

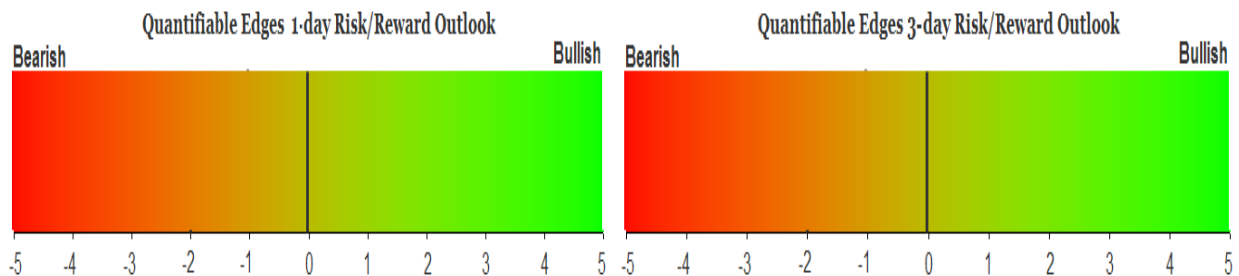
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 10, 2024

Volume 17 Issue 7

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	2

Tonight's Research Points

- The CBI has fallen from 11 to 2 in the last two days. The oversold condition is no longer present and there no longer appears to be a substantial short-term edge.

Short-term Outlook

The Bottom Line

The Aggregator is neutral and short-term evidence is lacking. I don't see a strong edge.

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

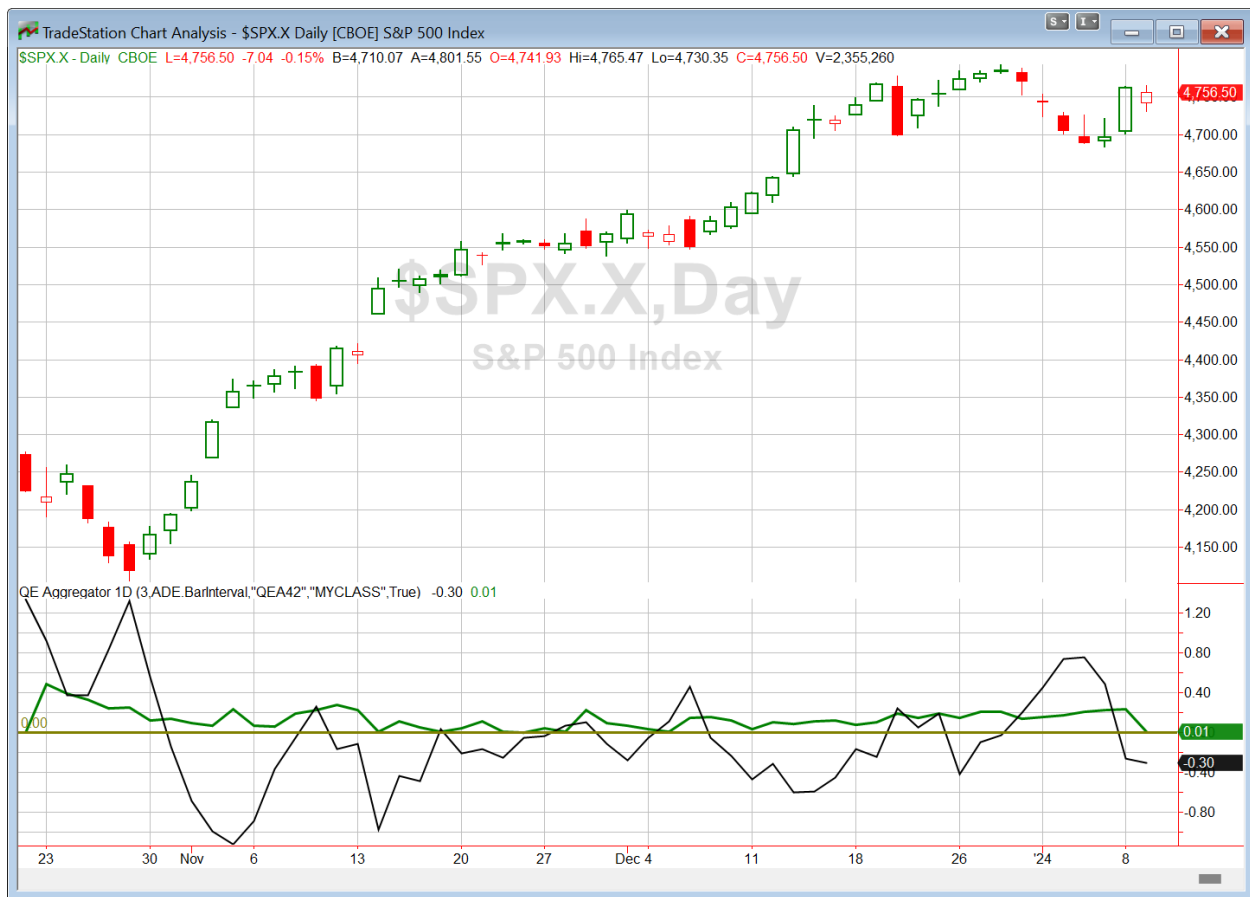
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
January 8, 2024	CBI 11+	1-20 days	Bullish	5.90%	-4.30%	-9.65%
January 2, 2024	5 up to 50-high then down.	1-10 days	Bullish	1.80%	-1.10%	-2.30%
December 27, 2023	%SPX > 50 moves frm 15% > 90% in 50 dys	1-6 months	Bullish			
December 21, 2023	SPX 20-day intra high. NDX worst dn in 20	1-50 days	Bullish			
December 21, 2023	SPX 20-day intra high. Close btm 10% rng	1-10 days	Bullish			
December 18, 2023	Dow up 7 days in a row	1-19 days	Bullish	3.30%	-1.50%	-2.70%
December 14, 2023	RSI(2) crosses over 99	1-15 days	Bullish			
November 21, 2023	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.90%	-4.35%	-8.80%
November 7, 2023	Whaley ADT5 > 73.66	1-12 months	Bullish	25.20%	-8.10%	
November 6, 2023	Zweig Thrust	1-12 months	Bullish	29.00%	-3.20%	-7.00%
November 6, 2023	Best 6 Months	6 months	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			
Dropped Tonight (expired, tgt hit, or avg ddn + 1 std dev exceeded)						
January 8, 2024	CBI 10+	1-8 days	Bullish			
January 4, 2024	3 down from 50-high < 10ma > 10-low	1-4 days	Bullish			

