

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 2, 2024

Volume 17 Issue 126

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- NYSE Up Issues % closing < 33.33% on a day SPX closes up and above the 200ma has often been followed by SPX closing lower the next day.

Short-term Outlook

The Bottom Line

The Aggregator formation is bullish. Tuesday is questionable, but the next few days still seem to favor more upside.

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

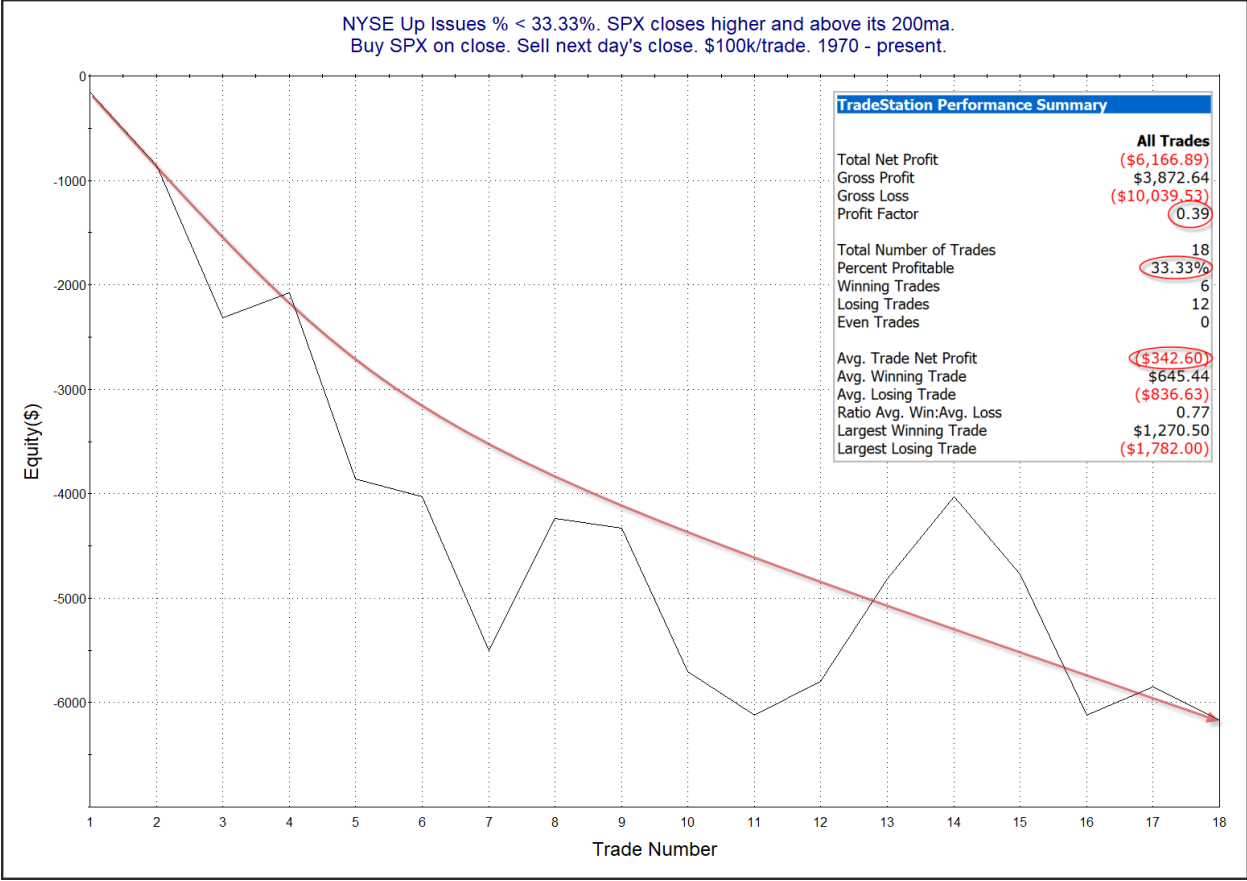
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
July 2, 2024	SPX up and > 200. Up Issues < 33.33%.	1 day	Bearish			
July 1, 2024	1st close < 10ma in > 15 days	1-3 days	Bullish	1.05%	-0.80%	-1.60%
July 1, 2024	3-day high, 3-day low, 3-day low close	1-5 days	Bullish	1.90%	-1.10%	-2.20%
June 26, 2024	SPX up and > 200. Up Vol % < 40%.	1-8 days	Bullish	1.85%	-1.30%	-2.80%
Active - Long Term						
June 26, 2024	SPY 50-high then 5 sideways	1-10 days	Bullish	2.10%	-1.15%	-2.50%
June 24, 2024	Seasonality Calendar strong end June-July	int term	Bullish			
June 20, 2024	Hindenburg Omen with SPX trend mod	1-35 days	Bearish	-7.40%	2.80%	4.90%
June 14, 2024	SPX new high with < 50% stocks > 100ma	1-18 months	Bearish			
June 7, 2024	RUT btm 25% 20-day rng. SPX top 25%.	1-40 days	Bullish	5.30%	-3.30%	-6.60%
May 16, 2024	SPX 50-day %b crosses 100	1-50 days	Bullish	4.90%	-4.40%	-8.90%
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			
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			
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

Monday saw most of the major indices move higher despite very weak breadth. SPX rose 0.2%, the NASDAQ gained 0.8%, and the Russell 2000 declined 0.9%. Breadth was poor with the NYSE Up Issues % coming in at 31% and the Up Volume % at 32%. NYSE volume declined a good bit from Friday's high level.

