

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 23, 2024

Volume 17 Issue 78

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	6

## Tonight's Research Points

- Monday's rebound did not provide compelling evidence.

### *Short-term Outlook*

#### *The Bottom Line*

The Aggregator is again bullish. While Monday's action did not provide great short-term insight, evidence from the last few days says there should be more short-term upside to come.

*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 22, 2024	Opex in Mar, Apr, Oct, or Dec closes down	1-5 days	Bullish	1.70%	-1.30%	-2.60%
April 22, 2024	20-low then gap down & close < open.	1-5 days	Bullish	2.50%	-1.10%	-2.20%
April 19, 2024	SPX < lower BB 4 days	1-4 days	Bullish			
April 18, 2024	4 Lower lows & 20-low close > 200	1-6 days	Bullish			
April 18, 2024	CBI 10+	1-8 days	Bullish			
April 18, 2024	3 20-day lows > 200ma	1-4 days	Bullish			
<b>Active - Long Term</b>						
April 22, 2024	QQQ down 5+ and acceleration lower	1-18 days	Bullish	9.00%	-4.30%	-7.70%
April 19, 2024	CBI 11+	1-20 days	Bullish	5.90%	-4.20%	-9.50%
March 4, 2024	Jan & Feb both close positive	1-10 months	Bullish			
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**

Monday saw a decent bounce. SPX rose 0.9%, the NASDAQ rallied 1.1%, and the Russell 2000 gained 1.0%. Breadth was strong, with the NYSE Up Issues % coming in at 73% and the Up Volume % at 75%. NYSE total volume declined from opex Friday levels.

Monday's rally was marked by the fact that it featured an unfilled gap up and a further rise after the open. I have looked at setups like this a number of times in the past. The current setup does not seem as appealing as some others. In the 2/16/22 letter I showed that instances coming off short-term lows suggested follow-through over the next several days. But if the setup came following an intermediate-term low, the edge basically disappeared. This is demonstrated by the studies below. I have updated all the stats.

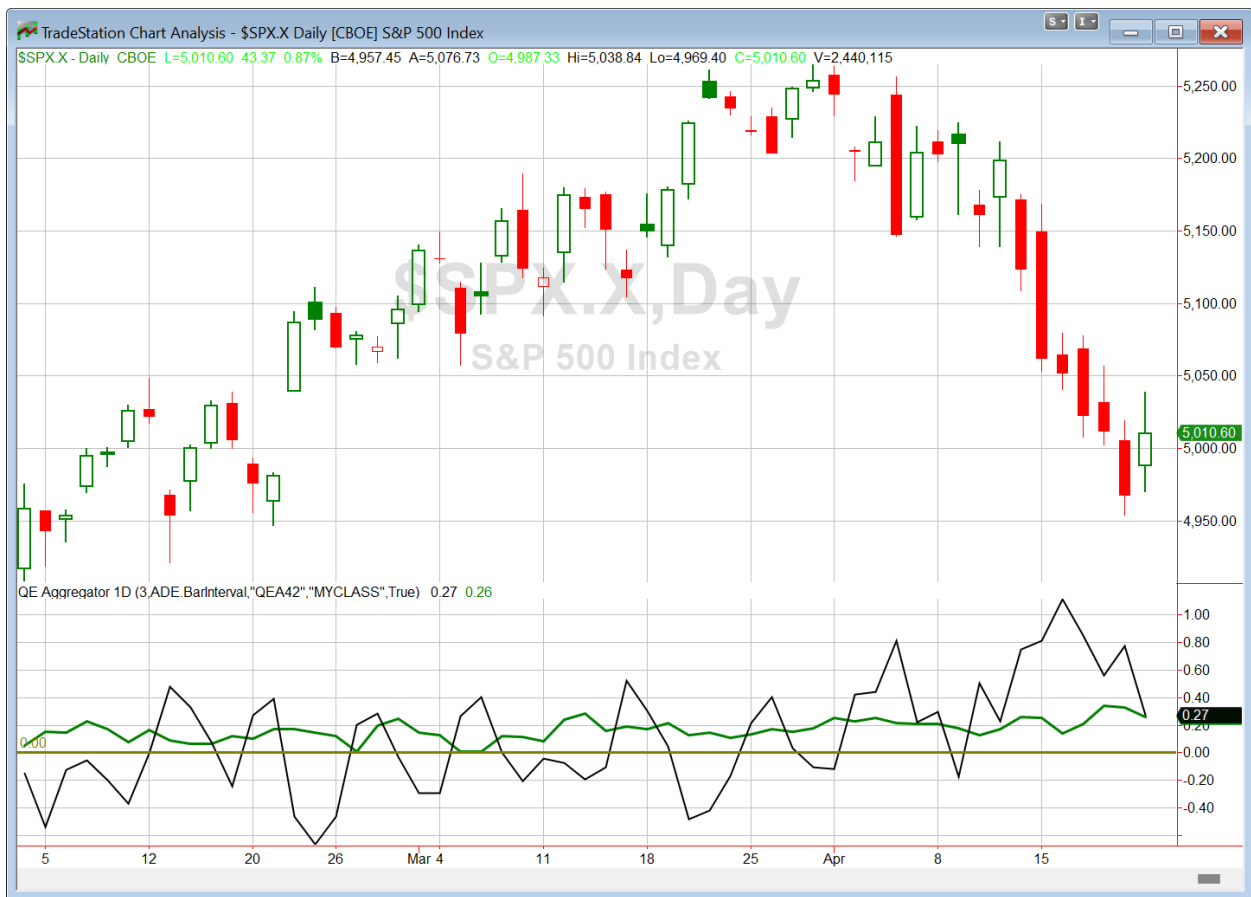
After making a 10-day intraday low yesterday (but not a 20-day low) SPY leaves an unfilled gap up today and closes above the open. It closes below the 10ma but above the 200ma. Buy on close. Sell X days later. \$100k/trade. 1993 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning 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	22,208.14	43	29	14	67.44	4,106.63	-5,409.60	1,377.43	-1,266.94	1.09	2.25	516.47
4	22,807.82	44	28	16	63.64	3,904.83	-3,702.72	1,443.99	-1,101.50	1.31	2.29	518.36
3	14,436.36	45	26	19	57.78	3,914.92	-2,658.88	1,304.41	-1,025.18	1.27	1.74	320.81
2	5,697.24	46	26	20	56.52	2,828.00	-3,031.50	1,133.09	-1,188.16	0.95	1.24	123.85
1	-1,063.41	46	24	21	52.17	1,773.46	-2,895.33	755.72	-914.32	0.83	0.94	-23.12

