

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 28, 2024

Volume 17 Issue 166

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Nothing compelling triggered on Tuesday. NVDA earnings could be a catalyst to get this rangebound market moving again.

Short-term Outlook

The Bottom Line

The Aggregator formation is neutral. I am also.

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

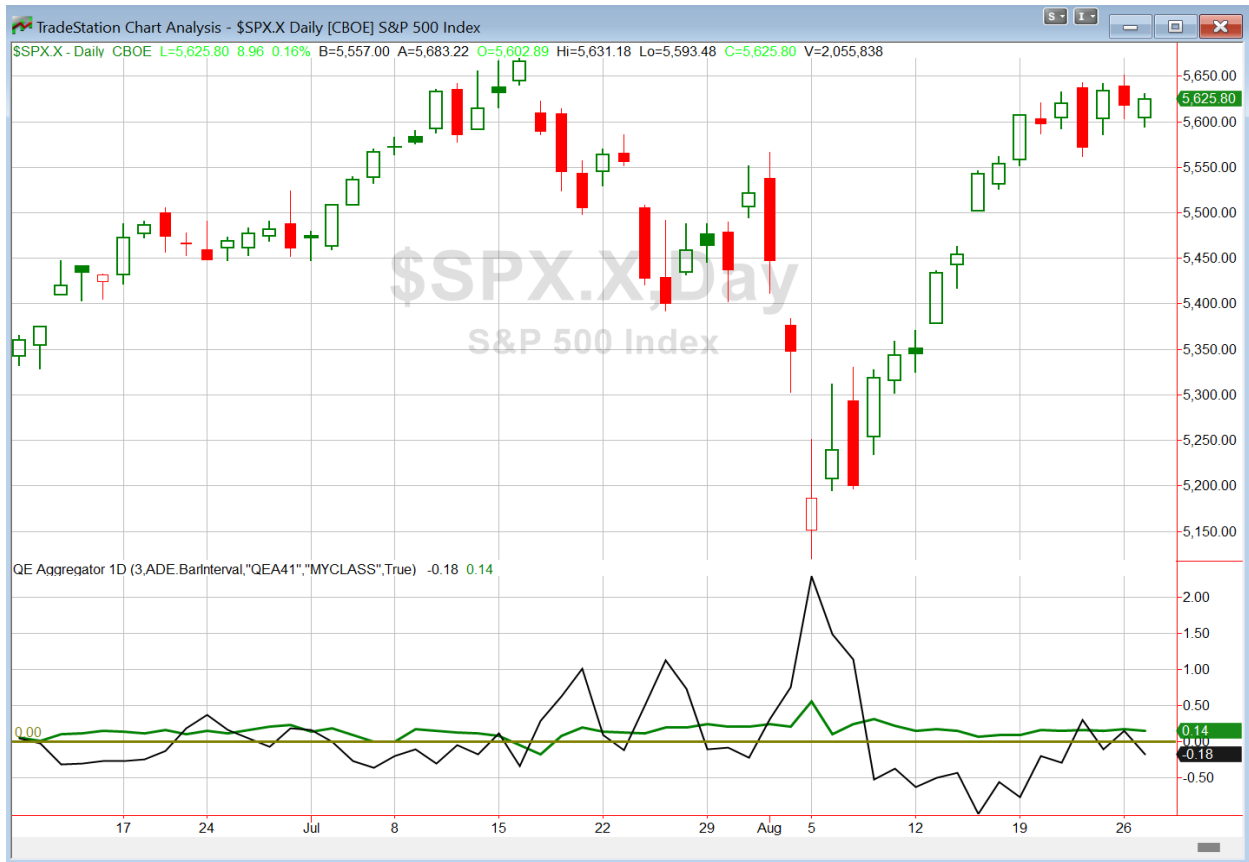
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
August 23, 2024	Up yest. Today 3-hi, 3-lo, 3-lo close	1-5 days	Bullish	2.00%	-1.25%	-2.60%
Active - Long Term						
August 20, 2024	RSI(2) crosses over 99.	1-15 days	Bullish	2.25%	-1.55%	-3.00%
August 19, 2024	SPX up 7 days in a row	1-20 days	Bullish	3.00%	-2.10%	-4.40%
August 15, 2024	5 up > 3% above 200ma < 50-high	1-15 days	Bullish	3.30%	-1.65%	-3.00%
August 12, 2024	SPX dn 4 weeks in a row > 40-week ma	1-10 weeks	Bullish	8.70%	-3.10%	-7.10%
July 22, 2024	NASDAQ Lagging	int term	Neutral			
July 15, 2024	Triple 70 Breadth Thrust	1-80 days	Bullish	10.10%	-4.80%	-11.20%
July 8, 2024	NDX 18% above 200ma	1-90 days	Bullish	14.50%	-9.40%	-18.90%
June 14, 2024	SPX new high with < 50% stocks > 100ma	1-18 months	Bearish			
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, 2023	SPX Golden Cross	int term	Bullish			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			

The Evidence

Tuesday was pretty boring. The SPX and NASDAQ both finished up 0.2%, and the Russell 2000 declined 0.7%. Breadth was weak as the NYSE Up Issues % was 43% and the Up Volume % came in at 41%. NYSE total volume was light.

The market has been stuck in neutral the last few days, perhaps waiting for NVDA earnings Wednesday afternoon. Traders don't seem willing to take on big positions ahead of that news. So we might have one more day of this chop before some excitement (or panic) kicks in on Thursday. No new studies with compelling edges triggered on Tuesday. And it is difficult to try and make a dull market sound interesting. So I will simply keep it brief again tonight.

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



Without any new studies emerging, 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 moved back 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 turned flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted* at 5659.55. That is 0.6% *above* Tuesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up at least 0.6% in order to remain overbought. Anything other than that and it will flip to "oversold" versus recent expectations as of Wednesday's close.

So the Aggregator is neutral. It could easily flip back to bullish on Wednesday, but there is no point in considering new index positions ahead of the NVDA news. We should see the initial reaction tomorrow night. Of course initial reactions can sometimes get reversed the next day. In any case, I'd like to see the market do something to generate a more substantial edge to trade. Until that happens, I am sidelined.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 8/26 – **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 tonight.

Current Open Trade Ideas

None

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