

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 23, 2024

Volume 17 Issue 100

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	2

Tonight's Research Points

- The SOX strength on a day NASDAQ declined suggests a bounce on Monday.

Short-term Outlook

The Bottom Line

The Aggregator formation is bullish. I'd still like to see more of a pullback before considering new long index positions.

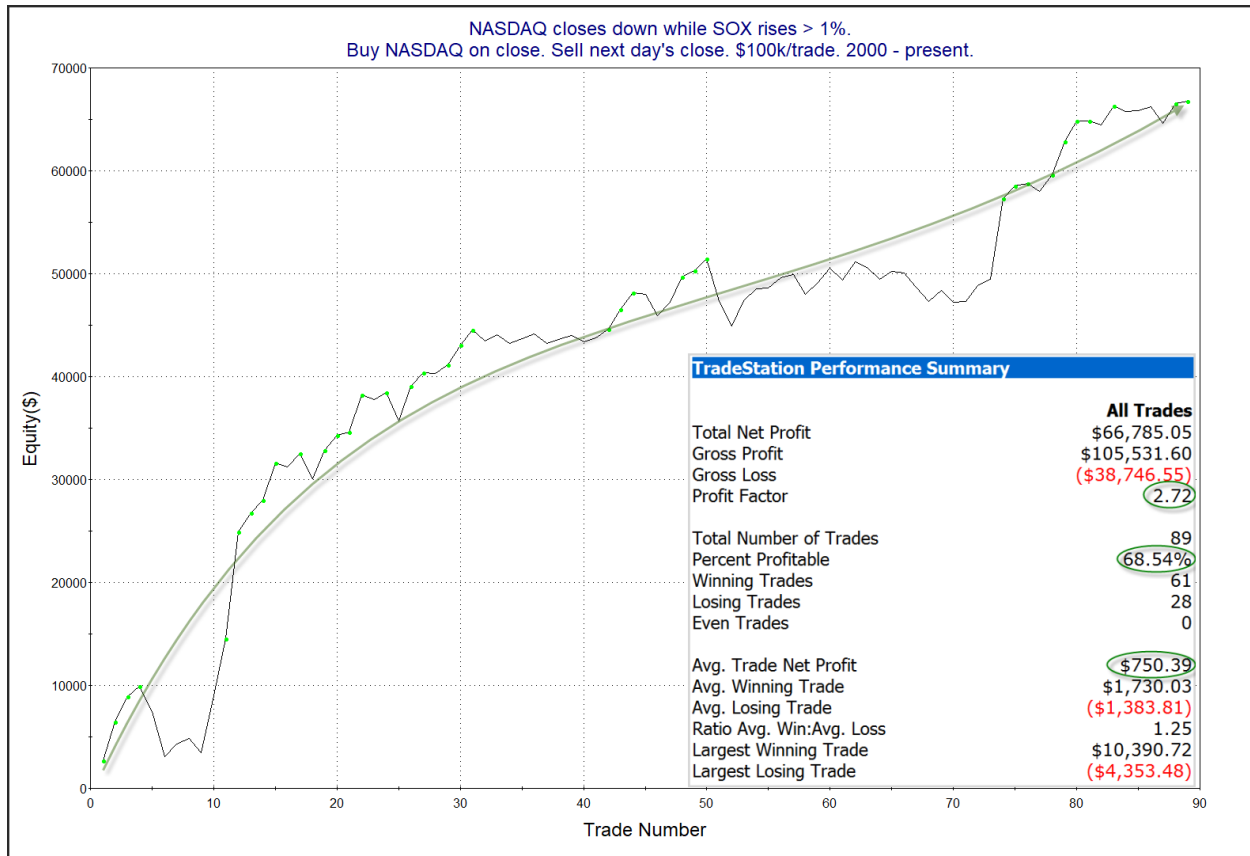
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
May 23, 2024	NASDAQ down. SOX up > 1%	1 day	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

Wednesday saw some moderate selling. SPX lost 0.%, the NASDAQ fell 0.2%, and the Russell dropped 0.8%. Breadth was weak, with the NYSE Up Issues % coming in at 28% and the Up Volume % at 33%. NYSE total volume rose some from Tuesday's level.

Despite the decline in the NASDAQ, the Semiconductor Index (SOX) rose strongly, closing up a little over 1%. When the SOX does well on a day the NASDAQ declines, that has often been followed by a rise in the NASDAQ the next day. This can be seen in the study below, which has popped up a few times this year, most recently in the 5/13/24 letter. Results are updated.

