

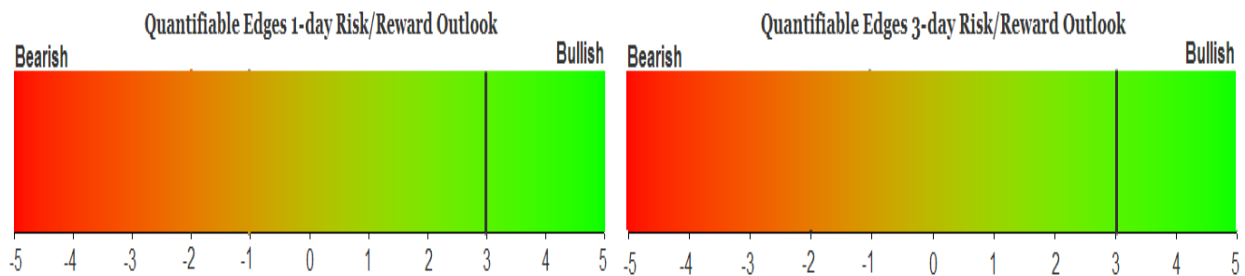
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 16, 2023

Volume 16 Issue 156

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	6

Tonight's Research Points

- The “failed” bounce off Friday’s 20-day low appears to be another opportunity for bulls to take long exposure.

Short-term Outlook

The Bottom Line

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

The Evidence

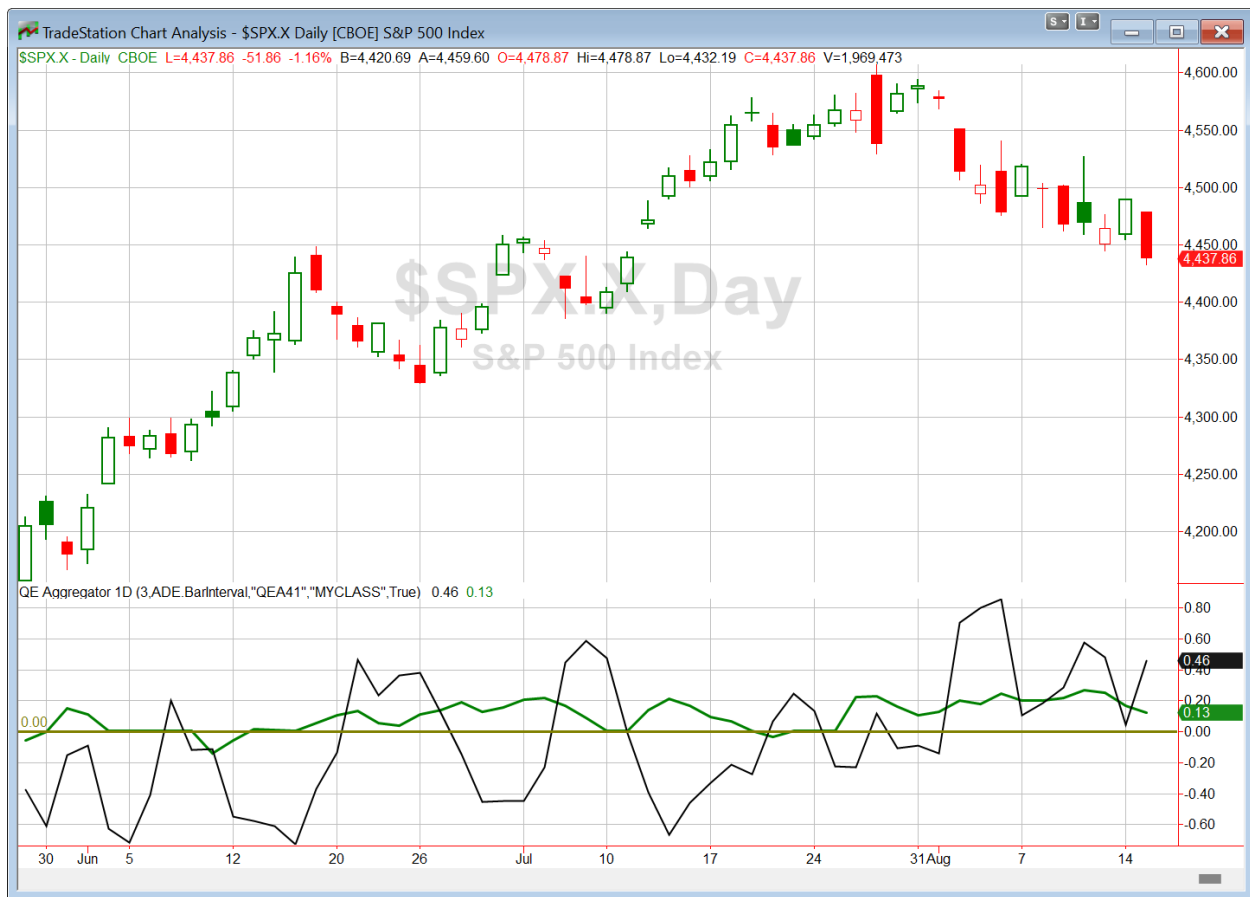
The SPX has not been able to string together a 2-day rally since the end of July. And Tuesday's drop was fairly sizable. The SPX closed down 1.2%, the NASDAQ lost 1.1%, and the Russell 2000 declined 1.3%. Breadth was negative with the NYSE Up Issues % coming in at 16% and the Up Volume % at 13%. NYSE total volume rose some from Monday's level..

