

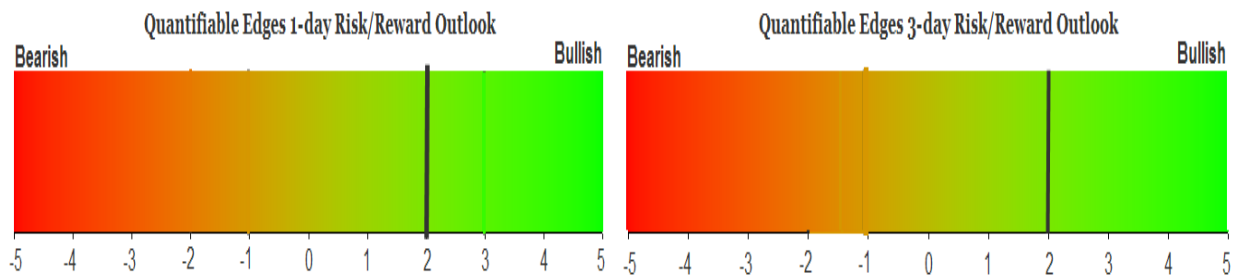
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 8, 2023

Volume 16 Issue 150

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	4

## Tonight's Research Points

- Evidence suggests we should see more to this bounce.

### *Short-term Outlook*

#### *The Bottom Line*

The Aggregator is bullish. I like the long side.

## The Evidence

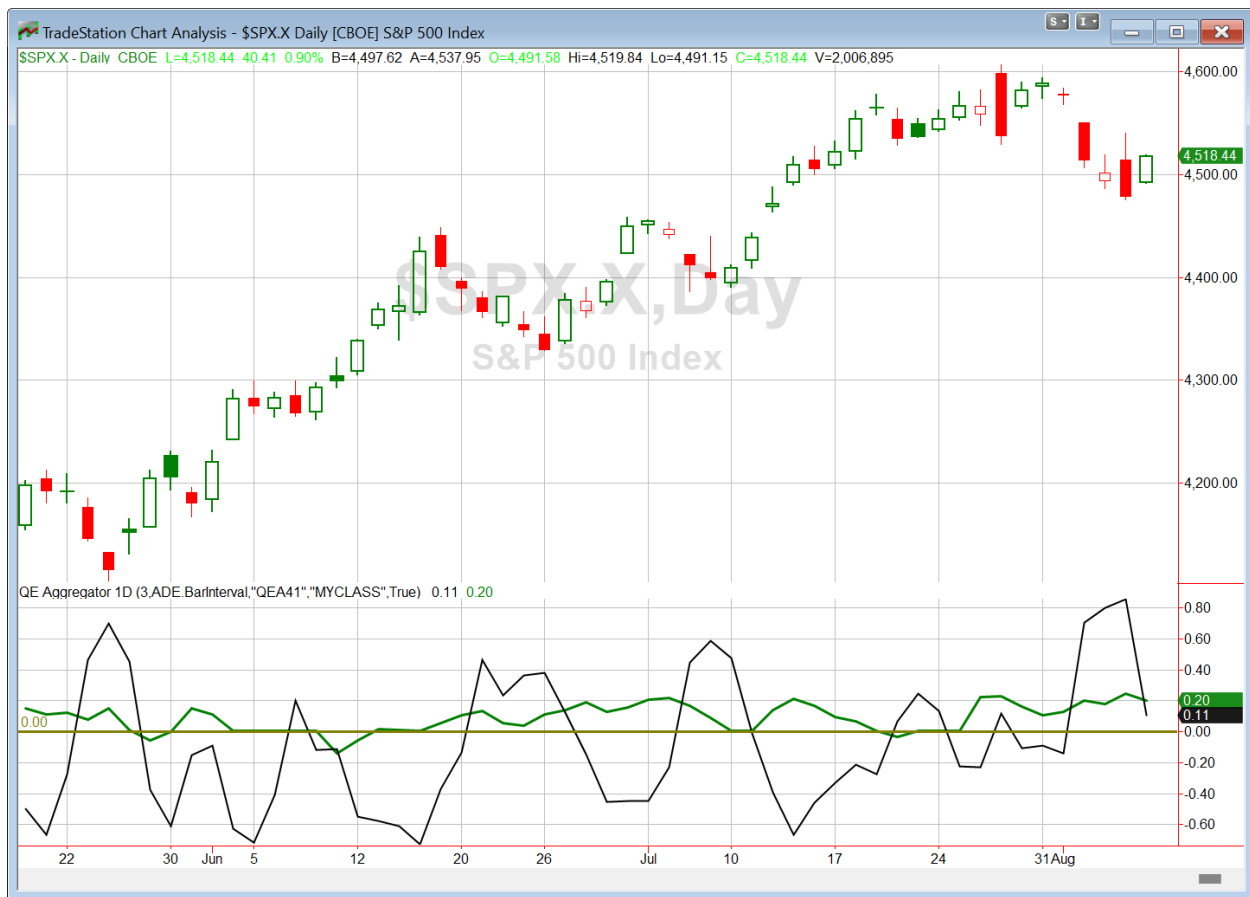
Monday saw the market bounced some. Due to travel, tonight's letter is abbreviated. I will be back in the office on Tuesday.

