

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 29, 2023

Volume 16 Issue 186

Market Overview



Signals Overview

| Aggregator | CBI Reading |
|------------|-------------|
| Long | 6 |

Tonight's Research Points

- The 2-day bounce to this point appears favorable for the bulls short-term.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I like the long side.

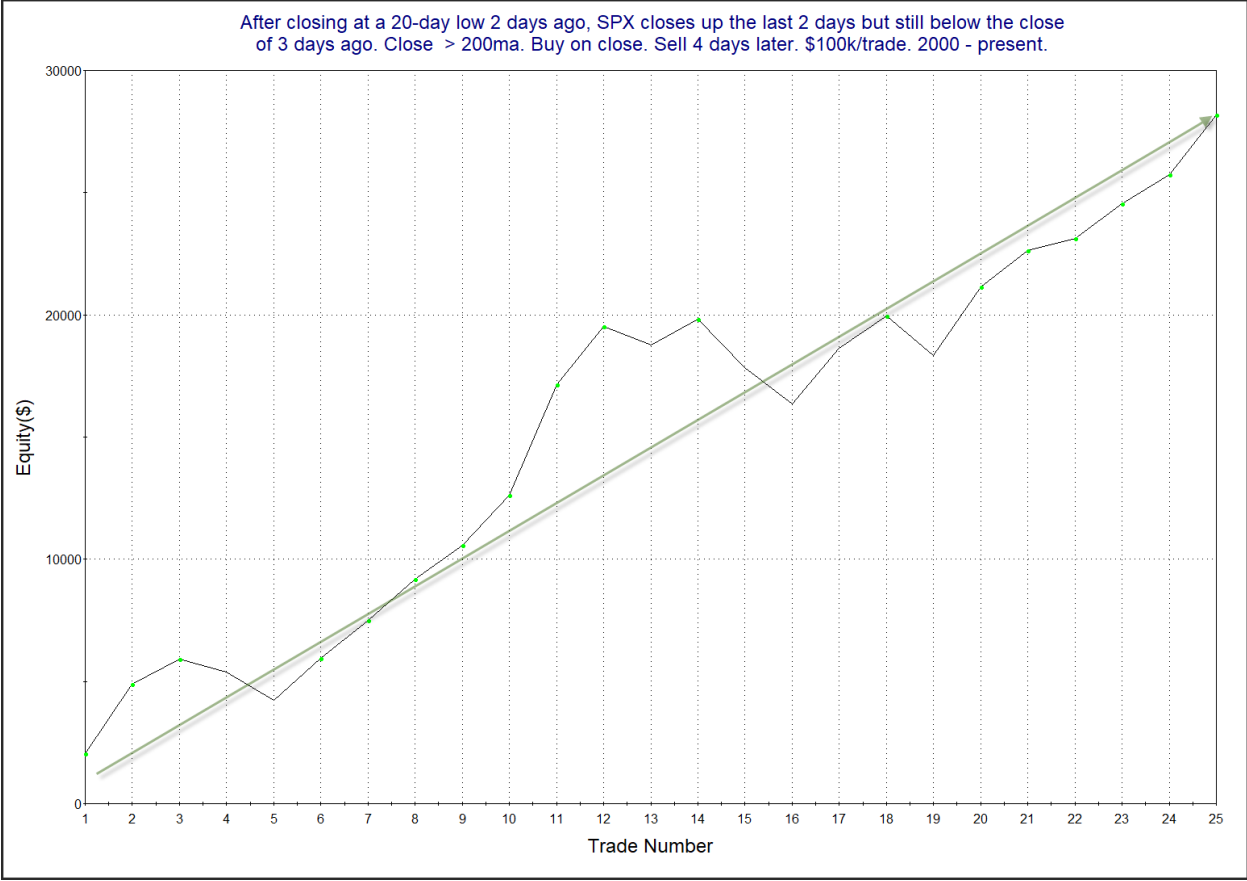
The Evidence

The market saw a bit of a rise on Thursday. The SPX closed up 0.6%, the NASDAQ gained 0.8%, and the Russell 2000 rallied 0.9%. Breadth was positive with the NYSE Up Issues % coming in at 65% and the Up Volume % at 70%. NYSE total volume declined some from Thursday's level.

