

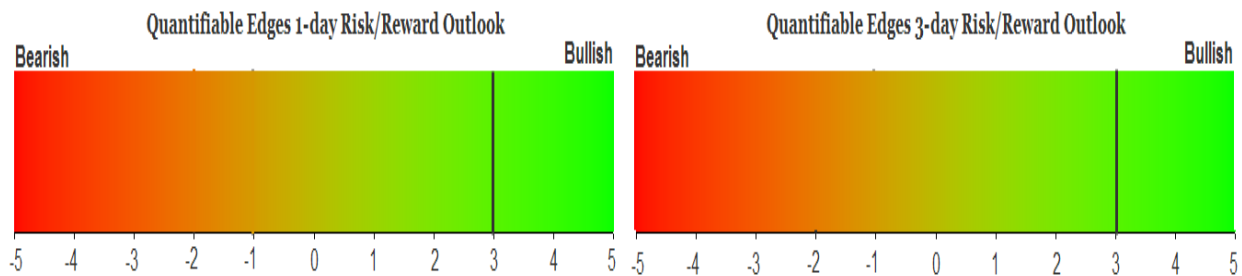
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 6, 2024

Volume 17 Issue 172

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- A gap below a short-term low and further selling in a long-term uptrend is often followed by a move up over the next few days.
- Employment Days have been bullish since 2013 – but not as much when SPY closes poorly the day before the report.

Short-term Outlook

The Bottom Line

The Aggregator formation is bullish. I like the long side.

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						
September 6, 2024	Gap dn from 5-low & more selling	1-2 days	Bullish			
September 6, 2024	Employment days bullish	1 day	Bullish			
September 4, 2024	Big drop to 10-low. 1st day of week.	1-5 days	Bullish	2.40%	-1.20%	-3.20%
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			
Dropped Tonight (expired, target hit, or avg drawdown + 1 std dev exceeded)						
September 4, 2024	5-high yest. 2% drop to 5-low today. > 200	1-2 days	Bearish			