There was one fairly compelling study to note. It was from the 2/16/22 letter. It found SPY's unfilled gap up and move higher happened in a way that suggests a solid probability of more upside follow-through, but perhaps not on day 1. Below is an updated results table.

After making a 10-day intraday low yesterday (but not a 20-day low), SPY leaves an unfilled gap up today and closes above the open. It closes below the 10ma but above the 200ma. Buy on close. Sell X days later. \$100k/trade. 1993 - 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	24,238.10	41	29	12	70.73	4,106.63	-5,409.60	1,377.43	-1,308.94	1.05	2.54	591.17
4	24,008.64	42	28	14	66.67	3,904.83	-3,702.72	1,443.99	-1,173.08	1.23	2.46	571.63
3	16,324.68	43	26	17	60.47	3,914.92	-2,658.88	1,304.41	-1,034.71	1.26	1.93	379.64
2	6,622.52	44	25	19	56.82	2,828.00	-3,031.50	1,171.58	-1,193.00	0.98	1.29	150.51
1	-685.93	44	23	20	52.27	1,773.46	-2,895.33	786.16	-938.38	0.84	0.96	-15.59

**41 of 44 instances (93%) closed above the entry price at some point in the next week.**

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



With tonight's evidence considered, the green Aggregator Line remained above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line is still above zero. The positive Differential Line reading means that SPX is strongly 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 slated to remain positive on Tuesday. This is unlikely to change. Meanwhile, the Differential Pivot will be 4524.85 on Tuesday. That is 0.14% above Monday's close. Therefore, SPX will need to close up just 0.14% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator formation is bullish. Evidence continues to favor the bulls and the bounce has further to go before SPX would be considered overbought. I like the long side. I have some long SPY exposure. I will partially exit it at the close on Tuesday if SPX closes above the Differential Pivot.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 7/31 – bullish*

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

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

F @ \$14.03 (bought @ limit)

ABT @ \$107.54 (bought @ limit)

AAPL @ \$181.99 (bought @ limit)

*New*

AAPL @ \$178.85 (buy @ limit)

***Broad Market Large Cap CBI – 4(F, ABT, AAPL-2)***

### **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.*

**AAPL – Buy 1/3 Catapult position @ \$178.85 LIMIT.** From the Catapult section above, this is the 1<sup>st</sup> of up to 3 possible lots of AAPL.

### **Current Open Trade Ideas**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
F(1/3)	7/21/2023	\$14.01	\$12.94	-7.64%	Catapult
SPY(1/4)	8/3/2023	\$448.04	\$450.71	0.60%	<i>sell if SPX closes &gt;= 4524.85</i>
SPY(1/4)	8/4/2023	\$446.81	\$450.71	0.87%	Aggregator
ABT(1/3)	8/4/2023	\$107.32	\$108.45	1.05%	Catapult
AAPL(1/3)	8/7/2023	\$181.99	\$178.85	-1.73%	Catapult

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