

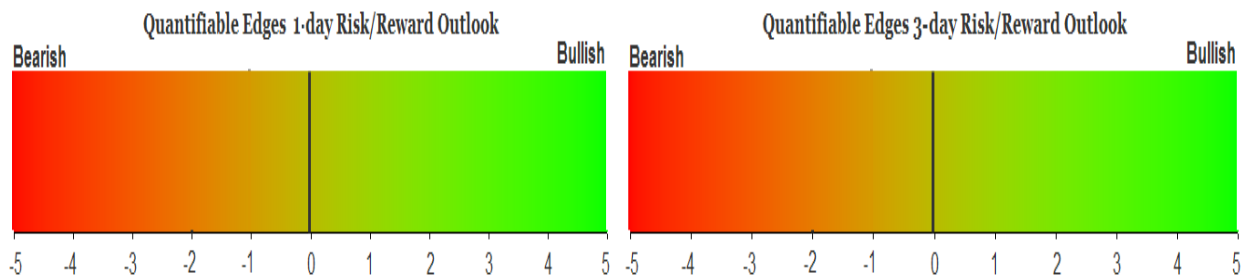
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 24, 2024

Volume 17 Issue 16

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	5

## Tonight's Research Points

- No new compelling evidence emerged on Tuesday.

## *Short-term Outlook*

### *The Bottom Line*

Despite the persistent rise over and overbought condition, all the short-term evidence remains bullish. This leaves me neutral.

**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
<b>Active - Short Term</b>						
January 23, 2024	3 days up. 200-day high on a Monday.	1-2 days	Bullish			
January 23, 2024	Unfilled gap up. 20-day high. Close < open	1-3 days	Bullish			
January 22, 2024	SPY Breakaway Gap	1-5 days	Bullish			
January 17, 2024	CBI 10+	1-8 days	Bullish			
<b>Active - Long Term</b>						
January 17, 2024	CBI 11+	1-20 days	Bullish	5.90%	-4.30%	-9.65%
January 16, 2024	NASDAQ Leading	int term	Bullish			
January 16, 2024	RUT btm 25% 20-day rng. SPX top 25%	1-40 days	Bullish	5.20%	-3.40%	-6.70%
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			
November 21, 2023	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.90%	-4.35%	-8.80%
November 7, 2023	Whaley ADT <sub>5</sub> > 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			

