

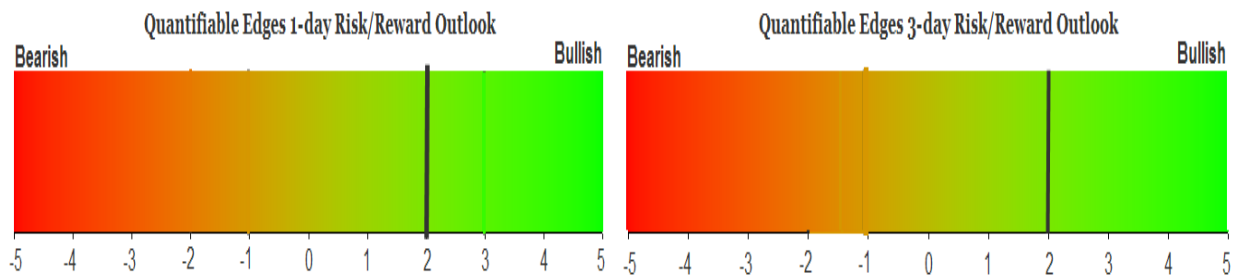
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 10, 2023

Volume 16 Issue 152

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	4

Tonight's Research Points

- CPI will be released Thursday morning an hour before the open. In 2022 that led to some outsized moves. In 2023 so far, not so much.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I still like the long side.

The Evidence

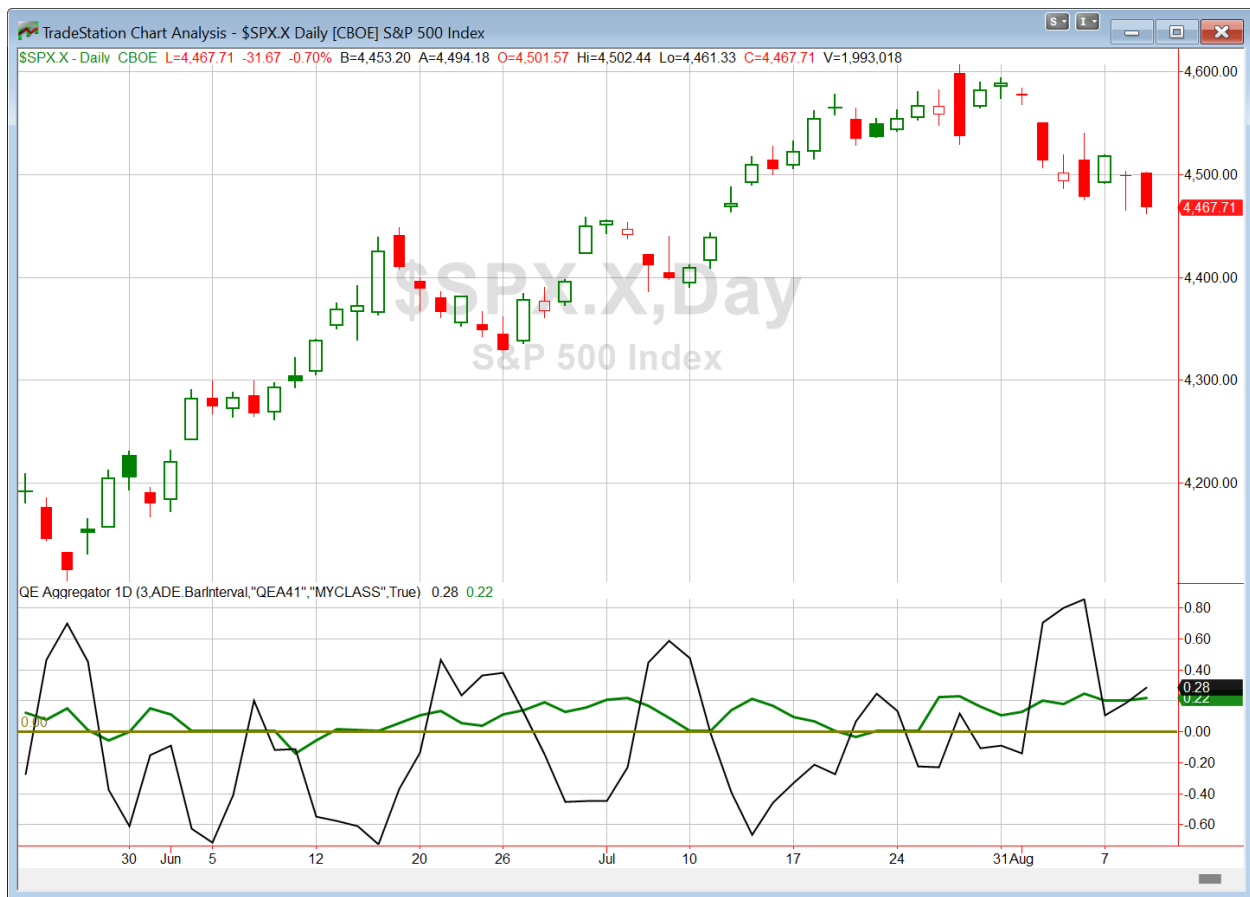
The August selloff made new lows on Wednesday. The SPX lost 0.7%, the NASDAQ fell 1.2%, and the Russell 2000 dropped 0.9%. Breadth was weak with the NYSE Up Issues % coming in at 45% and the Up Volume % at 38%. NYSE total volume declined some from Tuesday's level.

