

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 10, 2024

Volume 17 Issue 69

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	1

## Tonight's Research Points

- CPI has not been as volatile in the 2023-2024 as it was in 2022, but there is still potential for an outsized move if the release is not at expectations.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. I'm inclined to see how Wednesday plays out and what new evidence emerges before looking to possibly take on a new index trade.

**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>						
April 9, 2024	SPY up 2 < 3 ago.	1-2 days	Bullish			
April 8, 2024	10-low yest. Unfill up < 10ma > 200 today	1-5 days	Bullish	1.60%	-1.60%	-2.90%
April 5, 2024	Outside Day Cls Btm 10% 10-day rng > 200	1-6 days	Bullish			
April 5, 2024	Up < 50-high Yest. 3HiLoCls > 200	1-4 days	Bullish			
April 5, 2024	1st 10-low close in 30+ days	1-8 days	Bullish			
<b>Active - Long Term</b>						
March 4, 2024	Jan & Feb both close positive	1-10 months	Bullish			
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			
December 27, 2023	%SPX > 50 moves frm 15% > 90% in 50 dys	1-6 months	Bullish			
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 finished with moderate gains, but it took a big round-trip to get there. SPX closed up 0.14%, the NASDAQ gained 0.32%, and the Russell 2000 rose 0.34%. Breadth was positive with the NYSE Up Issues % coming in at 57% and the Up Volume % at 66%. NYSE total volume declined some for the 5<sup>th</sup> day in a row.

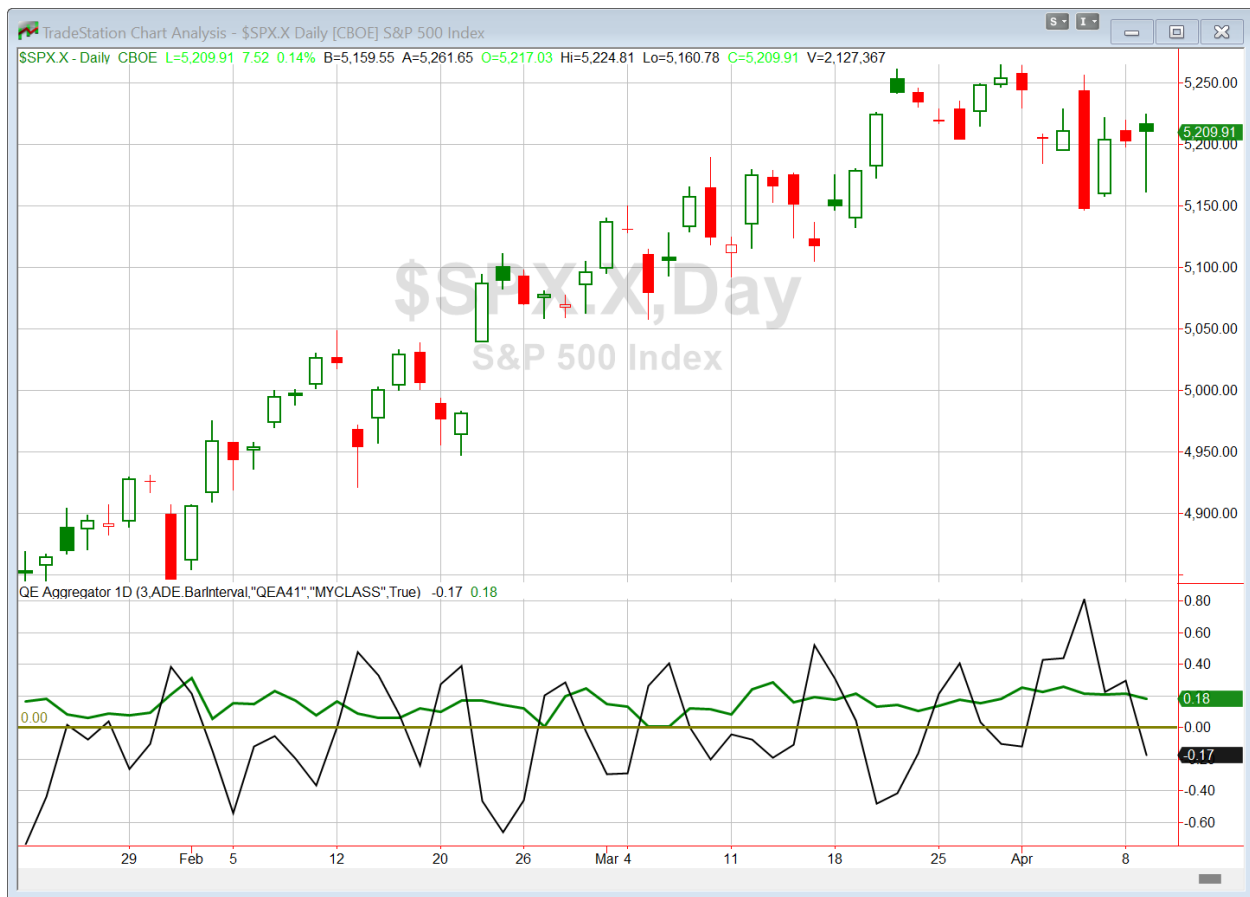
The mild changes did nothing to trigger compelling studies in the Quantifinder. And tomorrow might be more about reaction to the CPI than any lead-up action we have seen so far. The CPI report caused some monster moves in 2022. In 2023 reactions were still notable, but less than half of what they'd been during the last 8 months of 2022. So far 2024 is following 2023-type levels. This can all be seen in the table below.