Monday's rally attempt off the 20-day low did not last long. Tuesday's decline put the market at a new low, and also likely frustrated many bulls. Friday night we saw the study below trigger. It does not trigger very often. But it did again on Tuesday. It suggests that bulls should not be too frustrated and a bounce on Wednesday is likely. Stats are updated.



Results here remain compelling. I have again added this study to the Active List.

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



With tonight' 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 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 Wednesday. This is unlikely to change. Meanwhile, the Differential Pivot will be 4495.93 on Wednesday. That is 1.3% above Tuesday's close. Therefore, SPX will need to close up over 1.3% on Wednesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator formation is again bullish. Still, the market can't string together a rally that last more than a few hours. The setup still appears to favor the bulls, but I am still a little wary of getting over-extended when the market is continually failing to act according to historical norms. The CBI is starting to ramp up a little bit – hitting 6 today. If we don't get the expected bounce in the next couple of days, we could see a more substantial spike in the CBI. Anyway, I like the long side. I have some long index exposure. I intend to maintain it for now.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/14– neutral

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

F @ \$14.03 (bought @ limit)

AAPL @ \$181.99 (bought @ limit)

AAPL @ \$178.85 (bought @ limit)

SCHW @ \$61.78 (bought @ limit)

New

F @ \$11.98 (buy @ limit)

SCHW @ \$60.97 (buy @ limit)

Broad Market Large Cap CBI – 6(F-2, AAPL-2, SCHW-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.

SCHW – Buy 1/3 Catapult position @ \$60.97 LIMIT. From the Catapult section above, this is the 2nd of up to 3 possible lots of SCHW.

F – Buy 1/3 Catapult position @ \$11.98 LIMIT. From the Catapult section above, this is the 2nd of up to 3 possible lots of F.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
F(1/3)	7/21/2023	\$14.01	\$11.98	-14.49%	Catapult
SPY(1/4)	8/3/2023	\$448.04	\$442.89	-1.15%	Aggregator
SPY(1/4)	8/4/2023	\$446.81	\$442.89	-0.88%	Aggregator
<i>ABT(1/3)</i>	<i>8/4/2023</i>	<i>\$107.32</i>	<i>\$106.15</i>	<i>-1.09%</i>	<i>sold on open</i>
AAPL(1/3)	8/7/2023	\$181.99	\$177.45	-2.49%	Catapult
AAPL(1/3)	8/8/2023	\$178.85	\$177.45	-0.78%	Catapult
SCHW(1/3)	8/15/2023	\$61.00	\$60.97	-0.05%	Catapult

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