After making a 20-day intraday low yesterday SPY leaves an unfilled gap up today and closes above the open. It closes below the 10ma but above the 200ma.  
Buy on close. Sell X days later. \$100k/trade. 1993 - 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	3,181.82	41	22	19	53.66	3,178.32	-3,739.32	1,664.70	-1,760.09	0.95	1.10	77.61
4	2,406.76	43	25	18	58.14	2,950.20	-2,880.28	1,312.00	-1,688.51	0.78	1.08	55.97
3	-497.99	45	24	21	53.33	3,306.24	-3,070.92	1,119.79	-1,303.47	0.86	0.98	-11.07
2	-290.96	47	26	21	55.32	3,089.76	-2,818.42	1,095.40	-1,370.06	0.80	0.99	-6.19
1	801.77	47	21	26	44.68	2,470.05	-1,777.90	926.97	-717.87	1.29	1.04	17.06

Unfortunately for the bulls we are staring at the 2<sup>nd</sup> setup, which suggests no edge. Other ideas I toyed with tonight also came up empty. I will not be adding any new studies to the Active List.

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



Without any new evidence emerging 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 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 set to remain positive on Tuesday. This is unlikely to change. Meanwhile, the Differential Pivot will be 5045.08 on Tuesday. That is 0.7% above Monday's close. Therefore, SPX will need to close up over 0.7% on Tuesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is again long. While Monday's action did not generate compelling evidence, there are still plenty of studies from the last few days suggesting this bounce should have further to go. I have a fair amount of SPY long exposure already. I will sell some of it at the close if SPX has a strong up day and closes above its Differential Pivot. Otherwise, I will continue to hold all of it.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 4/22 – bullish***

### **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

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

EMR - 1/3 @ \$111.76 (bought @ limit)

EMR - 1/3 @ \$111.49 (bought @ limit)

CAT – 1/3 @ \$359.88 (bought @ limit)

EMR - 1/3 @ \$109.81 (bought @ limit)

CAT – 1/3 @ \$358.32 (bought @ limit)

CAT – 1/3 @ \$357.93 (bought @ limit)

***Broad Market Large Cap CBI – 6 (EMR-3, CAT-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
<b>BRK.B(1/3)</b>	<b>4/15/2024</b>	<b>\$403.26</b>	<b>\$406.84</b>	<b>0.89%</b>	<b><i>sold on open</i></b>
<b>JPM(1/3)</b>	<b>4/15/2024</b>	<b>\$182.79</b>	<b>\$185.99</b>	<b>1.75%</b>	<b><i>sold on open</i></b>
SPY(1/4)	4/15/2024	\$510.85	\$499.72	-2.18%	Aggregator
SPY1/4)	4/15/2024	\$504.45	\$499.72	-0.94%	Aggregator
<b>BRK.B(1/3)</b>	<b>4/16/2024</b>	<b>\$400.26</b>	<b>\$406.84</b>	<b>1.64%</b>	<b><i>sold on open</i></b>
<b>AIG(1/3)</b>	<b>4/16/2024</b>	<b>\$73.05</b>	<b>\$74.66</b>	<b>2.20%</b>	<b><i>sold on open</i></b>
EMR(1/3)	4/16/2024	\$111.76	\$108.83	-2.62%	Catapult
EMR(1/3)	4/17/2024	\$111.49	\$108.83	-2.39%	Catapult
SPY(1/4)	4/18/2024	\$500.75	\$499.72	-0.21%	<i>sell on close if SPX &gt; 5045.08</i>
<b>JPM(1/3)</b>	<b>4/18/2024</b>	<b>\$180.08</b>	<b>\$185.99</b>	<b>3.28%</b>	<b><i>sold on open</i></b>
EMR(1/3)	4/18/2024	\$109.81	\$108.83	-0.89%	Catapult
CAT(1/3)	4/18/2024	\$359.88	\$357.61	-0.63%	Catapult
CAT(1/3)	4/18/2024	\$358.32	\$357.61	-0.20%	Catapult
COP(1/3)	4/18/2024	\$128.33	\$129.33	0.78%	<i>sell on open</i>
CAT(1/3)	4/19/2024	\$357.93	\$357.61	-0.09%	Catapult

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