

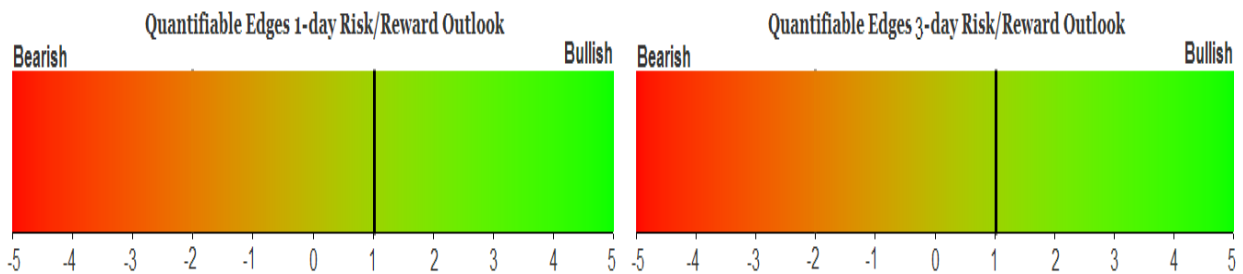
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 16, 2024

Volume 17 Issue 135

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	1

## Tonight's Research Points

- No compelling new evidence emerged on Monday.

### *Short-term Outlook*

#### *The Bottom Line*

The Aggregator formation is now bullish. With an inverted Differential Pivot and a lack of new short-term evidence, I am not enthused.

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

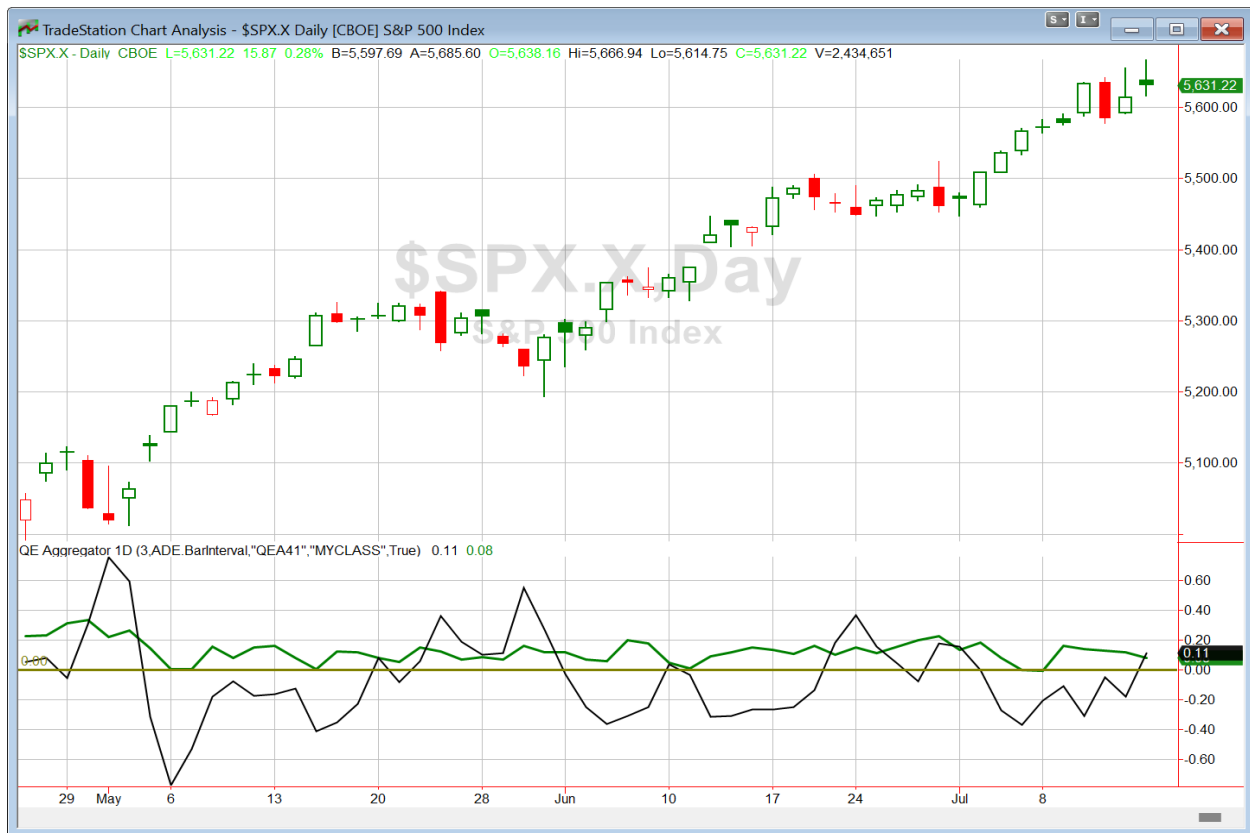
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
July 12, 2024	5-day intraday high. Dn close. Up Iss > 60%	1-3 days	Bullish			
July 12, 2024	5+ up to 50-day, then down 1 day	1-4 days	Bullish			
July 11, 2024	2 unfilled gaps up & 50-day high	1-4 days	Bullish			
July 8, 2024	SPX up and > 200. Up Vol % < 40%.	1-8 days	Bullish	1.85%	-1.30%	-2.80%
<b>Active - Long Term</b>						
July 15, 2024	Triple 70 Breadth Thrust	1-80 days	Bullish	10.10%	-4.80%	-11.20%
July 12, 2024	SPX 50-day intraday hi. NDX biggest dn 50	1-50 days	Bullish	6.35%	-2.60%	-5.20%
July 12, 2024	5+ up to 50-day, then down 1 day	1-10 days	Bullish	1.85%	-1.10%	-2.25%
July 11, 2024	50-day %b crosses > 100	1-50 days	Bullish	4.90%	-4.40%	-8.90%
July 11, 2024	SPX up 7 days in a row	1-20 days	Bullish	3.10%	-1.90%	-4.00%
July 11, 2024	RSI(2) crosses over 99	1-15 days	Bullish	2.30%	-1.50%	-2.90%
July 8, 2024	NDX 18% above 200ma	1-90 days	Bullish	14.50%	-9.40%	-18.90%
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 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			
February 2, 2023	SPX Golden Cross	int term	Bullish			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			