### CPI Release Date Stats since 2022 Rate Increases Began

Reference Month	Release Date	SPX True Range	SPX True Range	
			as % of Close	SPX % Change
Apr-22	May 11, 2022	120.27	3.06	-1.65%
May-22	June 10, 2022	117.66	3.02	-2.91%
Jun-22	July 13, 2022	70.37	1.86	-0.45%
Jul-22	August 10, 2022	88.56	2.1	2.13%
Aug-22	September 13, 2022	189.13	4.81	-4.32%
Sep-22	October 13, 2022	193.83	5.28	2.60%
Oct-22	November 10, 2022	209.76	5.3	5.54%
Nov-22	December 13, 2022	110.4	2.75	0.73%
Dec-22	January 12, 2023	60.2	1.51	0.34%
Jan-23	February 14, 2023	64.76	1.57	-0.03%
Feb-23	March 14, 2023	81.87	2.08	1.65%
Mar-23	April 12, 2023	47.43	1.16	-0.41%
Apr-23	May 10, 2023	55.36	1.34	0.45%
May-23	June 13, 2023	36.44	0.83	0.11%
Jun-23	July 12, 2023	49.08	1.1	0.70%
Jul-23	August 10, 2023	69.45	1.55	0.03%
Aug-23	September 13, 2023	25.87	0.58	0.12%
Sep-23	October 12, 2023	60.42	1.39	-0.62%
Oct-23	November 14, 2023	97.12	2.16	1.91%
Nov-23	December 12, 2023	35.84	0.77	0.46%
Dec-23	January 11, 2024	58.92	1.23	-0.10%
Jan-24	February 13, 2024	101.53	2.05	-1.40%
Feb-24	March 12, 2024	65.39	1.26	1.10%
	<b>Average</b>	<b>87.38</b>	<b>2.12</b>	<b>0.22%</b>
	<b>May - Dec 2022 Release Date Avg</b>	<b>137.50</b>	<b>3.52</b>	<b>0.21%</b>
	<b>2023 Release Date Avg</b>	<b>56.99</b>	<b>1.34</b>	<b>0.39%</b>
	<b>2024 Release Date Avg</b>	<b>75.28</b>	<b>1.51</b>	<b>-0.13%</b>
	<b>All other days ATR since 5/11/22</b>	<b>69.61</b>		

Obviously, a surprise CPI number could garner a strong reaction. I'm fine waiting for that reaction before making any big capital commitments.

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



Without any new studies making the active list tonight, 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 dropped 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 turned flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Wednesday. This is unlikely to change. Meanwhile, the Differential Pivot will be *inverted* at 5239.78 on Wednesday. That is 0.6% *above* Tuesday'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 up at least 0.6% in order to remain overbought. Anything other than that and it will flip to oversold versus recent expectations as of Wednesday's close.

So the Aggregator is now flat. Short-term evidence is still pointing higher, but the CPI wildcard could cause a sizable reaction in either direction on Wednesday. I exited my small SPY position on Tuesday. I'll wait to see how Wednesday plays out before considering another index trade.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 4/8 – **bullish***

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

### ***Open Catapult Triggers***

NVDA – 1/3 @ \$859.05 (buy @ limit) – *not filled, look for potential entry on Wednesday*

### ***Broad Market Large Cap CBI – 1(NVDA)***

## **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.*

**NVDA – But 1/3 Catapult position @ \$853.54 LIMIT.** There was no fill on this a few days ago when it first triggered. NVDA dipped again, and I will look to take it on Wednesday if I can get filled at Tuesday’s closing price or better.

## **Current Open Trade Ideas**

<b>Symbol</b>	<b>Entry Date</b>	<b>Entry Price</b>	<b>Current Price</b>	<b>% Gain/Loss</b>	<b>Notes</b>
<i>SPY(1/4)</i>	<i>4/3/2024</i>	<i>\$517.72</i>	<i>\$520.50</i>	<i>0.54%</i>	<i>sold on open</i>

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