

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

February 22, 2024

Volume 17 Issue 36

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- No compelling new evidence emerged on Wednesday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I am still not terribly excited.

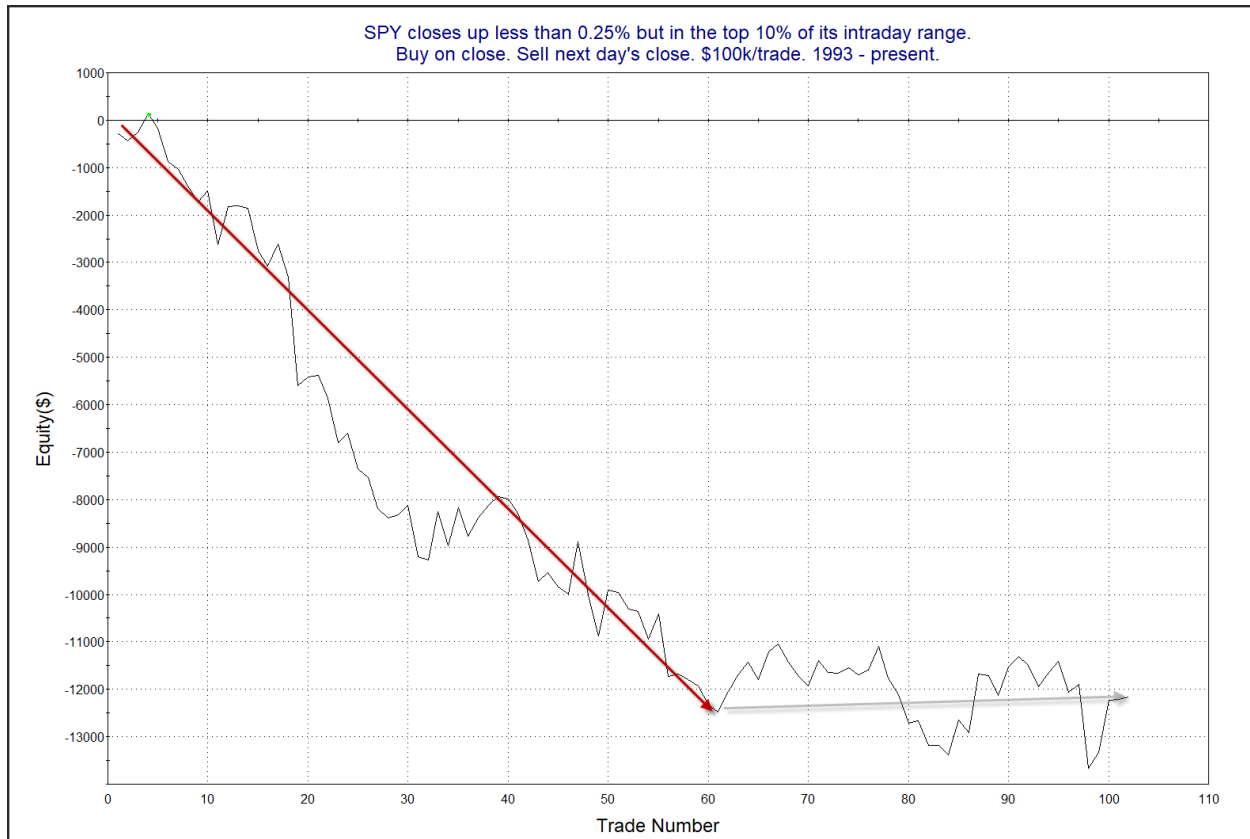
Summary of Current Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
February 15, 2024	1-yr Up Issue % Rank > 90% 2x. SPX 50-hi	1-7 days	Bullish	2.00%	-1.30%	-2.90%
Active - Long Term						
February 12, 2024	SPX 50-day %b > 100	1-50 days	Bullish	4.90%	-4.40%	-9.00%
February 2, 2024	SPX up > 15% last 3 months	1-6 months	Bullish			
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 7, 2023	Whaley ADT ₅ > 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