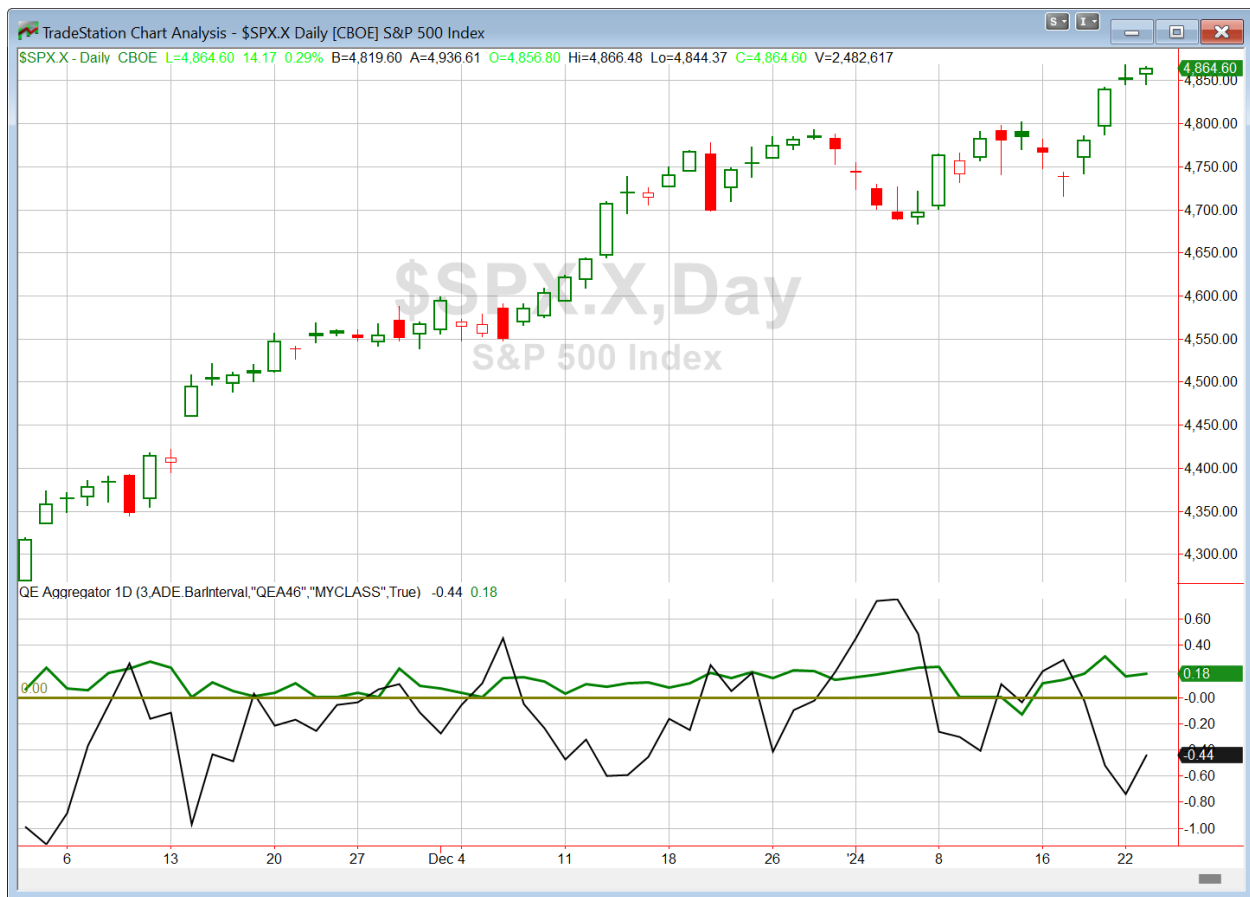
**The Evidence**

Tuesday was mixed and muted. The SPX closed up 0.3%, the NASDAQ gained 0.4%, and the Russell 2000 declined 0.4%. Breadth was mixed with the NYSE Up Issues % coming in at 48% and the Up Volume % at 60%. NYSE total volume declined some from Monday's level.

This is going to be a short letter, since nothing terribly interesting occurred. The rally continued, and the CBI dropped from 8 down 5. It seemed odd to see such a sizable spike last week when it reached 11 then 17 then 21 and the market had barely sold off. But that turned out to be a strong signal, since the market has now rallied 4 days in a row and made new all-time highs. Five is just about neutral. I sometimes will consider it mildly bullish. But coming all the way down from 21, the large majority of the Catapults have reached their exit signals. And the last few won't need much more of a bounce in order to close out.

Bo new studies are being added to the active list tonight.

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



With tonight's evidence considered, the green Aggregator Line remained 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 list of active studies, expectations are slated to remain positive on Wednesday. This is unlikely to change. Meanwhile, the Differential Pivot will be *slightly inverted at 4870.79* on Wednesday. That is 0.1% *above* Tuesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up a little over 0.1% in order to remain overbought vs recent expectations. Anything less than that and it will flip to oversold as of Wednesday's close.

So the Aggregator is again neutral. While the market is overbought, all the short-term evidence remains bullish. This is still not a favorable reward/risk opportunity. I'll continue to wait for a more compelling setup before looking to take on my next index trade.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 1/22 – **bullish***

### Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

#### *Open Catapult Triggers*

CVS @ \$76.56 (bought @ limit)

SCHW @ \$64.31 (bought @ limit)

USB @ \$41.38 (bought @ limit)

USB @ \$40.82 (bought @ limit)

USB @ \$40.15 (bought @ limit)

#### *Broad Market Large Cap CBI – 5(CVS, SCHW, USB-3)*

### 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
CVS(1/3)	1/16/2024	\$76.56	\$75.10	-1.91%	Catapult
<b>BAC(1/3)</b>	<b>1/17/2024</b>	<b>\$31.72</b>	<b>\$32.54</b>	<b>2.59%</b>	<b>sold on open</b>
MS(1/3)	1/17/2024	\$84.85	\$86.74	2.23%	<i>sell on open</i>
SCHW(1/3)	1/17/2024	\$60.93	\$63.92	4.91%	Catapult
USB(1/3)	1/17/2024	\$41.35	\$41.97	1.50%	Catapult
<b>CAT(1/3)</b>	<b>1/18/2024</b>	<b>\$277.35</b>	<b>\$290.50</b>	<b>4.74%</b>	<b>sold on open</b>
<b>BAC(1/3)</b>	<b>1/18/2024</b>	<b>\$31.75</b>	<b>\$32.54</b>	<b>2.49%</b>	<b>sold on open</b>
MS(1/3)	1/18/2024	\$84.41	\$86.74	2.76%	<i>sell on open</i>
USB(1/3)	1/18/2024	\$40.82	\$41.97	2.82%	Catapult
<b>COF(1/3)</b>	<b>1/19/2024</b>	<b>\$124.92</b>	<b>\$130.18</b>	<b>4.21%</b>	<b>sold on open</b>
<b>BAC(1/3)</b>	<b>1/19/2024</b>	<b>\$31.73</b>	<b>\$32.54</b>	<b>2.55%</b>	<b>sold on open</b>
MS(1/3)	1/19/2024	\$83.90	\$86.74	3.38%	<i>sell on open</i>
USB(1/3)	1/19/2024	\$40.15	\$41.97	4.53%	Catapult

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