The most compelling studies from the Quantifinder on Thursday looked at 2-day bounces from lows that failed to make up for the losses of the down day just prior. The one below was last seen in the 9/28/20 letter. The stats are all updated.

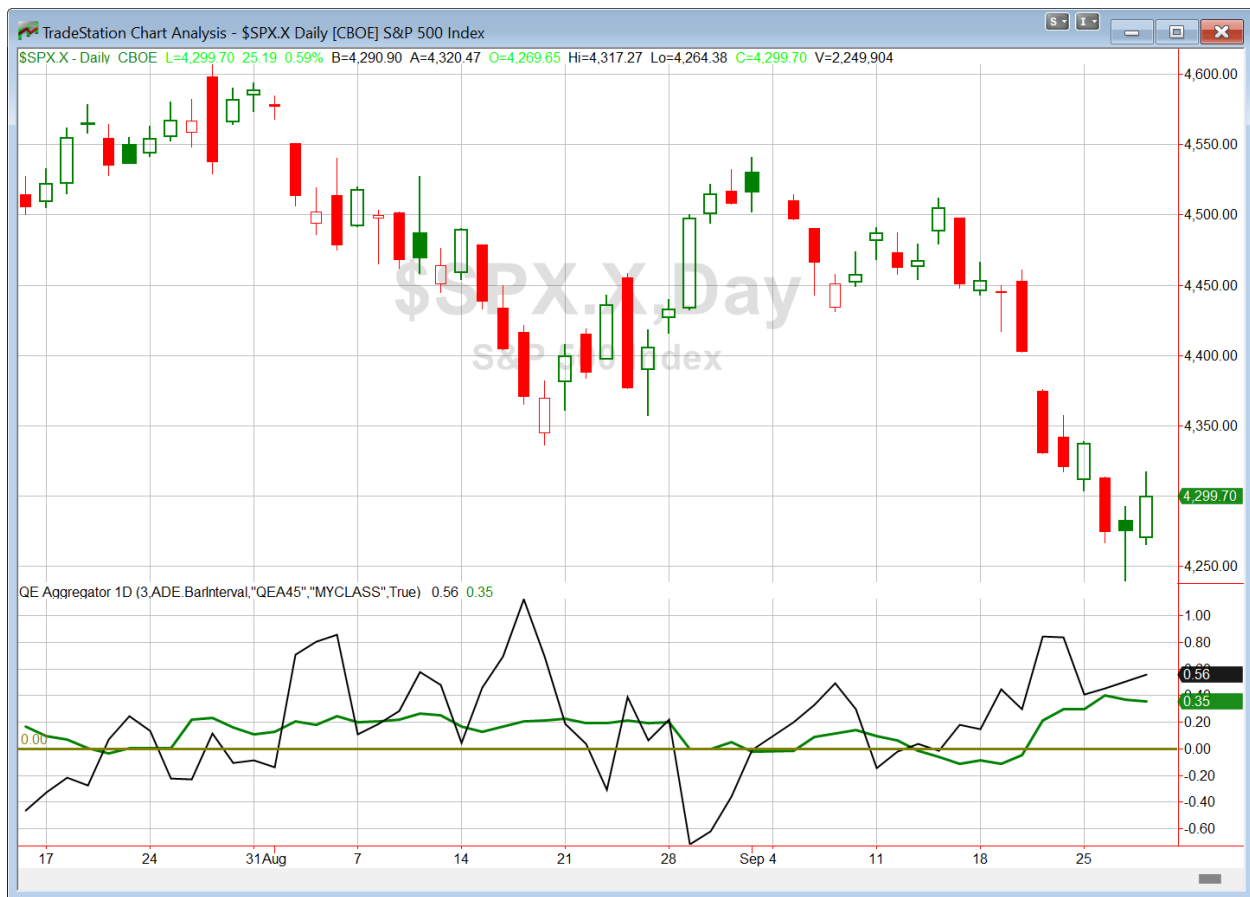
| After closing at a 20-day low 2 days ago, SPX closes up the last 2 days but still below the close of 3 days ago. Close > 200ma. Buy on close. Sell X days later. \$100k/trade. 2000 - present. | | | | | | | | | | | | |
|--|-----------------|-------------------|---------------------|--------------------|-------------------|------------------------|-----------------------|------------------------|-----------------------|---------------------|-------------------|----------------|
| 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 | 21,241.80 | 25 | 17 | 8 | 68.00 | 4,522.00 | -3,088.50 | 1,954.64 | -1,498.39 | 1.30 | 2.77 | 849.67 |
| 4 | 28,192.15 | 25 | 19 | 6 | 76.00 | 4,528.65 | -1,984.50 | 1,877.95 | -1,248.16 | 1.50 | 4.76 | 1,127.69 |
| 3 | 22,605.40 | 26 | 20 | 6 | 76.92 | 2,891.90 | -1,433.20 | 1,378.18 | -826.36 | 1.67 | 5.56 | 869.44 |
| 2 | 16,478.07 | 26 | 18 | 8 | 69.23 | 3,844.65 | -1,640.00 | 1,184.46 | -605.28 | 1.96 | 4.40 | 633.77 |
| 1 | 7,948.56 | 26 | 15 | 11 | 57.69 | 2,699.42 | -2,621.71 | 973.03 | -604.26 | 1.61 | 2.20 | 305.71 |