**The Evidence**

Monday saw gains for the major indices. SPX finished up 0.3%, the NASDAQ gained 0.4%, and the Russell 2000 rose 1.8%. Breadth was positive with the NYSE Up Issues % coming in at 56% and the Up Volume % at 59%. NYSE volume declined some from Friday's level.

Monday's action did not trigger any new and compelling studies. The last 3 days have been choppy, and we again closed just below Wednesday's all-time closing high despite making a new intraday all-time for the 2<sup>nd</sup> day in a row. Without compelling evidence emerging I am going to keep it brief tonight.

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



Without any new evidence making the cut 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 moved 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. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted at 5608.89* on Tuesday. That is 0.4% *below* Monday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case SPX will need to close down at least 0.4% in order to remain oversold. Anything other than that would cause it to flip back to overbought versus recent expectations.

So the Aggregator is bullish. But we have not seen any confirming short-term evidence in the last couple of days. And while SPX is oversold, the inverted pivot limits reward potential. Any up close, or even a moderate down close, will mean the end of the "bullish" Aggregator formation. I don't typically look to enter new trades when there is an inverted pivot. More often I will take profits if I am already in a position. So once again I will be exercising patience and waiting for a more favorable opportunity to enter my next index trade.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 7/15 – **bullish***

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

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

NFLX @ \$647.60 (bought 1/3 @ limit)

### ***Broad Market Large Cap CBI – 1 (NFLX)***

## **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**

<b>Symbol</b>	<b>Entry Date</b>	<b>Entry Price</b>	<b>Current Price</b>	<b>% Gain/Loss</b>	<b>Notes</b>
NFLX(1/3)	7/15/2024	\$647.50	\$656.45	1.38%	Catapult

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