

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 14, 2024

Volume 17 Issue 156

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- SPX up 4 days in a row above the 200ma without closing at a 10-day high is something that has consistently been followed by more gains over the last 24 years.

Short-term Outlook

The Bottom Line

The Aggregator formation is neutral. I am as well.

The Evidence

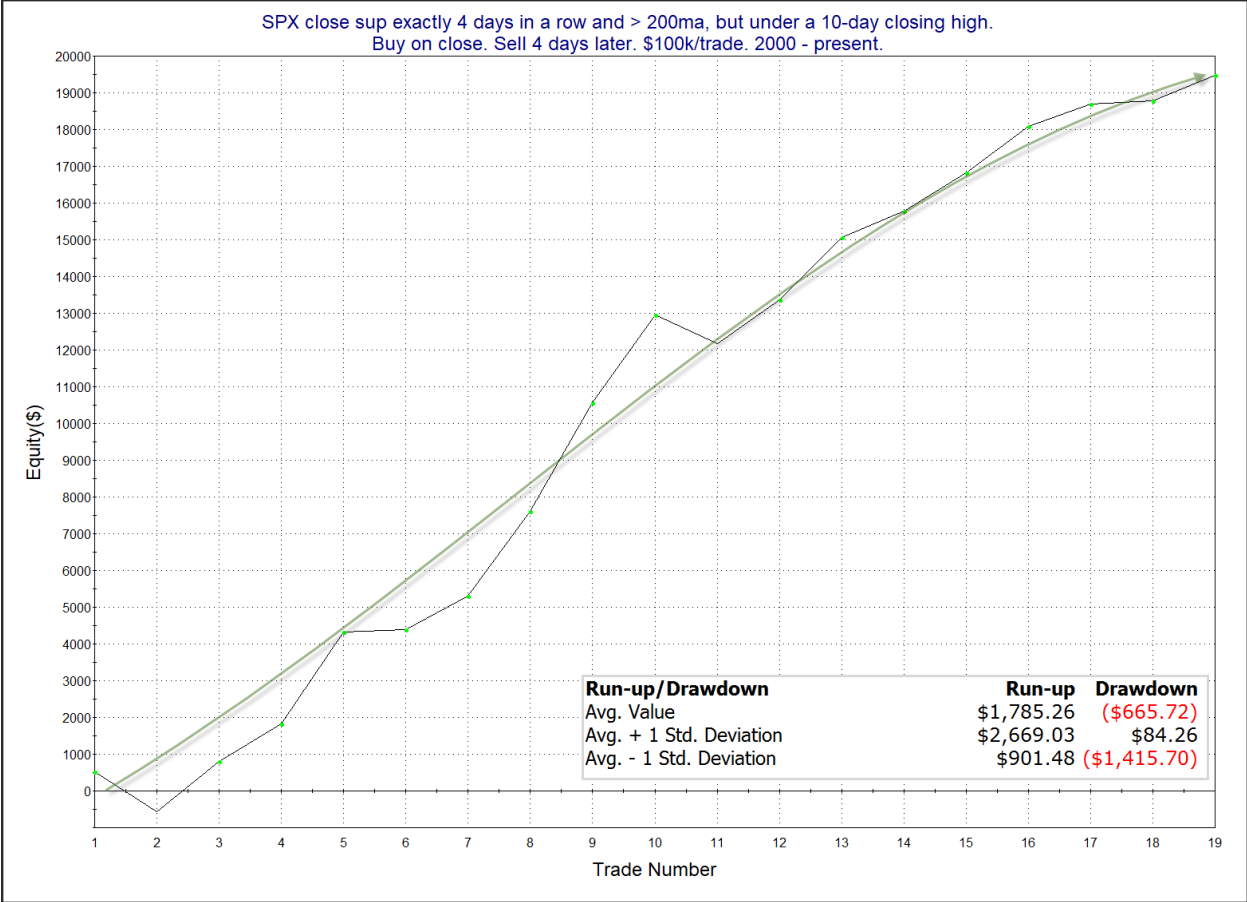
Tuesday saw a big move higher.

While SPX has managed to close up four days in a row, it still did not close at a 10-day high on Tuesday. That suggests it is overbought very short-term, but there was some strong selling before the move up. In the 7/6/20 letter I looked back at other times this has happened, and the results were surprisingly lopsided. I've updated them below.