The numbers above appear compelling. Below is the 3-day profit curve.



This is an impressive looking curve that supports the bullish inclinations suggested by the numbers.

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



With tonight's evidence considered, the green Aggregator Line is again far above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line held 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 list of active studies, expectations are slated to remain positive on Friday. This is unlikely to change. Meanwhile, the Differential Pivot will be 4316.40 on Friday. That is 0.4% above Thursday's close. Therefore, SPX will need to close up at least 0.4% on Friday in order to flip from oversold to overbought vs recent expectations.

So the Aggregator formation is again bullish. Even with the move up the last 2 days, it looks like we should see more upside. I'm still long two lots of SPY. I will hold them another day and re-evaluate my position this weekend along with any new evidence that emerges.

Intermediate-term Outlook (2 weeks – 2 months) – updated 9/25 – neutral

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

BA – 1/3 @ \$199.95 (bought at limit)

BA – 1/3 @ \$197.71 (bought at limit)

NKE – 1/3 @ \$90.60 (bought at limit)

NKE – 1/3 @ \$90.17 (bought at limit)

NKE – 1/3 @ \$89.42 (bought at limit)

UNP - 1/3 @ \$202.40 (bought at limit)

Broad Market Large Cap CBI – 6(BA-2, NKE-3, UNP)

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 tonight.

Current Open Trade Ideas

| Symbol | Entry Date | Entry Price | Current Price | % Gain/Loss | Notes |
|-----------------|------------------|----------------|----------------|---------------|---------------------|
| SPY(1/4) | 9/21/2023 | \$431.39 | \$428.52 | -0.67% | Aggregator |
| BA(1/3) | 9/22/2023 | \$199.95 | \$190.43 | -4.76% | Catapult |
| CSCO(1/3) | 9/22/2023 | \$53.34 | \$53.88 | 1.01% | <i>sell on open</i> |
| RTX(1/3) | 9/22/2023 | \$72.61 | \$72.22 | -0.54% | sell on open |
| SPY(1/4) | 9/25/2023 | \$429.17 | \$428.52 | -0.15% | Aggregator |
| BA(1/3) | 9/25/2023 | \$196.84 | \$190.43 | -3.26% | Catapult |
| UPS(1/3) | 9/25/2023 | \$152.93 | \$155.50 | 1.68% | <i>sell on open</i> |
| RTX(1/3) | 9/25/2023 | \$71.30 | \$72.22 | 1.29% | sell on open |
| NKE(1/3) | 9/26/2023 | \$90.00 | \$89.63 | -0.41% | Catapult |
| NKE(1/3) | 9/27/2023 | \$90.17 | \$89.63 | -0.60% | Catapult |
| NKE(1/3) | 9/28/2023 | \$89.10 | \$89.63 | 0.59% | Catapult |
| UNP(1/3) | 9/28/2023 | \$202.40 | \$204.11 | 0.84% | Catapult |

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