

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 30, 2023

Volume 16 Issue 166

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling directional clues emerged tonight. Several studies reached their targets. Evidence is now lacking.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. That is where I am as well.

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

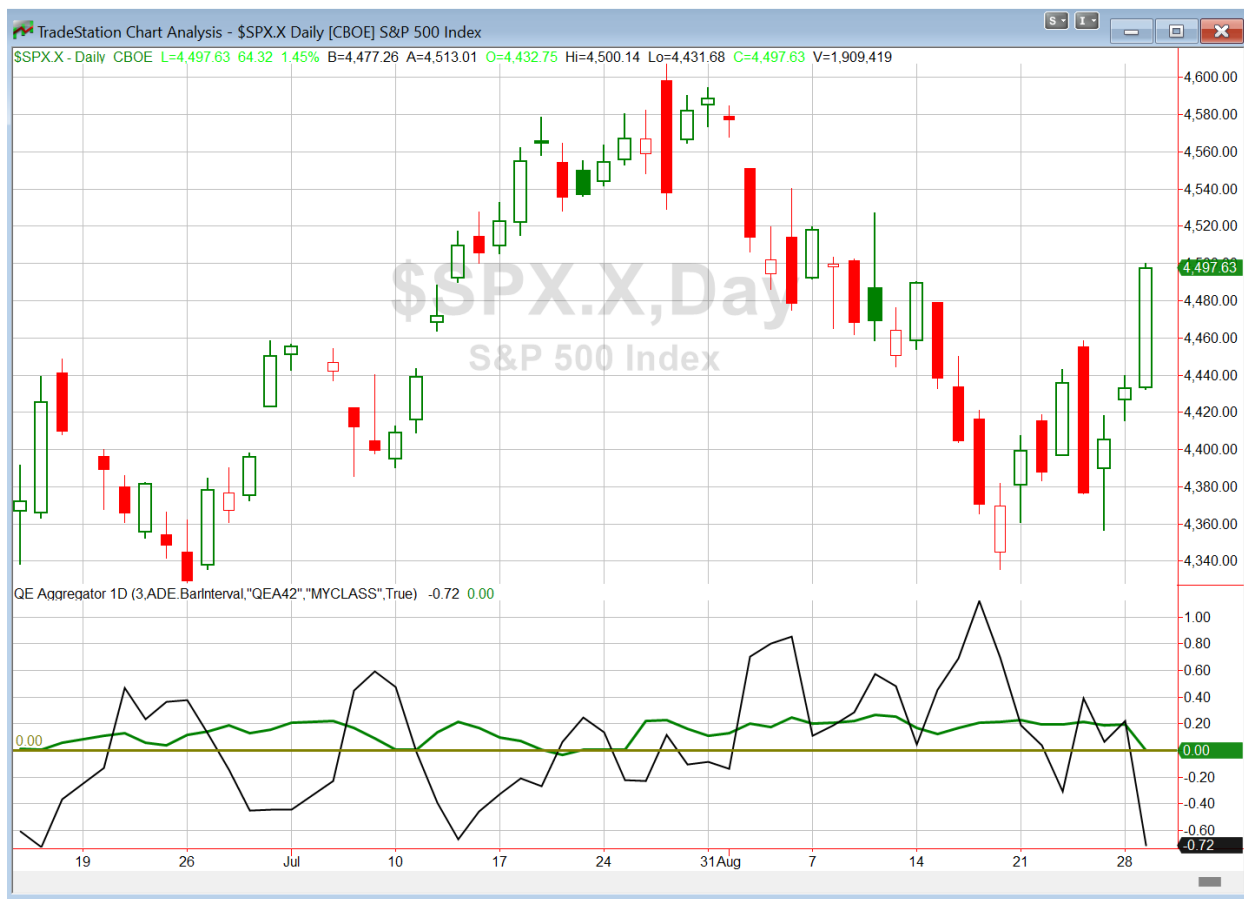
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
<i>None - all reached target areas</i>						
Active - Long Term						
August 15, 2023	20-low to 4-high.	1-20 days	Bullish	4.00%	-2.00%	-4.30%
August 14, 2023	NASDAQ Lagging	int term	Neutral			
May 22, 2023	SPX 50-day high < 1/2 SPX stocks > 50ma	1-12 months	Neutral			
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			
Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)						
August 28, 2023	Higher Hi cls dn. Lower low close up	1-5 days	Bullish	1.80%	-1.35%	-2.50%
August 28, 2023	CBI rises to 7 or higher	1-5 days	Bullish			
August 25, 2023	Up yest. Outside day down 1% today	1-4 days	Bullish	2.00%	-1.20%	-2.60%
August 23, 2023	20 low close. 3 closes in intraday range	1-5 days	Bullish	2.00%	-1.20%	-2.60%
August 21, 2023	4 Lower lows & lowest low 20	1-7 days	Bullish	2.20%	-1.65%	-3.40%
August 18, 2023	SPY closes btm 10% rng 2x in 3 days > 200	1-8 days	Bullish	2.90%	-1.30%	-2.80%

