

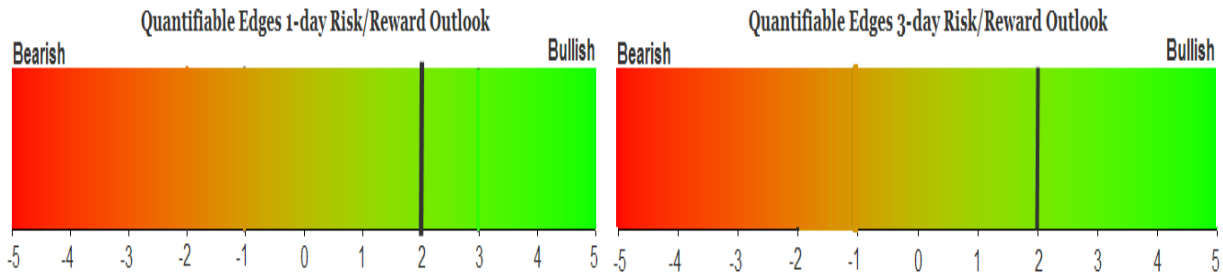
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 11, 2024

Volume 17 Issue 70

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- CPI came in hot and the market did not like that. Lately we have more often seen additional selling rather than an immediate bounce.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I'm not all that excited about the long side just yet.

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						
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			
Active - Long Term						
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 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			

The Evidence

The stock and bond markets got spooked by the CPI report and Wednesday saw losses all around. SPX closed down 0.95%, the NASDAQ fell 0.84%, and the Russell 2000 tumbled 2.52%. Breadth was weak with the NYSE Up Issues % coming in at 15% and the Up Volume % at 17%. NYSE total volume spiked above the levels of the last few days.

Nothing compelling emerged in the Quantifinder. There was one study that examined the rise in volatility (using average ATRs) over the last several days. But upon breaking it down a bit further, I did not find recent results worth consideration.

One thing I looked at was how the market has performed following other recent CPI report selloffs. Below is a results table showing performance since 2022 following times SPX closed down over 0.5% on a CPI report day.