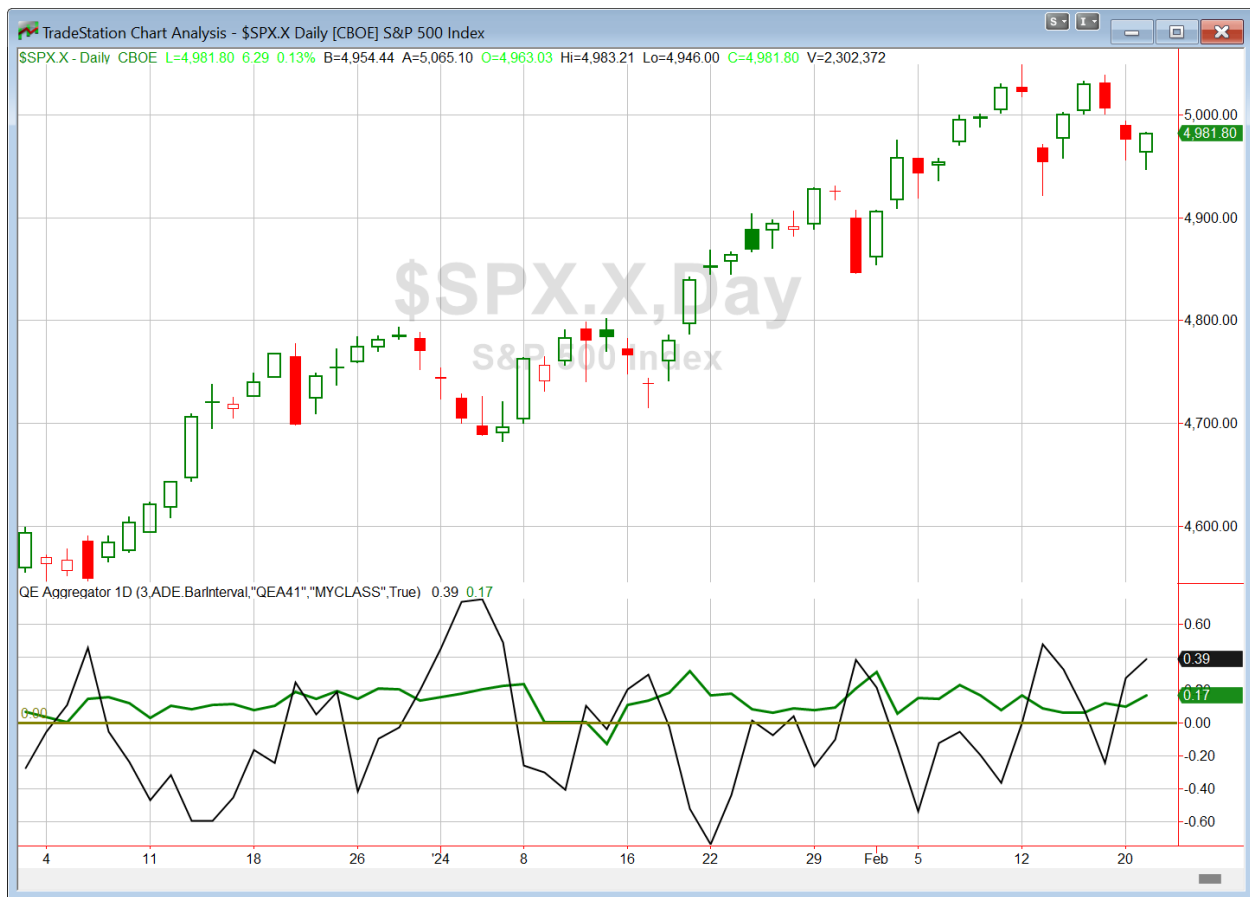
Wednesday started weak, but a late buying spree left the indices mixed. SPX closed up 0.1%, the NASDAQ fell 0.3%, and the Russell 2000 dropped 0.5%. Breadth was mixed with the NYSE Up Issues % coming in at 49% and the Up Volume % at 55%. NYSE total volume declined some from Tuesday's level.

Seeing SPY close near the top of its intraday range, but only up a small amount on the day used to be something that seemed to suggest a downside edge for the following day. This can be seen in the study below, updated from back in the 12/6/19 letter. It looks for SPY to close in the top 10% of its intraday range, but post a gain of less than 0.25%.



After posting persistent losses for the 1st 60 instances, the last 40 or so instances have seen no progress. This study does not appear worth consideration, and I have not included it on the active list tonight. Unfortunately, I am again not seeing anything suggestive of a substantial edge. The chop we have seen over the last couple of weeks has not done much to generate compelling evidence and Wednesday's action saw that continue.

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



Without any new evidence to consider, 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 remained 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 Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5017.75 on Thursday. That is 0.7% above Wednesday's close. Therefore, SPX will need to close up a little over 0.7% on Thursday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is again bullish. But again we seem to be lacking new evidence that would support the bullish outlook. So it is tough to get excited about taking on new exposure. I'll also note that the reaction to NVDA's earnings after the bell was very positive, and the market will likely open strong on Thursday. I'm not sure where it will close, but I am not inclined to chase in this choppy environment. So I will remain sidelined, patient, and observant for the time being.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 2/20 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

AMGN @ \$291.12 – bought @ Limit

Broad Market Large Cap CBI – 1(AMGN)

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.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
AMGN(1/3)	2/12/2024	\$289.97	\$285.76	-1.45%	*dividend adjusted price

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