The Evidence

Tuesday saw mixed results. The SPX finished down 0.15%, the NASDAQ rose 0.1%, and the Russell 2000 fell 1.05%. Breadth was weak with the NYSE Up Issues % coming in at 30% and the Up Volume % at 24%. NYSE total volume declined for the 3rd day in a row.

The mixed action did not trigger anything in the Quantifinder tonight. The most significant development for me was the CBI dropping down to a neutral reading of 2. We saw a quick spike last week from 0 to 11 in 3 days, and in the last 2 days it has quickly reverted to 2. So there no longer appears to be a short-term edge based on the CBI. Therefore, I have removed the CBI study from the Short-Term Active List. And with the other short-term study expiring on Tuesday, that is leaving the list bare. Of course there are still many intermediate-term studies active, and most of them are bullish.

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



With the short-term active list now bare, the green Aggregator Line remained just slightly above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line held 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 active studies, expectations are set to remain positive on Wednesday. Of course any new evidence that emerges over the next few days will have a sizable impact on expectations. Meanwhile, the Differential Pivot will be 4725.39 on Wednesday. That is 0.65% below Tuesday's close. Therefore, SPX will need to close down at least 0.65% on Wednesday in order to flip from overbought to oversold vs recent expectations.

So the Aggregator is neutral. The CBI spike has resolved back to a neutral reading. Short-term evidence is lacking, and the SPX is overbought. Nothing seems to suggest a strong edge. So I will look to exit the rest of my index position, and then wait for the next favorable reward/risk opportunity to arise.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 1/9 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

BA @ \$243.91 (buy @ limit) – *not filled – cancel for now*

UNP @ \$239.91 (bought @ limit)

Broad Market Large Cap CBI – 2(BA, 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)	1/2/2024	\$472.65	\$471.87	-0.17%	<i>sold on open</i>
SPY(1/4)	1/3/2024	\$468.79	\$473.88	1.09%	<i>sell on open</i>
ACN(1/3)	1/4/2024	\$337.92	\$342.75	1.43%	<i>sell on open</i>
AVGO(1/3)	1/4/2024	\$1,057.96	\$1,065.62	0.72%	<i>sold on open</i>
CRM(1/3)	1/4/2024	\$251.83	\$259.50	3.05%	<i>sold on open</i>
ACN(1/3)	1/5/2024	\$337.09	\$342.75	1.68%	<i>sell on open</i>
AVGO(1/3)	1/5/2024	\$1,049.01	\$1,065.62	1.58%	<i>sell on open</i>
CRM(1/3)	1/5/2024	\$251.21	\$259.50	3.30%	<i>sold on open</i>
QCOM(1/3)	1/5/2024	\$136.16	\$139.89	2.74%	<i>sell on open</i>
UNP(1/3)	1/8/2024	\$239.17	\$237.41	-0.74%	Catapult

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