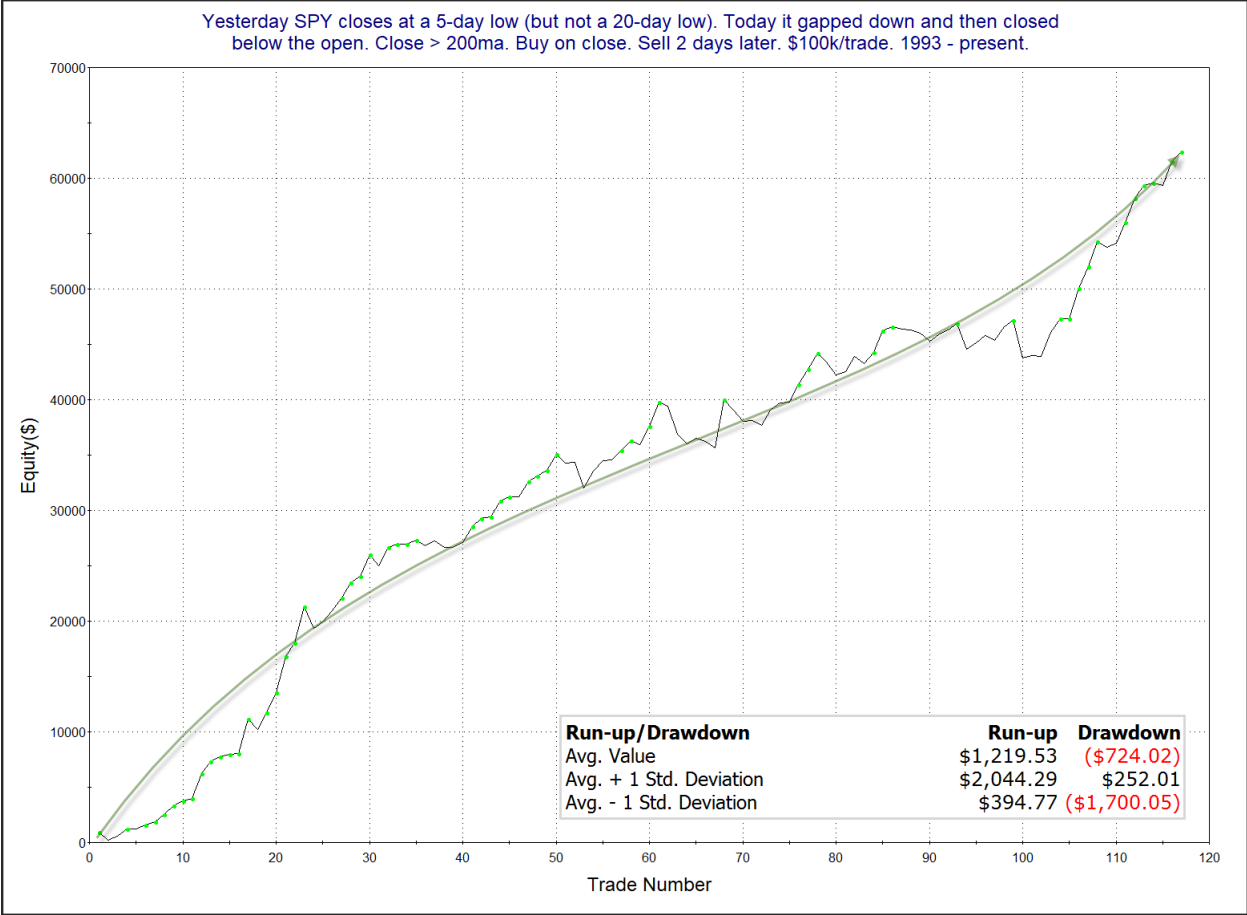
The Evidence

The market was mixed on Thursday. The SPX fell 0.3%, the NASDAQ declined 0.25%, and the Russell 2000 lost 0.6%. Breadth was weak as the NYSE Up Issues % was 44% and the Up Volume % came in at 36%. NYSE total volume declined for the 3rd day in a row.

In the 1/4/24 letter I showed a study that examined gaps down and poor closes following a 5-day low. The setup appeared bullish. But I also noted that it was even more bullish if the gap down followed a 20-day low. So 20-day low instances are excluded in the below study to prevent the data from looking overly bullish. Stats are updated.

Yesterday SPY closes at a 5-day low (but not a 20-day low). Today it gapped down and then closed below the open. Close > 200ma. Buy on close. Sell X days later. \$100k/trade. 1993 - 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	92,751.40	114	79	34	69.30	5,165.28	-5,063.85	1,688.87	-1,196.15	1.41	3.28	813.61
4	55,709.87	114	77	37	67.54	4,647.50	-8,109.60	1,492.41	-1,600.16	0.93	1.94	488.68
3	55,661.61	116	74	41	63.79	4,290.00	-7,722.10	1,452.52	-1,264.02	1.15	2.07	479.84
2	62,405.35	117	85	32	72.65	4,305.42	-3,385.20	1,052.73	-846.15	1.24	3.30	533.38
1	34,956.58	122	84	38	68.85	2,143.68	-4,181.76	795.08	-837.64	0.95	2.10	286.53

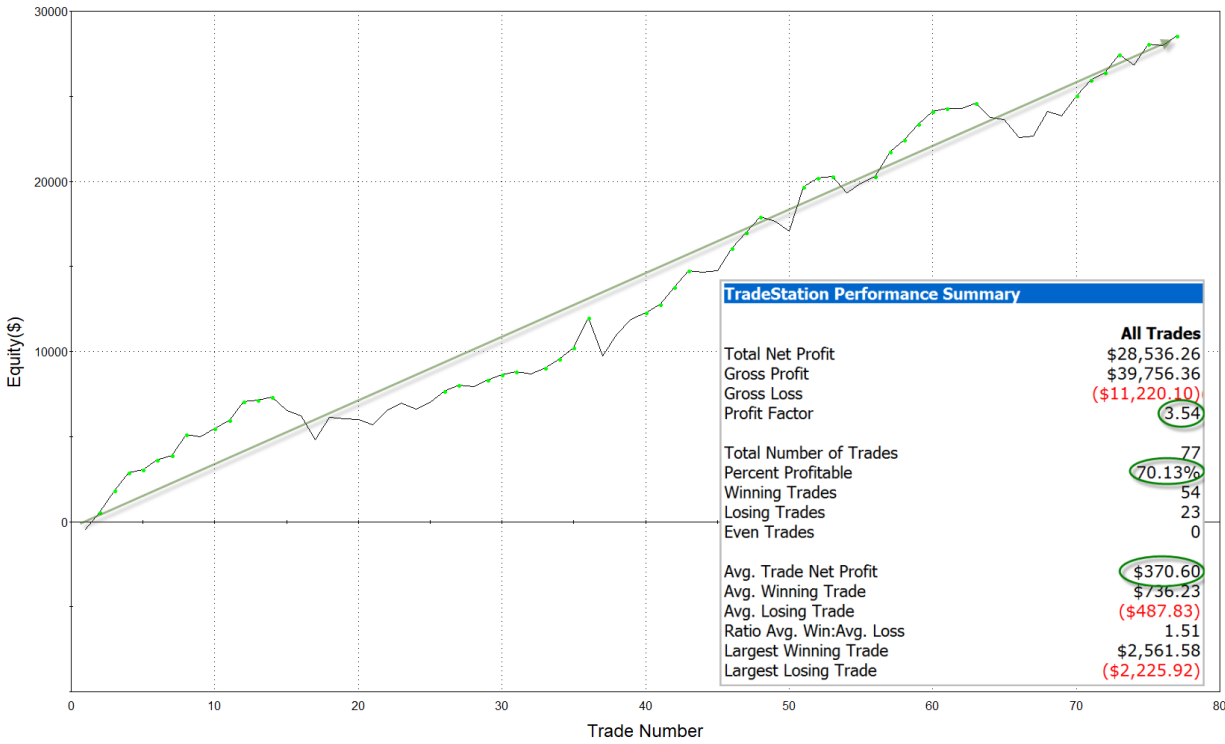
Odds here appear bullish, especially over the 1st 2 days. Below is a profit curve assuming a 2-day exit strategy.



