

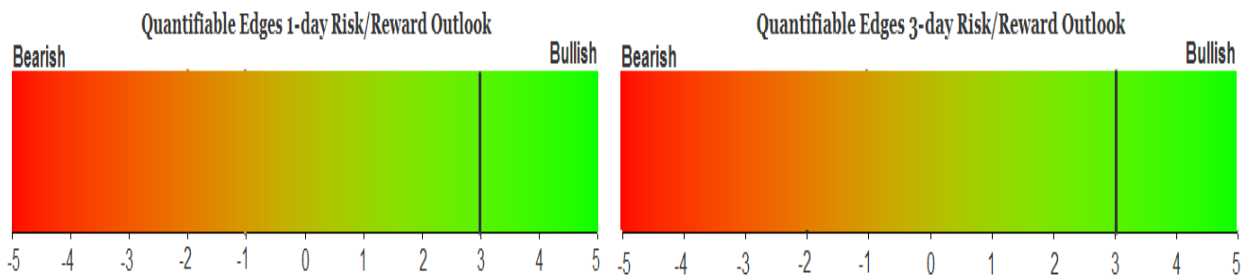
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 30, 2023

Volume 16 Issue 229

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- The slight dip occurring with strong breadth appears to be a positive.

Short-term Outlook

The Bottom Line

The Aggregator formation is bullish, and evidence is starting to build. There appears to be a moderate upside edge.

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						
November 30, 2023	5-day high with down close. Up Iss % > 60%	1-3 days	Bullish	1.60%	-0.90%	-2.10%
Active - Long Term						
November 22, 2023	5 up to 50-high then down 1	1-10 days	Bullish	1.80%	-1.10%	-2.30%
November 21, 2023	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.90%	-4.35%	-8.80%
November 17, 2023	SPX up & > 200. Up Vol % < 40%.	1-10 days	Bullish	2.10%	-1.60%	-3.40%
November 9, 2023	RSI(2) crosses over 99	1-15 days	Bullish			
November 8, 2023	SPX up 7 in a row and close > 200ma	1-20 days	Bullish	3.10%	-1.90%	-4.05%
November 7, 2023	Whaley ADT5 > 73.66	1-12 months	Bullish	25.20%	-8.10%	
November 6, 2023	5 higher closes. Up 3%. < 50-high.	1-15 days	Bullish	3.30%	-1.70%	-3.05%
November 6, 2023	Zweig Thrust	1-12 months	Bullish	29.00%	-3.20%	-7.00%
November 6, 2023	Best 6 Months	6 months	Bullish			
November 6, 2023	NASDAQ Leading	int term	Bullish			
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			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			

