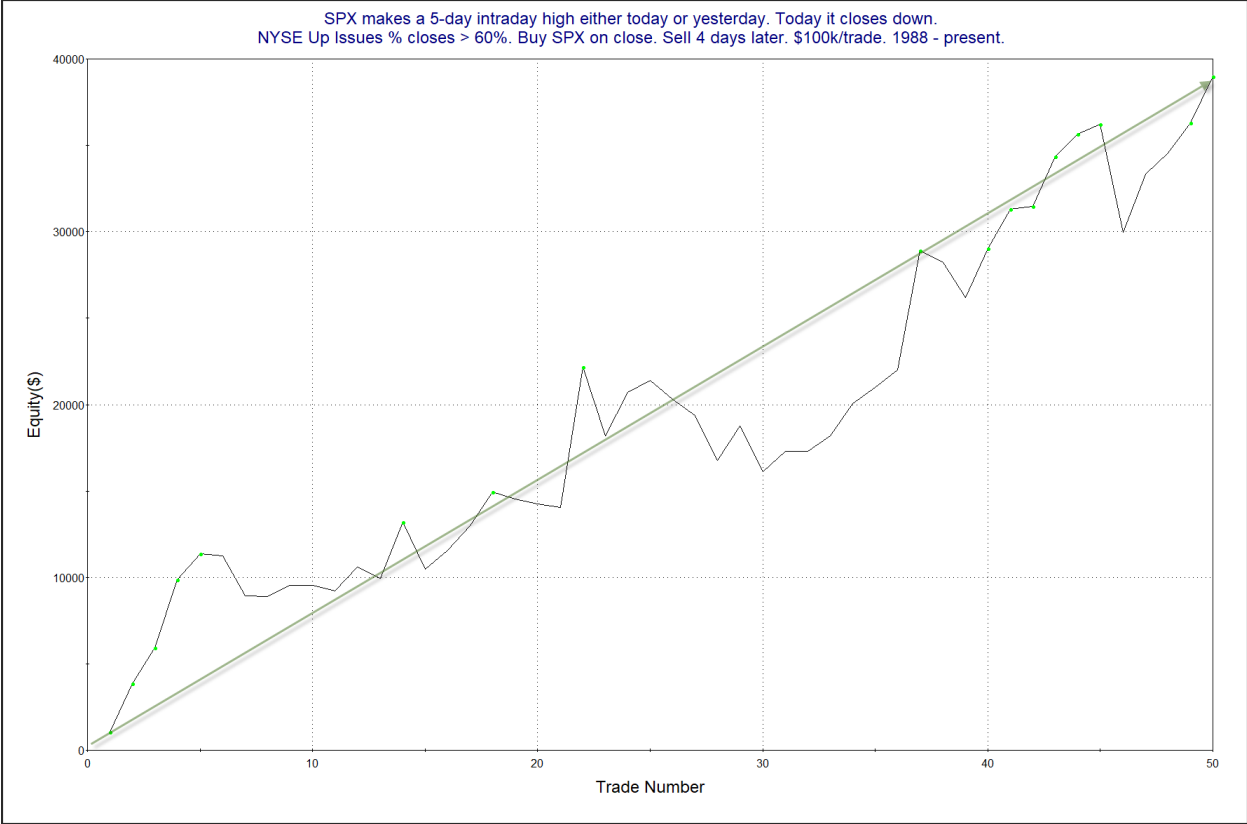
**The Evidence**

It was a quiet Fed Day, with prices only changing moderately. The SPX closed down just 0.02%, the NASDAQ lost 0.1%, and the Russell 2000 closed up 0.7%. Breadth was positive with the NYSE Up Issues % coming in at 63% and the Up Volume % at 65%. NYSE total volume rose some from Tuesday's level.

Based on evidence we saw last night, I did not anticipate a strong Fed Day. And we did not get one. The mild prices changes failed to trigger much compelling new evidence. There was one study I found interesting which we last saw in the 1/10/23 letter. It examined other times the market made a recent short-term high, then pulled back but the breadth remained squarely positive. Results are updated below.

