

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 21, 2024

Volume 17 Issue 98

Market Overview



Signals Overview

| Aggregator | CBI Reading |
|------------|-------------|
| Long | 1 |

Tonight's Research Points

- No compelling new evidence emerged on Monday, but a Catapult triggered and the Aggregator turned to a long formation.

Short-term Outlook

The Bottom Line

The Aggregator formation is long. But the signal is about as weak as it gets. I am more neutral.

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

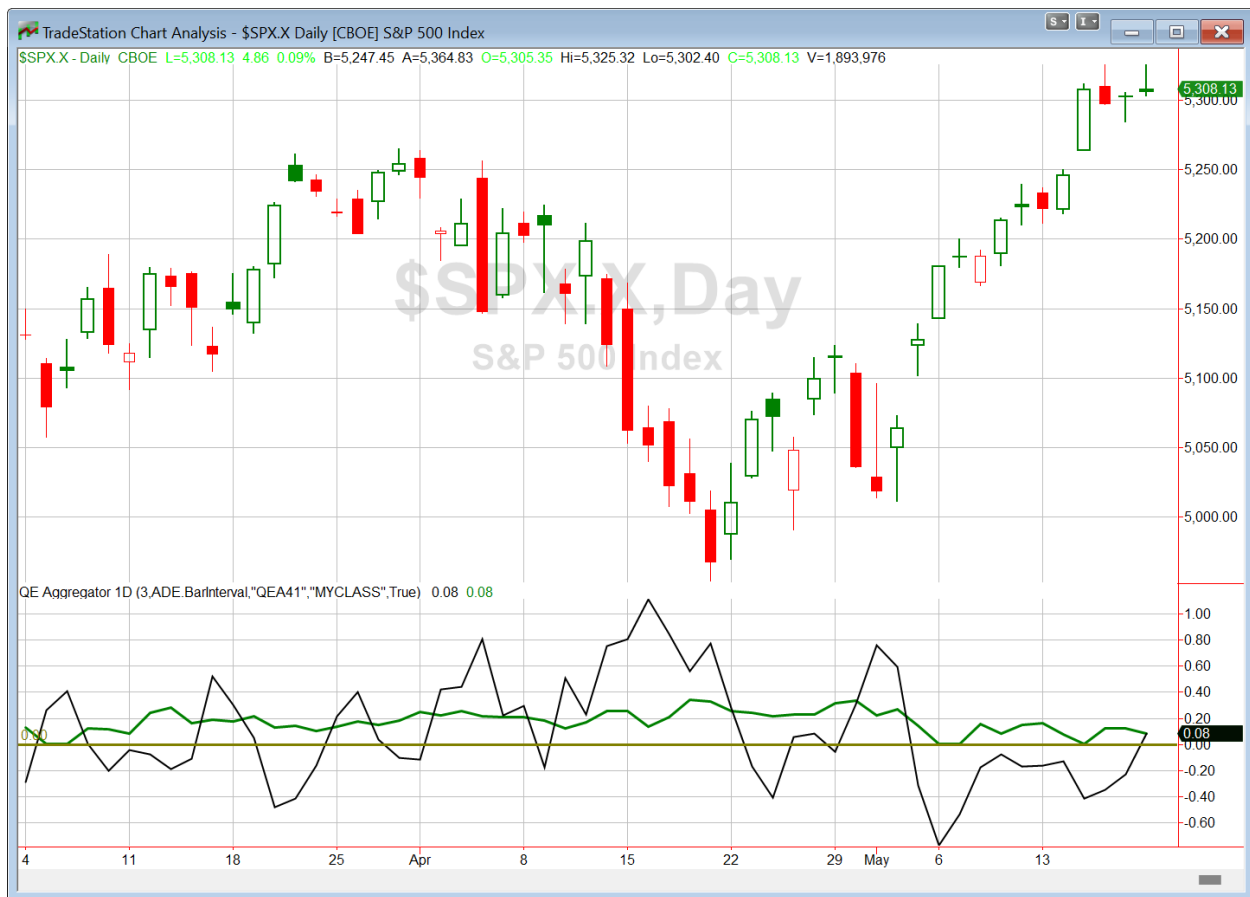
| Study Date | Description | Time span | Bias | Avg Run-up | Avg DrawDn | Avg DrawDn - 1 Std Dev |
|----------------------------|---|-------------|---------|------------|------------|------------------------|
| Active - Short Term | | | | | | |
| May 17, 2024 | 3 higher hi, low, close. Dn close higher hi, lo | 1-5 days | Bullish | | | |
| Active - Long Term | | | | | | |
| May 17, 2024 | 20-high then close bottom 10% intraday rng | 1-10 days | Bullish | | | |
| May 16, 2024 | SPX > 200ma. RSI2 crosses over 99. | 1-15 days | Bullish | 2.30% | -1.50% | -2.90% |
| May 16, 2024 | SPX 50-day %b crosses 100 | 1-50 days | Bullish | 4.90% | -4.40% | -8.90% |
| May 10, 2024 | DJI Up 7 days in a row | 1-19 days | Bullish | 3.25% | -1.50% | -2.70% |
| May 7, 2024 | Triple 70 Breadth Thrust | 1-80 days | Bullish | 10.10% | -4.80% | -11.20% |
| May 6, 2024 | NASDAQ Leading | int term | Bullish | | | |
| April 29, 2024 | May-October selloff potential when 5% dn | 1-6 months | Bearish | | | |
| April 22, 2024 | QQQ down 5+ and acceleration lower | 1-18 days | Bullish | 9.00% | -4.30% | -7.70% |
| 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% |
| February 2, 2023 | SPX Golden Cross | int term | Bullish | | | |
| March 14, 2022 | Fed Hawkish / QE done | int term | Bearish | | | |

The Evidence

This indices finished mostly higher on Monday. SPX rose 0.1%, the NASDAQ gained 0.65%, and the Russell climbed 0.3%. Breadth was split, with the NYSE Up Issues % coming in at 50% and the Up Volume % at 45%. NYSE total volume declined some from Friday's level.

The mild changes did nothing to trigger compelling new studies. And I found no inspiration in the action either. So I am going to keep it short tonight. No new studies are being added to the Active List.

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



Without any new studies making the active list, 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 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 Tuesday. Of course this could easily change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5308.29 on Tuesday. That is just a fraction of a point above Monday's close. Therefore, SPX will turn back to overbought on basically any positive close on Tuesday.

So the Aggregator is bullish. I am not all that enthusiastic. While "oversold", that is only on a relative basis. SPX is a fraction of a point from a new high. It will also flip to overbought on just about any up close. So upside potential for a long trade is limited. And we have not had any compelling new evidence to support the bullish case emerge in the last 2 days. So weak short-term evidence and a market that is only marginally oversold on a short-term basis has me remaining on the sideline waiting for a more compelling opportunity.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 5/20 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

New

BMV @ \$43.36 (buy at limit)

Broad Market Large Cap CBI – 1(BMV)

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.

BMV – Buy 1/3 Catapult position @ \$43.36 limit. From the Catapult section above, this would be the 1st of up to 3 possible lots of BMV.

Current Open Trade Ideas

None

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