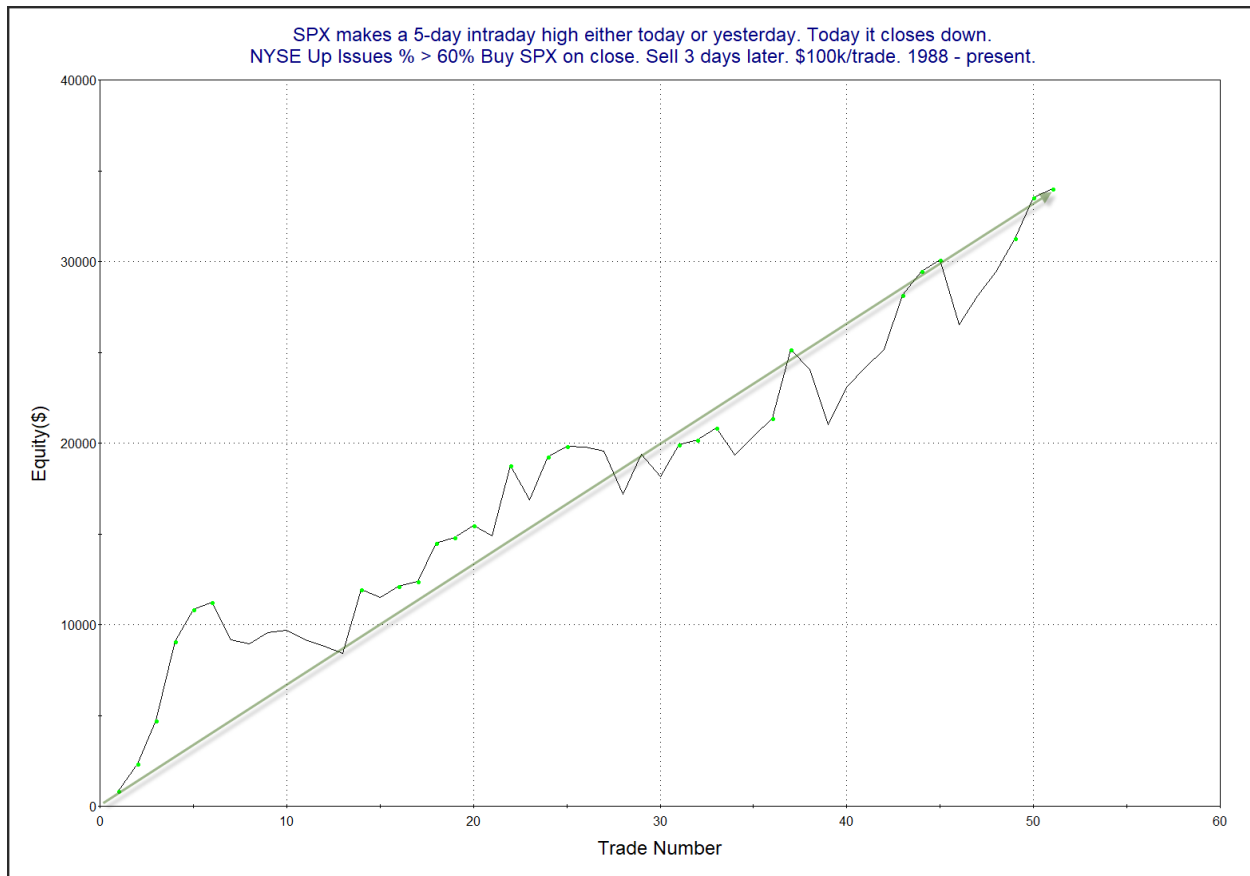
The Evidence

Wednesday started strong but finished near the lows of the day. The SPX closed down 0.1%, the NASDAQ lost 0.2%, and the Russell 2000 rose 0.6%. Breadth was positive with the NYSE Up Issues % coming in at 64% and the Up Volume % at 65%. NYSE total volume rose some from Tuesday's level.

The mild price changes failed to trigger much compelling new evidence. There was one study I found interesting which we last saw in the 7/27/23 letter. It examined other times the market made a recent short-term high, then pulled back but the breadth remained squarely positive. Results are updated below.