Lots of talk about CPI. The table below is one I showed several times last year, and then again last month. It shows action on CPI release dates over the last 15 months.

Recent CPI Release Date Stats			
Reference Month	Release Date	SPX True Range	SPX % Change
Apr-22	May 11, 2022	120.27	-1.65%
May-22	June 10, 2022	117.66	-2.91%
Jun-22	July 13, 2022	70.37	-0.45%
Jul-22	August 10, 2022	88.56	2.13%
Aug-22	September 13, 2022	189.13	-4.32%
Sep-22	October 13, 2022	193.83	2.60%
Oct-22	November 10, 2022	209.76	5.54%
Nov-22	December 13, 2022	110.4	0.73%
Dec-22	January 12, 2023	60.2	0.34%
Jan-23	February 14, 2023	64.76	-0.03%
Feb-23	March 14, 2023	81.87	1.65%
Mar-23	April 12, 2023	47.43	-0.41%
Apr-23	May 10, 2023	55.36	0.45%
May-23	June 13, 2023	36.44	0.11%
Jun-23	July 12, 2023	49.08	0.70%
	Average	99.67	0.30%
	May - Dec 2022 Release Date Avg	137.50	0.21%
	Jan - Jun 2023 Release Date Avg	56.45	0.40%
	All other days ATR since 5/11/22	69.61	

The CPI report made for some very volatile days last year. But this year...meh. The average range in May – Dec 2022 (137.50 SPX points) was 2.4x what we have seen so far this year (56.45 SPX points). I don't know what the reading will be tomorrow. But unless the number is a big surprise there may not be the kind of strong reaction that recent chatter in the press has been suggesting. I am not adding any new studies to the active list tonight.

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



Without any new studies making the cut tonight, 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 also still 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 slated to remain positive on Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 4546.02 on Thursday. That is 1.75% above Wednesday's close. Therefore, SPX will need to close up over 1.75% on Thursday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator formation is still bullish. The last couple of days have not seen much in the way of compelling new evidence, but previous evidence is still suggesting a bounce. And there is ample room to the upside before SPX would be considered overbought. I like the short-term bullish case. I have some long SPY exposure already. I will hold onto what I have for now.

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)

AAPL @ \$178.85 (bought @ 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.

None.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
F(1/3)	7/21/2023	\$14.01	\$12.73	-9.14%	Catapult
SPY(1/4)	8/3/2023	\$448.04	\$445.75	-0.51%	Aggregator
SPY(1/4)	8/4/2023	\$446.81	\$445.75	-0.24%	Aggregator
ABT(1/3)	8/4/2023	\$107.32	\$105.30	-1.88%	Catapult
AAPL(1/3)	8/7/2023	\$181.99	\$178.19	-2.09%	Catapult
AAPL(1/3)	8/7/2023	\$178.85	\$178.19	-0.37%	Catapult

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