

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 29, 2024

Volume 17 Issue 167

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- Yawn.

Short-term Outlook

The Bottom Line

The Aggregator formation is bullish. But evidence has been lacking the last few days, so I am not enthused about the setup.

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			

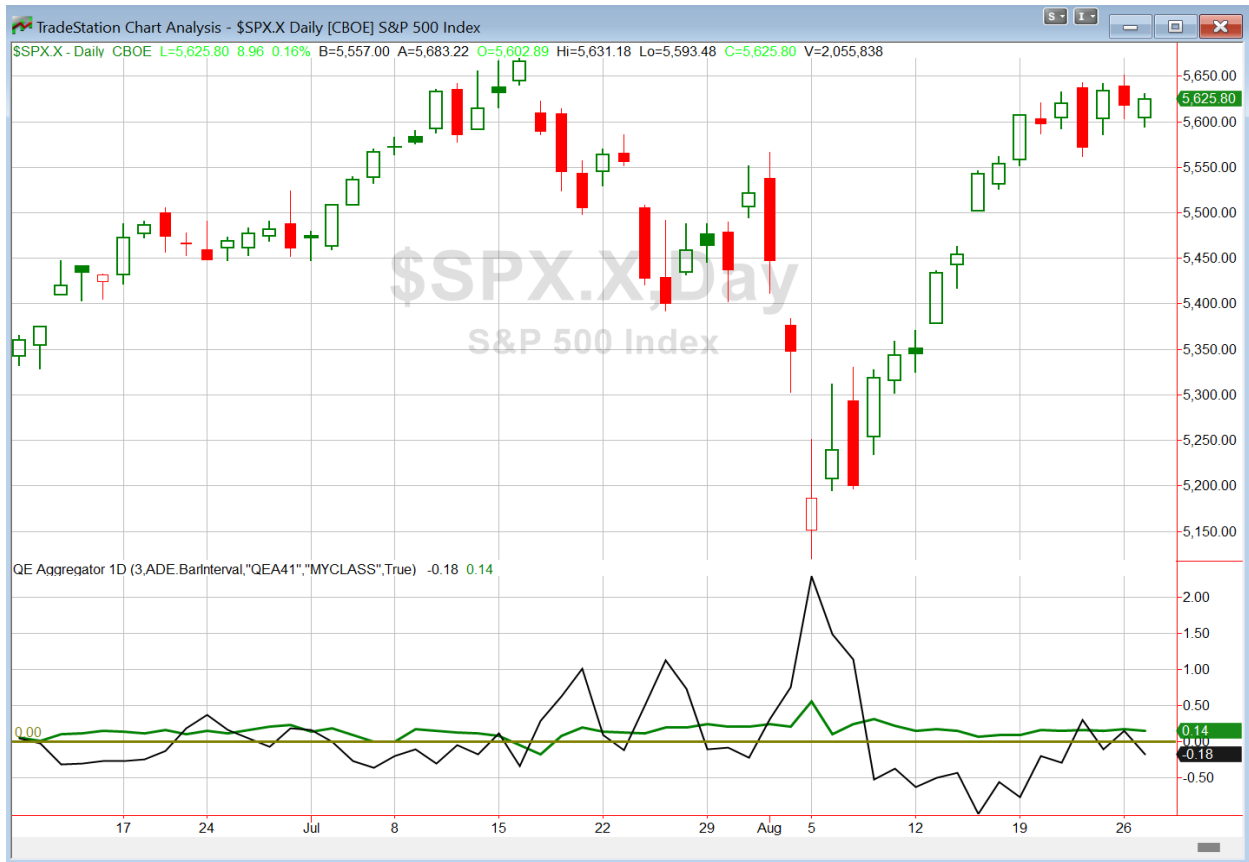
The Evidence

Wednesday saw some selling ahead of NVDA earnings. (And more selling after-hours following the earnings announcement.) The SPX declined 0.6%, the NASDAQ fell 1.1%, and the Russell 2000 dropped 0.65%. Breadth was weak as the NYSE Up Issues % was 38% and the Up Volume % came in at 32%. NYSE total volume rose a little from Tuesday's level.

The chop continues. Wednesday was now the 7th day in a row that SPX changed direction. Unsurprisingly, nothing compelling emerged suggesting a strong short-term edge. We are probably going to need to break this pattern before a strong edge emerges. The pattern could be broken tomorrow if NVDA-inspired selling continues. NVDA announced earnings a bit after the bell. Last quarter they made somewhere around a gazillion dollars. But that appears to be a disappointment. So NASDAQ 100 futures are down about 1% while I write this tonight.

I wish I had a compelling study to share. And some hard-core data mining could likely come up with a few interesting stats. But such an approach is highly unlikely to uncover a true market edge. So I will make the letter boring again tonight, and hope that tomorrow is a bit more interesting. (Good chance of that.)

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 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. But with the last of the short-term active studies set to expire, expectations over the next few days will be highly dependent on any new evidence that emerges. Meanwhile, the Differential Pivot will be 5642.95. That is 0.9% above Wednesday's close. Therefore, SPX will need to close up at least 0.9% on Thursday in order to change from oversold to overbought versus recent expectations.

So the Aggregator is bullish. While there is ample room to the upside, evidence really is quite weak. We only have one study left on the short-term active list, and nothing new has been added in the last 3 nights. If I am going to put capital at risk on a short-term trade, I am going to want some recent evidence supporting the trade idea. So I am not compelled to act on this setup just yet. I'll see how Thursday plays out and what new evidence emerges before considering an index position.

*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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