

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 11, 2023

Volume 16 Issue 194

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- No compelling new evidence emerged on Tuesday.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Evidence is light and SPX is overbought. I'm not interested.

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						
October 10, 2023	SPX 50-low 4 ago. RSI2 up 85 since.	1-4 days	Bullish			
Active - Long Term						
October 9, 2023	NASDAQ Leading	int term	Bullish			
October 6, 2023	20-low. Up day. Then inside down.	1-10 days	Bullish	4.60%	-2.50%	-6.10%
October 2, 2023	SPX down 4 weeks but above 40-week ma	1-10 weeks	Bullish			
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)						
October 10, 2023	SPX 10-high. VIX up on Monday.	1 day	Bearish			
October 6, 2023	20-low. Up day. Then inside down.	1-3 days	Bullish	2.60%	-1.40%	-3.35%

The Evidence

The market posted solid gains on Tuesday. The SPX climbed 0.5%, the NASDAQ gained 0.6%, and the Russell 2000 rose 1.1%. Breadth was strong with the NYSE Up Issues % coming in at 73% and the Up Volume % at 81%. NYSE total volume rose some from Monday's level.

The past week we have seen SPX move from a 50-day low to a 10-day high as it has rebounded nicely. This is not surprising, since a week ago we were seeing a substantial amount of evidence suggesting a bounce. But tonight we are not seeing anything new and compelling. The Quantifinder came up dry. And other looks I had at similar 1-week moves from 50-day lows to 10-day highs showed no discernable edge. So I'm going to keep it short tonight. I will not be adding any new studies to the active list.

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



Without any new evidence making the cut tonight, the green Aggregator Line is again above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line remained below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of zero. Therefore, the Aggregator formation stayed flat at the close.

Based on the current list of active studies, expectations are slated to remain positive on Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 4337.02 on Wednesday. That is 0.5% below Tuesday's close. Therefore, SPX will need to close down at least 0.5% on Wednesday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator formation is neutral. There is nothing exciting me about taking on new short-term positions here. I am content to sit on my hands and wait for the next favorable reward/risk setup to emerge. And this ain't it.

Intermediate-term Outlook (2 weeks – 2 months) – updated 10/9– bullish

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

BMY – 1/3 @ \$56.42 (bought @ limit)

Broad Market Large Cap CBI – 1(BMY)

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
<i>BA(1/3)</i>	<i>9/22/2023</i>	<i>\$199.95</i>	<i>\$190.01</i>	<i>-4.97%</i>	<i>sold on open</i>
<i>BA(1/3)</i>	<i>9/25/2023</i>	<i>\$196.84</i>	<i>\$190.01</i>	<i>-3.47%</i>	<i>sold on open</i>
MMM(1/3)	10/5/2023	\$88.00	\$90.64	3.00%	<i>sell on open</i>
MMM(1/3)	10/6/2023	\$87.40	\$90.64	3.71%	<i>sell on open</i>
BMY(1/3)	10/6/2023	\$56.25	\$56.39	0.25%	Catapult
<i>LMT(1/3)</i>	<i>10/6/2023</i>	<i>\$395.40</i>	<i>\$441.52</i>	<i>11.66%</i>	<i>sold on open</i>
<i>RTX(1/3)</i>	<i>10/6/2023</i>	<i>\$69.10</i>	<i>\$73.46</i>	<i>6.31%</i>	<i>sold on open</i>

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