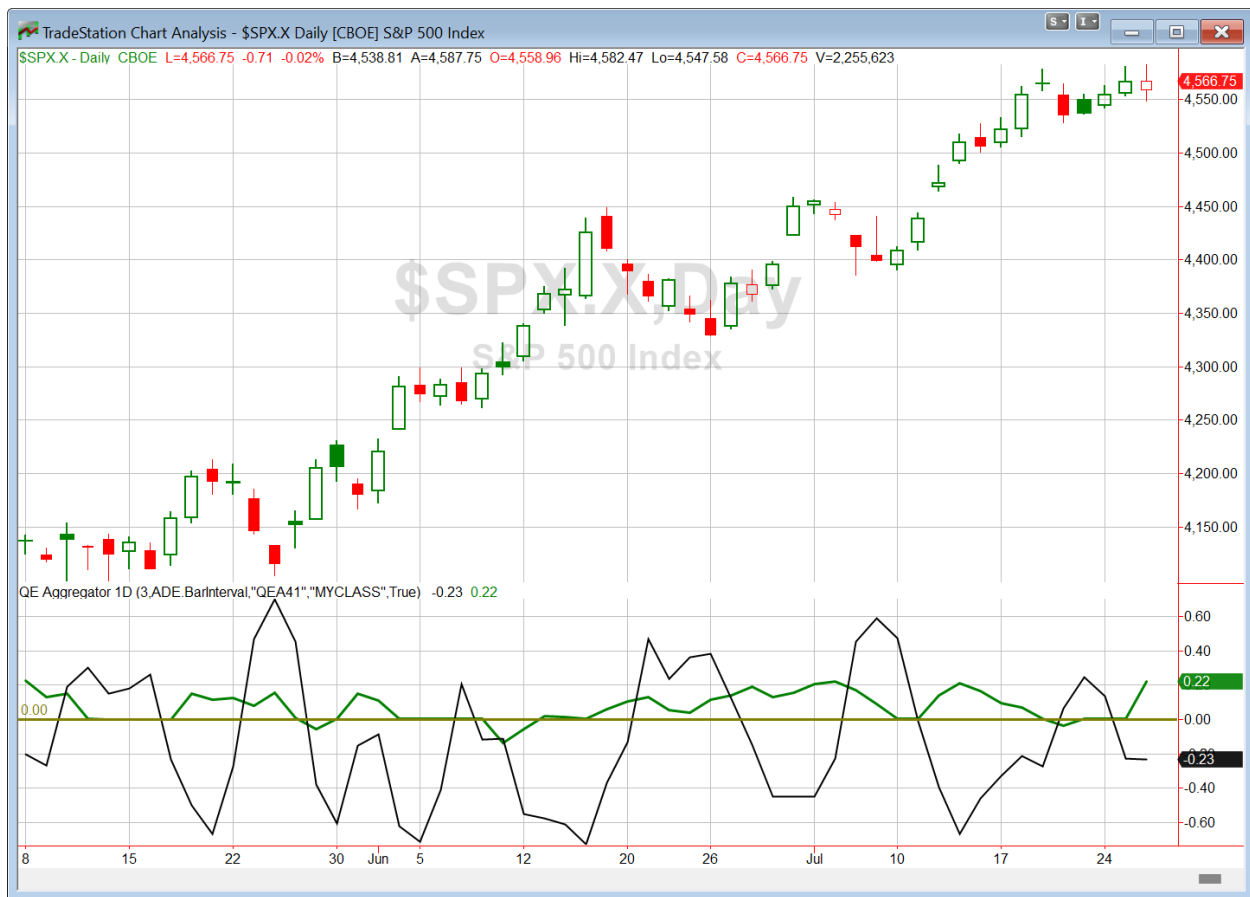
SPX makes a 5-day intraday high either today or yesterday. Today it closes down. NYSE Up Issues % closes > 60%. Buy SPX on close. Sell X days later. \$100k/trade. 1988 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	18,150.07	47	31	16	65.96	4,586.15	-6,119.33	1,692.79	-2,145.40	0.79	1.53	386.17
4	38,990.54	50	32	18	64.00	8,095.62	-6,253.50	2,072.88	-1,518.97	1.36	2.43	779.81
3	33,533.06	50	34	16	68.00	4,370.82	-3,593.26	1,561.19	-1,221.70	1.28	2.72	670.66
2	23,248.32	50	33	17	66.00	4,825.17	-4,128.74	1,291.39	-1,139.26	1.13	2.20	464.97
1	20,390.57	50	30	20	60.00	3,351.09	-1,606.00	1,006.23	-489.82	2.05	3.08	407.81

This suggests a possible upside edge over the next few days. Below is a look at the 4-day profit curve.



The curve has sloped upwards for a long time and is back at new highs. This seems to offer some confirmation of the upside edge suggested by the stats table. I have included this study on the Active List tonight.

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



With tonight's evidence considered, the green Aggregator Line is again above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line remained 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 active studies, expectations are slated to remain positive on Thursday. This could change if compelling bearish evidence emerges. Meanwhile, the Differential Pivot will be 4553.64 on Thursday. That is 0.3% below Wednesday's close. Therefore, SPX will need to close down at least 0.3% on Thursday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator formation is neutral. Evidence is pointing higher, but we remain too overbought to make a short-term long entry appealing. It remains wait and see for the next index trade. I will continue to exercise patience while I await the next favorable setup.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 7/24 – bullish*

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

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

F @ \$14.03 (bought @ limit)

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

## **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>
F(1/3)	7/21/2023	\$14.01	\$13.67	-2.43%	Catapult

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