

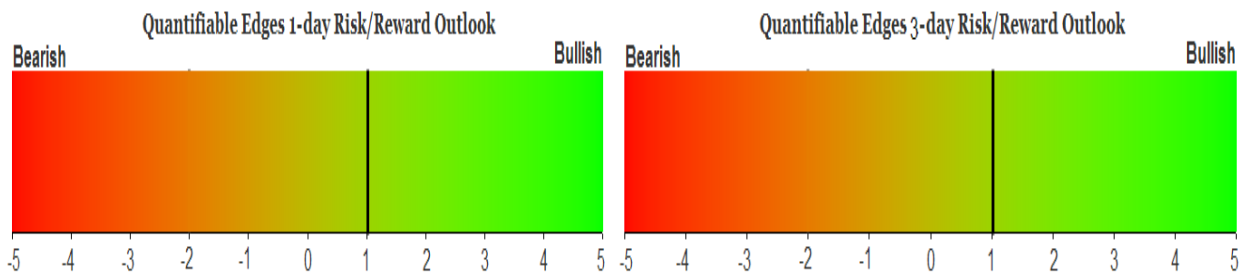
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 17, 2023

Volume 16 Issue 198

Market Overview



Signals Overview

| Aggregator | CBI Reading |
|------------|-------------|
| Long | 0 |

Tonight's Research Points

- No new compelling evidence emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. But the Differential Pivot is inverted. So a possible upside edge, but poor reward/risk.

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

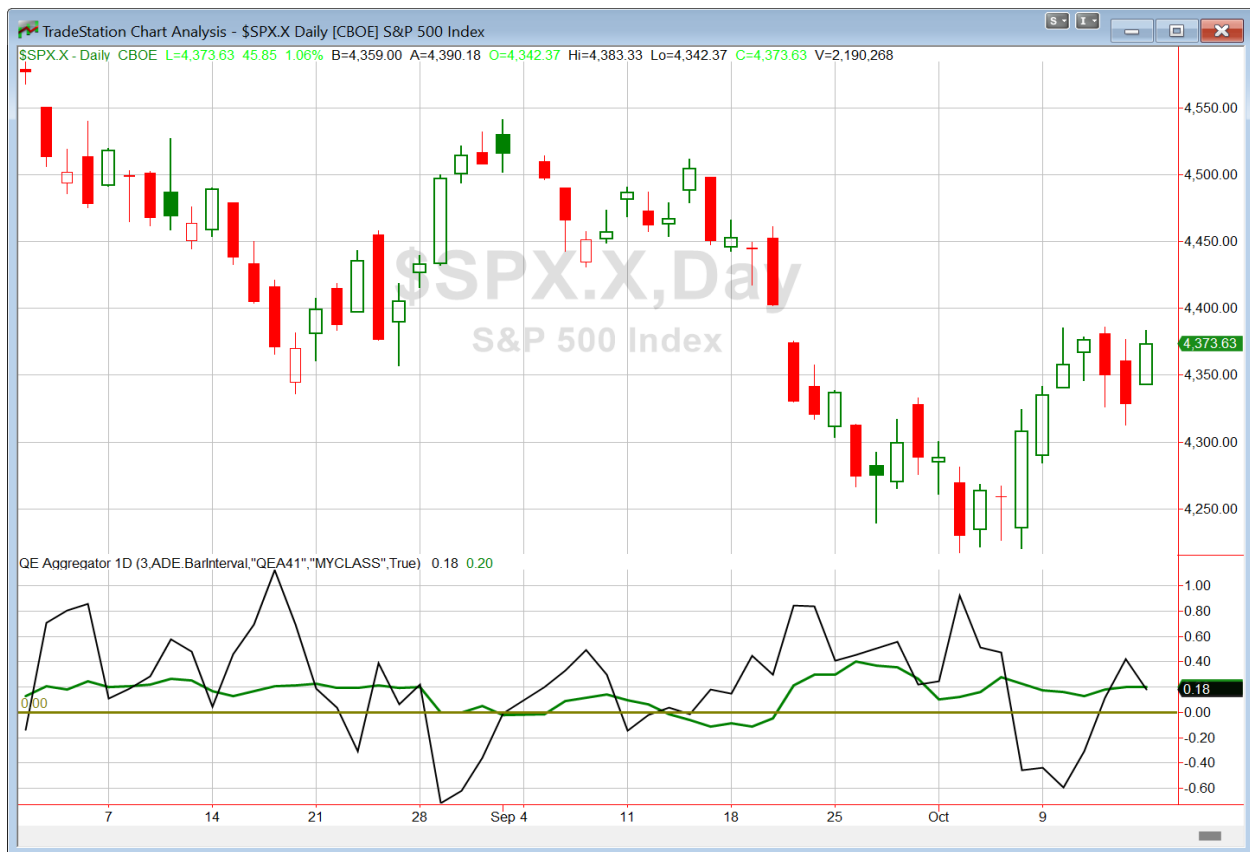
| Study Date | Description | Time span | Bias | Avg Run-up | Avg DrawDn | Avg DrawDn - 1 Std Dev |
|----------------------------|---|-------------|---------|------------|------------|------------------------|
| Active - Short Term | | | | | | |
| October 16, 2023 | October Opex week bullish | 1-4 days | Bullish | 2.15% | -1.25% | -2.70% |
| October 13, 2023 | 3-day hi, 3-day low, 3-day low close. | 1-5 days | Bullish | 1.90% | -1.20% | -2.25% |
| 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 | | | |

The Evidence

Monday saw the market gap higher and add to its gains during the day. The SPX closed up 1.1%, the NASDAQ jumped 1.2%, and the Russell 2000 rallied 1.6%. Breadth was strong with the NYSE Up Issues % coming in at 73% and the Up Volume % at 87%. NYSE total volume declined some from Friday's level.

Monday's rally mostly made up for the last two days of selling. But it did not do anything to trigger compelling studies. So tonight I am going to keep it very short. No new studies are being added to the active list.

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



Without any new studies making the cut, 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 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 Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *slightly inverted* at 4369.99 on Tuesday. That is 0.1% *below* Monday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX will need to close down about 0.1% in order to remain oversold vs recent expectations. Any flat or down close will cause SPX to flip to overbought.

So the Aggregator formation is bullish. But the inverted pivot means that upside will be limited to just one day. Any flat or up close, and SPX will change from oversold to overbought vs expectations. This limits upside potential and reduces reward/risk of a possible trade. I generally avoid taking new entries when there is an inverted pivot. And this time will NOT be an exception. I will wait for a more favorable entry opportunity to arrive.

Intermediate-term Outlook (2 weeks – 2 months) – updated 10/16– bullish

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 tonight.

Current Open Trade Ideas

| Symbol | Entry Date | Entry Price | Current Price | % Gain/Loss | Notes |
|----------|------------|-------------|---------------|-------------|---------------------|
| BMV(1/3) | 10/6/2023 | \$56.25 | \$57.17 | 1.64% | <i>sell on open</i> |
| | | | | | |
| | | | | | |

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