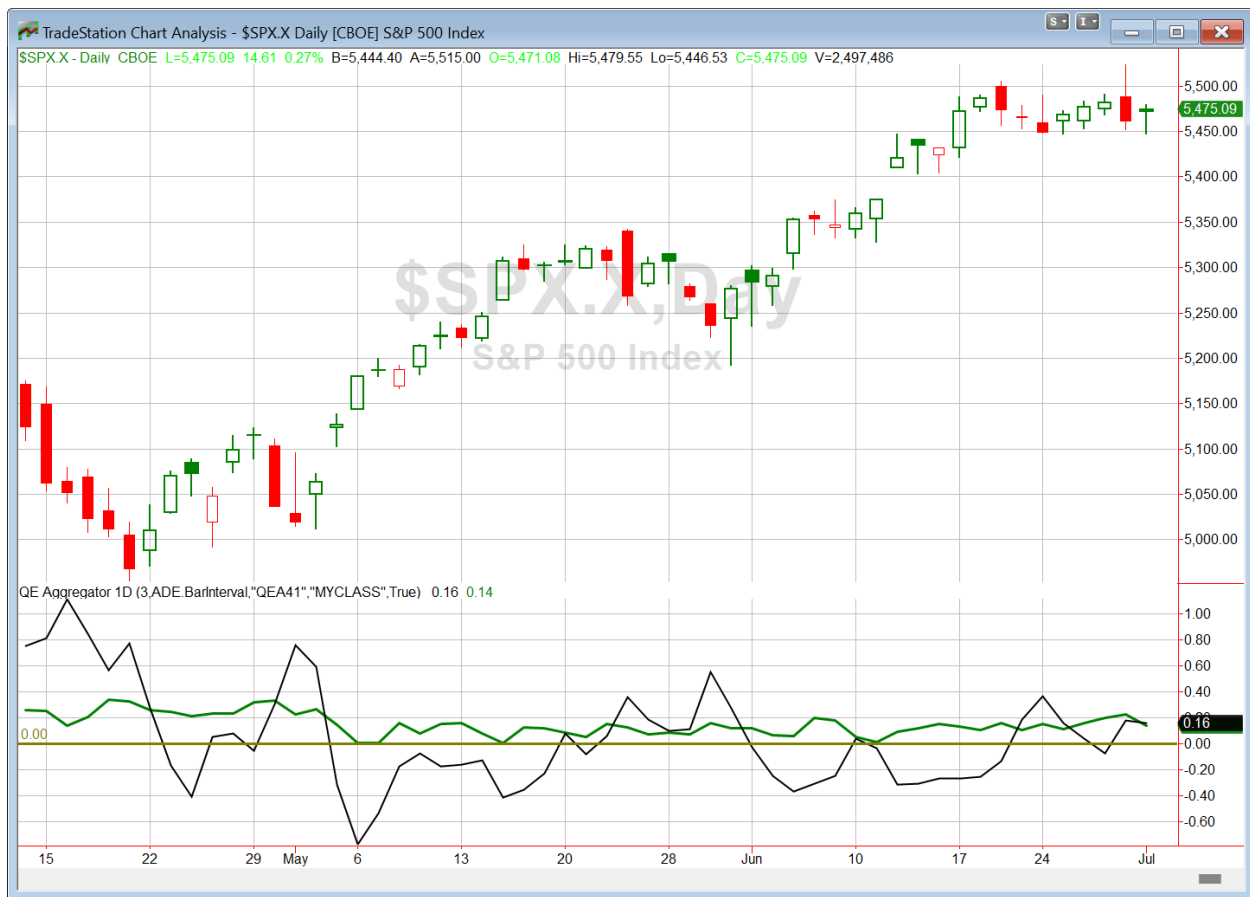
SPX action has turned remarkably quiet. The 21-day historical volatility for SPX closed at 6.28 on Monday. That is the 1st time it has closed below 6.50 since December of 2019.

The breadth Monday was so weak that it triggered a study I have not discussed in detail since 12/11/18. Back then I looked at times SPX closed higher while the NYSE Up Issues % finished under 33.33%. Tonight I added a 200ma filter to the study and found the curve to be much smoother. Results can be found below.



The numbers and curve look squarely bearish. I have added this study to the Active List.

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



Despite tonight's bearish evidence, 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 could change if very compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5508.75 on Tuesday. That is 0.6% above Monday's close. Therefore SPX will need to close up over 0.6% on Tuesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is still bullish. Tonight's bearish study raises some doubts about Tuesday, but overall the evidence still points higher over the next few days. And there is still some room to the upside before SPX would turn overbought. I will hold onto my current SPY position, only looking to exit on Tuesday if SPX closes above the Differential Pivot.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 7/1 – **slightly bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

None

Broad Market Large Cap CBI – 0

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
SPY(1/4)	6/28/2024	\$544.22	\$545.34	0.21%	<i>sell on SPX close > 5508.75</i>

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