The Evidence

The market caught a strong bid on Tuesday and the indices finished nicely higher. The SPX rose 1.45%, the NASDAQ gained 1.7%, and the Russell 2000 climbed 1.4%. Breadth was positive with the NYSE Up Issues % coming in at 82% and the Up Volume % at 80%. NYSE total volume rose some from Monday's level.

The last 3 days have changed the picture dramatically. SPY has flipped from being near intermediate-term lows to now being in the top 25% of its 5, 10, and 20-day ranges. It is no longer oversold, and could be considered overbought in several short-term time frames. I am not seeing anything suggesting a high-probability edge for the next few days. It will be interesting to see how the market acts over the next several days, considering this is the 1st time it has been substantially short-term overbought in quite a while. A few more days like Tuesday and SPX will be busting through the July highs. But this could also easily be the counter-move that shakes out enough weak bears to allow the down-move to reassert itself in the coming days and weeks. I don't have a great insight into which outcome is more likely, so I won't be adding anything to the Active List tonight. Further, all the short-term bullish studies that were on the Active List either expired or reached their target levels and have been removed. So the list has very quickly turned from busy to blank. I will certainly be on the lookout for new and compelling evidence in the coming days.

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



With so much falling off the active list, the green Aggregator Line closed right at zero. Zero readings mean net expectations are flat over the next few days. Meanwhile the black Differential Line dropped below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are flat and SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines fail to close on the same side of zero. Therefore, the Aggregator formation turned flat at the close.

With the short-term active list now bare and the intermediate-term outlook neutral, expectations are slated to remain neutral on Wednesday. This could easily change depending on any new studies that emerge. Meanwhile, the Differential Pivot will be 4431.29 on Wednesday. That is 1.5% below Tuesday's close. Therefore, SPX would need to close down at least 1.5% on Wednesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator formation is neutral. Evidence is lacking. I flattened out my SPY position. The remaining Catapults all reached their exit triggers as well. This leaves the CBI at 0. I'm going to want to see some compelling evidence before I get back involved with some trades.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/28– neutral

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

None

Broad Market Large Cap CBI – 0

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
<i>SCHW(1/3)</i>	<i>8/15/2023</i>	<i>\$61.00</i>	<i>\$59.12</i>	<i>-3.08%</i>	<i>sold on open</i>
<i>SCHW(1/3)</i>	<i>8/16/2023</i>	<i>\$60.51</i>	<i>\$59.12</i>	<i>-2.30%</i>	<i>sold on open</i>
<i>SPY(1/4)</i>	<i>8/17/2023</i>	<i>\$439.64</i>	<i>\$443.25</i>	<i>0.82%</i>	<i>sold @ limit</i>
<i>SCHW(1/3)</i>	<i>8/17/2023</i>	<i>\$60.30</i>	<i>\$59.12</i>	<i>-1.96%</i>	<i>sold on open</i>
<i>CHTR(1/3)</i>	<i>8/23/2023</i>	<i>\$415.38</i>	<i>\$432.00</i>	<i>4.00%</i>	<i>sold on open</i>
ABBV(1/3)	8/24/2023	\$146.92	\$147.59	0.46%	<i>sell on open</i>
ABBV(1/3)	8/25/2023	\$146.63	\$147.59	0.65%	<i>sell on open</i>
AMGN(1/3)	8/28/2023	\$256.38	\$259.64	1.27%	<i>sell on open</i>

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