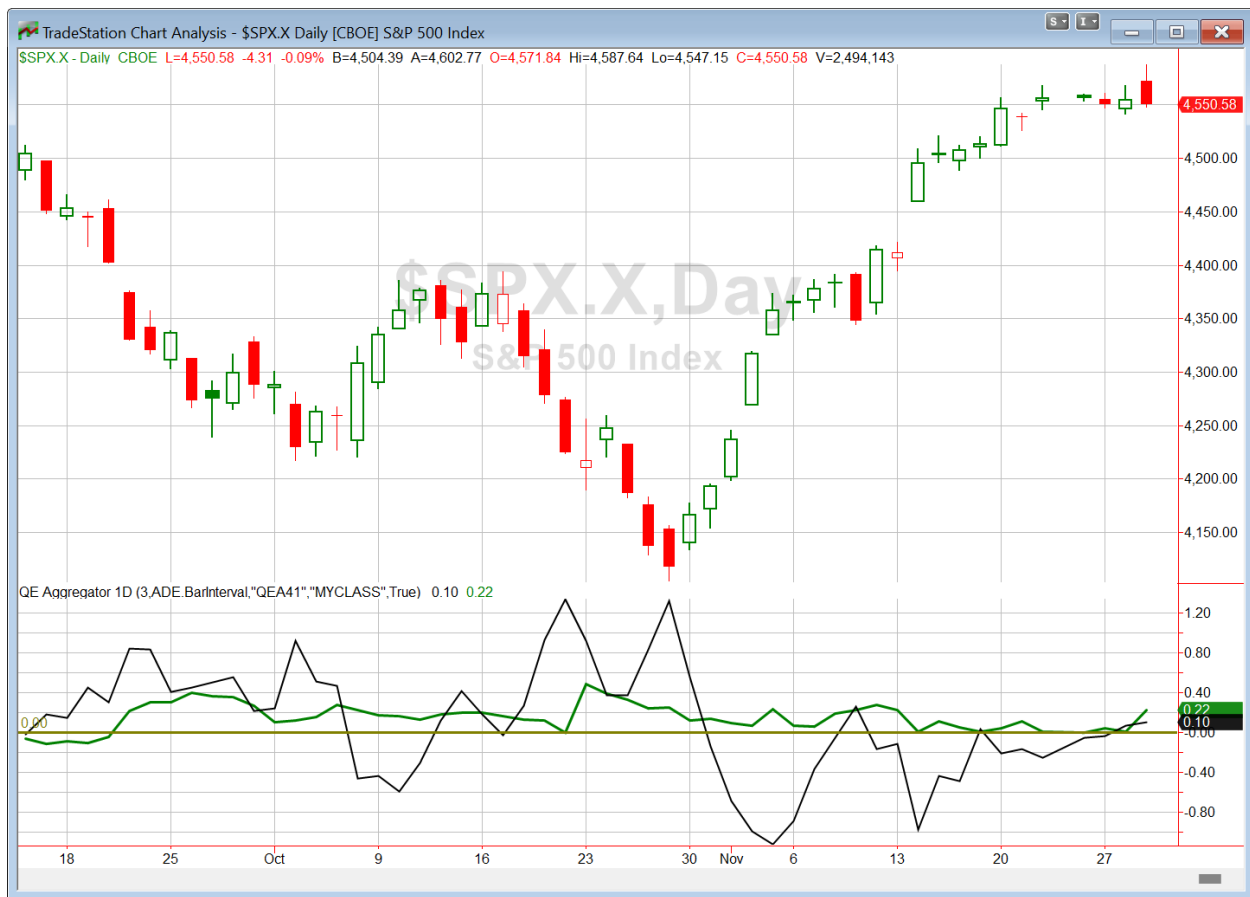
SPX makes a 5-day intraday high either today or yesterday. Today it closes down. NYSE Up Issues % > 60% Buy SPX on close. Sell X days later. \$100k/trade. 1988 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	17,029.52	48	31	17	64.58	4,586.15	-6,119.33	1,692.79	-2,085.11	0.81	1.48	354.78
4	39,200.12	51	33	18	64.71	8,095.62	-6,253.50	2,016.41	-1,518.97	1.33	2.43	768.63
3	33,999.47	51	35	16	68.63	4,370.82	-3,593.26	1,529.91	-1,221.70	1.25	2.74	666.66
2	23,573.40	51	34	17	66.67	4,825.17	-4,128.74	1,262.97	-1,139.26	1.11	2.22	462.22
1	19,774.43	51	30	21	58.82	3,351.09	-1,606.00	1,006.23	-495.84	2.03	2.90	387.73

This suggests a possible upside edge over the next few days. Below is a look at the 3-day profit curve.



The curve has sloped upwards for a long time and is back at new highs. This seems to offer some confirmation of the upside edge suggested by the stats table. I have included this study on the Active List tonight.

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



With tonight's evidence considered, the green Aggregator Line held above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line also closed above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is relatively 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 set to remain positive on Thursday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will 4552.59 on Thursday. That is less than 0.1% above Wednesday's close. Therefore, SPX will only need to close up about 0.1% in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is long. And we are starting to see some upside evidence emerge. But potential reward is quite limited. Basically any up close on Thursday will turn SPX overbought and mean the end to the bullish Aggregator formation. So reward/risk is not very strong. Therefore, I won't look to get long right away here. But I will take on some SPY exposure if the market closes down much on Thursday.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 11/27– **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.

SPY – Buy ¼ index position @ \$454.00 LIMIT ON CLOSE. Based on the short-term outlook above, I will look to take on a small amount of SPY if it closes down a bit on Thursday.

Current Open Trade Ideas

None

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