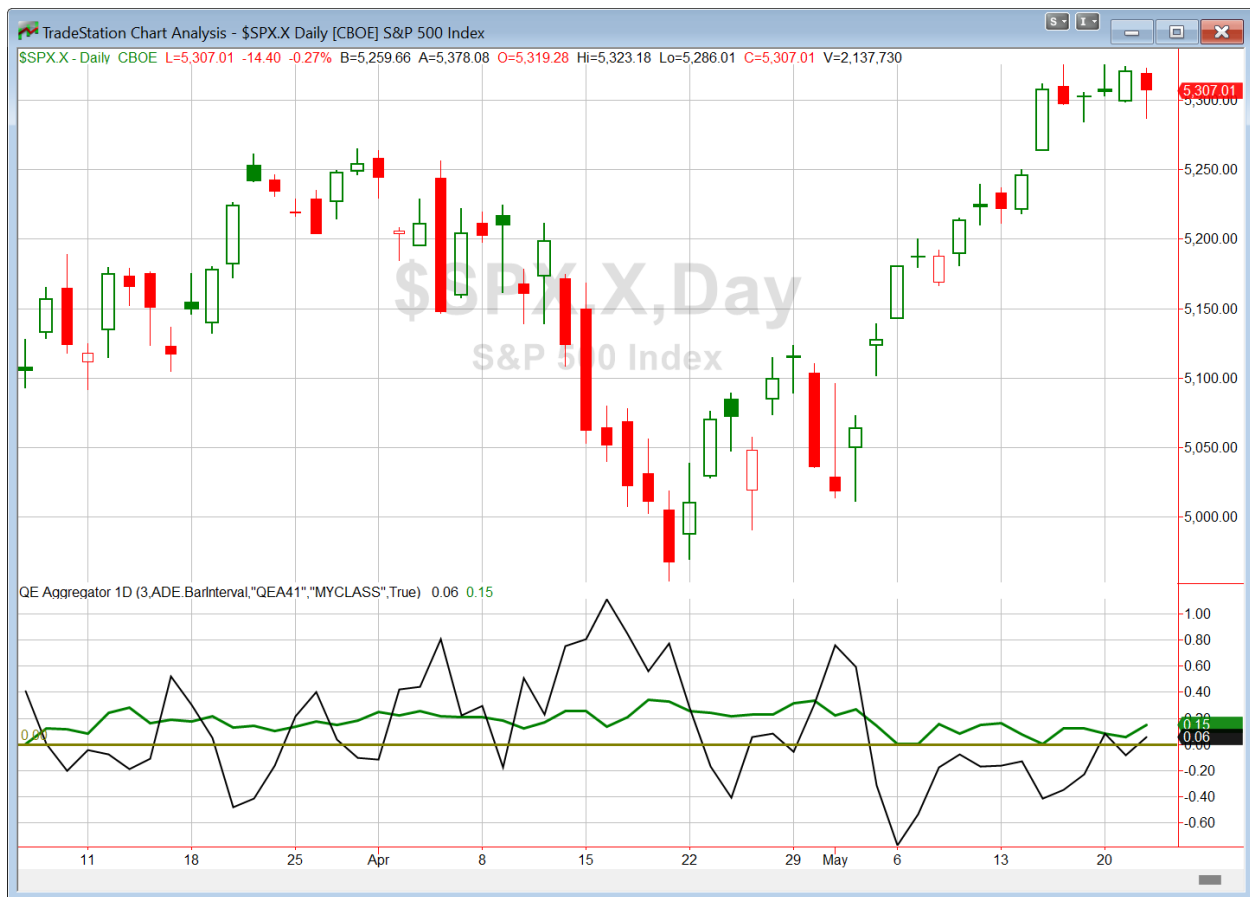


Not exactly a steady rise, but the move and numbers are impressive nonetheless. Below is a look at how the SPX has performed when the NASDAQ/SOX have acted this way.



Results here appear steady but less explosive. Overall, the study appears worthy of some consideration, and I have added it to the Active List tonight.

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



With tonight's evidence considered, 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 Thursday. Of course this could easily change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5325.67 on Thursday. That is 0.35% above Wednesday's close. Therefore, SPX will need to close up at least 0.35% on Thursday in order to flip from oversold to overbought vs expectations.

So the Aggregator is bullish. There seems to be a mild upside edge. But the market is only one day removed from an all-time closing high. I'd prefer to see more of a pullback, or at least a more substantial group of short-term studies suggesting an upside edge. So I am still feeling more neutral than bullish. No index trade ideas for Thursday.

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

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

BMY @ \$43.36 (bought at limit)

BMY @ \$43.27 (buy at limit)

Broad Market Large Cap CBI – 2(BMY-2)

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
BMY(1/3)	5/21/2024	\$43.14	\$42.34	-1.85%	Catapult
BMY(1/3)	5/22/2024	\$42.22	\$42.34	0.28%	Catapult

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