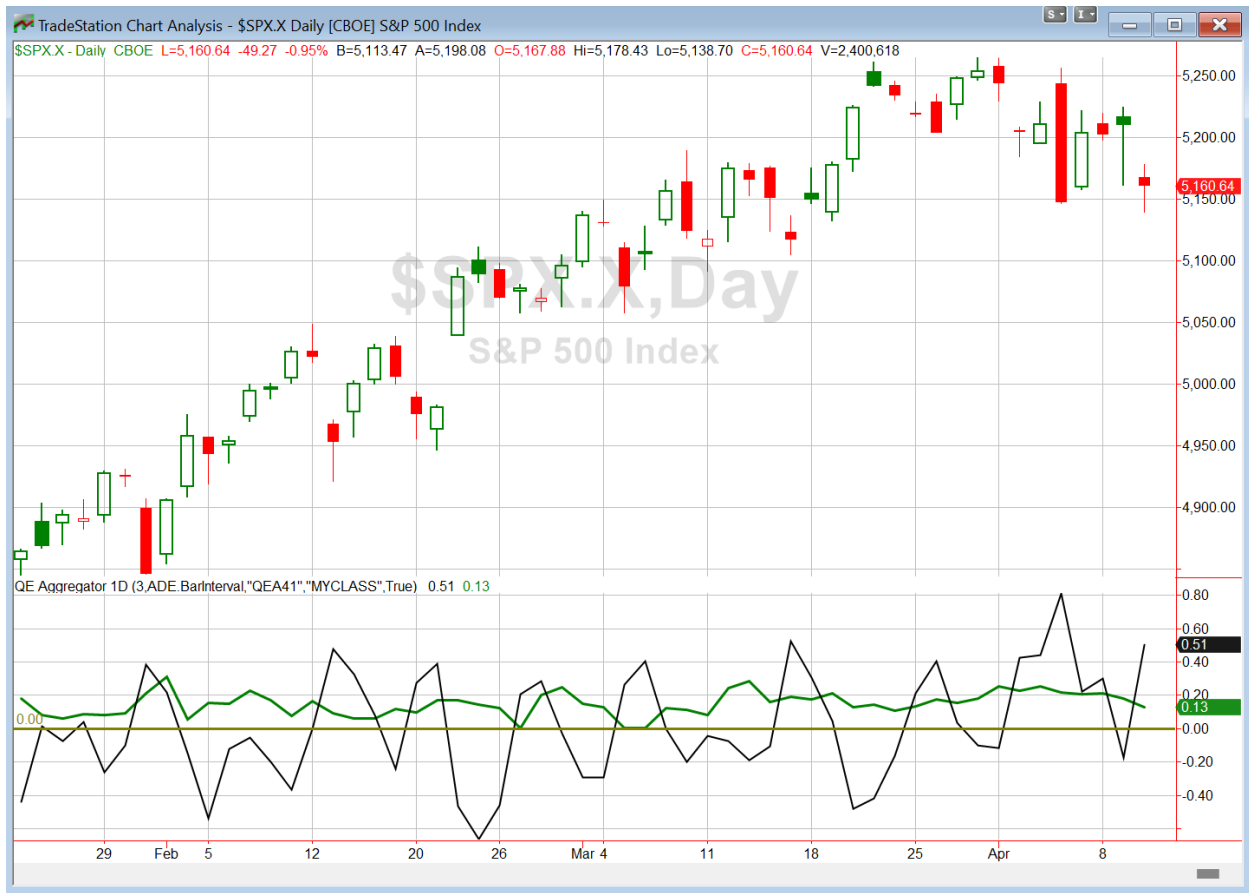
SPX closes down > 0.5% on a CPI report day. Buy on close. Sell X days later. \$100k/trade. 5/2022 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	-8,859.82	5	1	4	20.00	572.60	-5,650.50	572.60	-2,358.10	0.24	0.06	-1,771.96
4	-3,153.92	5	2	3	40.00	3,841.75	-5,852.25	2,144.27	-2,480.82	0.86	0.58	-630.78
3	-868.02	5	3	2	60.00	1,820.75	-2,771.75	1,129.24	-2,127.88	0.53	0.80	-173.60
2	-640.61	5	3	2	60.00	2,217.75	-4,134.50	1,425.80	-2,459.00	0.58	0.87	-128.12
1	-3,106.51	5	2	3	40.00	949.00	-3,780.75	641.00	-1,462.84	0.44	0.29	-621.30

Results are weak, but there are not enough instances to really cause concern. Below are the list of instances with their 5-day results.

SPX closes down > 0.5% on a CPI report day. Buy on close. Sell X days later. \$100k/trade. 5/2022 - present.				
Date	Action	Price	% Change	Run-up/ Drawdown
5/11/2022	Buy	\$3,935.18	-0.29%	\$3,888.50
5/18/2022	Sell	\$3,923.68		(\$1,907.75)
6/10/2022	Buy	\$3,900.86	-5.79%	\$0.00
6/17/2022	Sell	\$3,674.84		(\$6,599.75)
9/13/2022	Buy	\$3,932.69	-1.95%	\$731.25
9/20/2022	Sell	\$3,855.93		(\$2,628.75)
10/12/2023	Buy	\$4,349.61	-1.65%	\$967.12
10/19/2023	Sell	\$4,278.00		(\$1,758.24)
2/13/2024	Buy	\$4,953.17	0.58%	\$1,710.60
2/21/2024	Sell	\$4,981.80		(\$143.40)

Due to the low number of instances, there is no strong takeaway here, other than the fact that these CPI selloffs have not been a reliable setup for a quick bounce in recent years. I won't be adding any new studies to the active list tonight.

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 rose back 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 turned long at the close.

Based on the current list of active studies, expectations are set to remain positive on Thursday. This is unlikely to change. Meanwhile, the Differential Pivot will be 5234.87 on Thursday. That is 1.4% above Wednesday's close. Therefore, SPX will need to close up over 1.4% on Thursday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is now long. But I am not terribly enthused. We have not had any confirming bullish studies emerge the last 2 days. And we saw tonight that there has been a good amount of struggle following other recent CPI selloffs. So rather than jump in right here, I will give it another day and see how the market acts and what new evidence emerges.

*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 (bought @ limit)

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.

None.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
NVDA(1/4)	4/10/2024	\$839.26	\$870.39	3.71%	bought on open

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