SPX close up exactly 4 days in a row and > 200ma, but under a 10-day closing high. Buy on close. Sell X days later. \$100k/trade. 2000 - 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	17,431.13	19	14	5	73.68	2,783.52	-3,198.00	1,551.79	-858.79	1.81	5.06	917.43
4	19,470.37	19	17	2	89.47	2,964.84	-1,082.88	1,254.68	-929.57	1.35	11.47	1,024.76
3	18,196.24	19	14	5	73.68	3,000.26	-1,882.08	1,535.77	-660.92	2.32	6.51	957.70
2	16,436.89	19	16	3	84.21	2,459.85	-1,723.80	1,171.05	-766.66	1.53	8.15	865.10
1	7,065.89	19	13	6	68.42	1,973.52	-1,294.72	851.89	-668.12	1.28	2.76	371.89

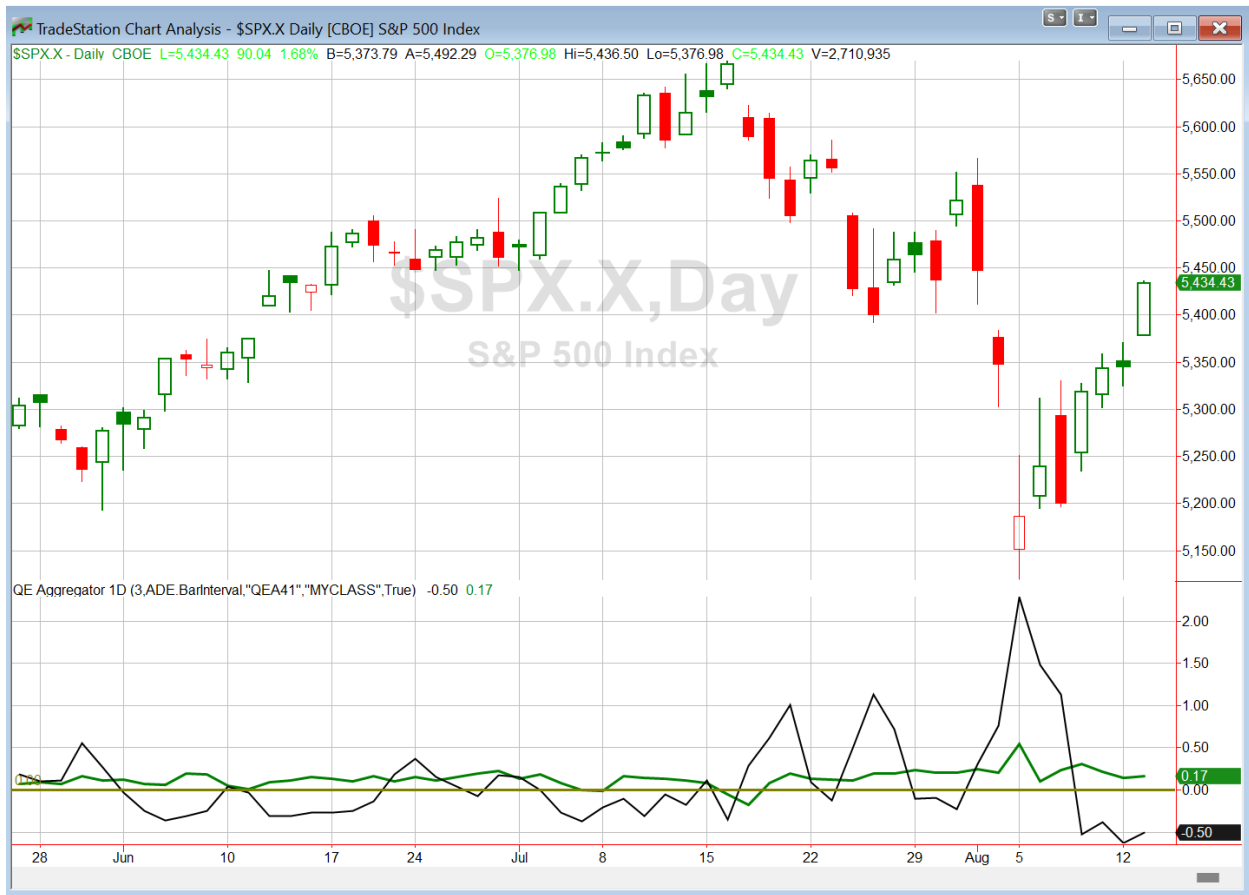
All in 19 instances closed above the entry price at some point in the next 4 days.

The short-term momentum has carried through over the next few days in every case. Looking out 4 days the record is 17-2 with an average gain of over 1%. Below is a look at the 4-day profit curve.



The curve shows a steady move from lower left to upper right, and serves as some confirmation of the bullish edge suggested by the numbers. I have added this study to the short-term active list.

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



With tonight's evidence considered, the green Aggregator Line remained above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line held below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of zero. Therefore, the Aggregator formation stayed flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Wednesday. This is unlikely to change. Meanwhile, the Differential Pivot will be 5383.93. That is 0.9% below Tuesday's close. Therefore, SPX will need to close down at least 0.9% on Wednesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. That is where I am at as well. CPI comes out on Wednesday, so we could certainly see a big move again if there is a surprise there. I'll be sidelined and waiting for the next compelling entry opportunity.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 8/12 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

INTC @ \$18.99 (buy @ limit)

Broad Market Large Cap CBI – 1 (INTC)

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
USB(1/3)	8/5/2024	\$41.13	\$41.82	1.68%	<i>sold on open</i>
USB(1/3)	8/6/2024	\$40.74	\$41.82	2.65%	<i>sold on open</i>
INTC(1/3)	8/8/2024	\$18.99	\$20.47	7.79%	Catapult

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