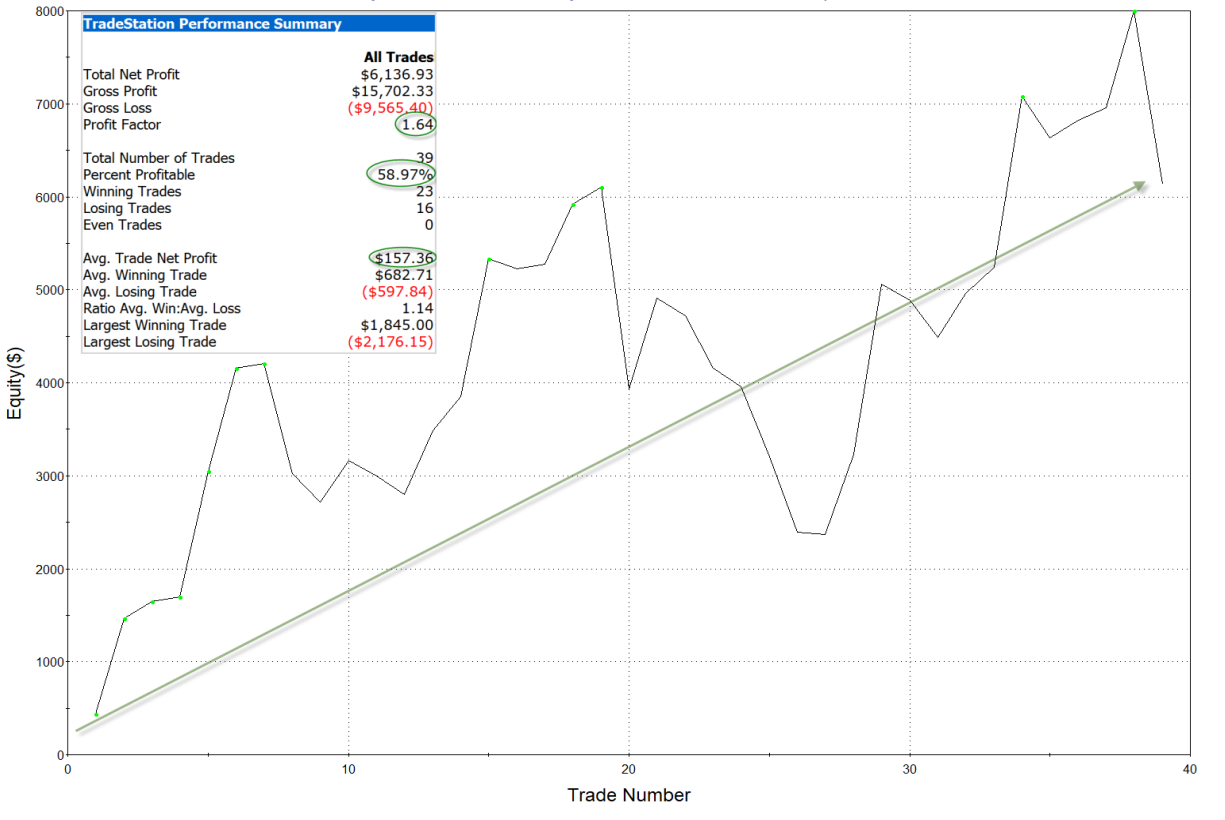
The persistent upslope serves as confirmation of the bullish potential. And recent instances have been especially strong. I have included this study on the Active List tonight.

Friday morning an hour before the open the BLS Employment Report will be released. Employment days have shown a bullish tilt since 2013. Interestingly, that bullish tilt has been even stronger when the market has rallied in the afternoon prior to the report. The study below was last seen in the 8/2/24 letter. Results are all updated.

SPY closes in the top half of its intraday range the day before an Employment Day. Close > 200ma.
Buy on close. Sell Employment Day close. \$100k/trade. 2013 - present.

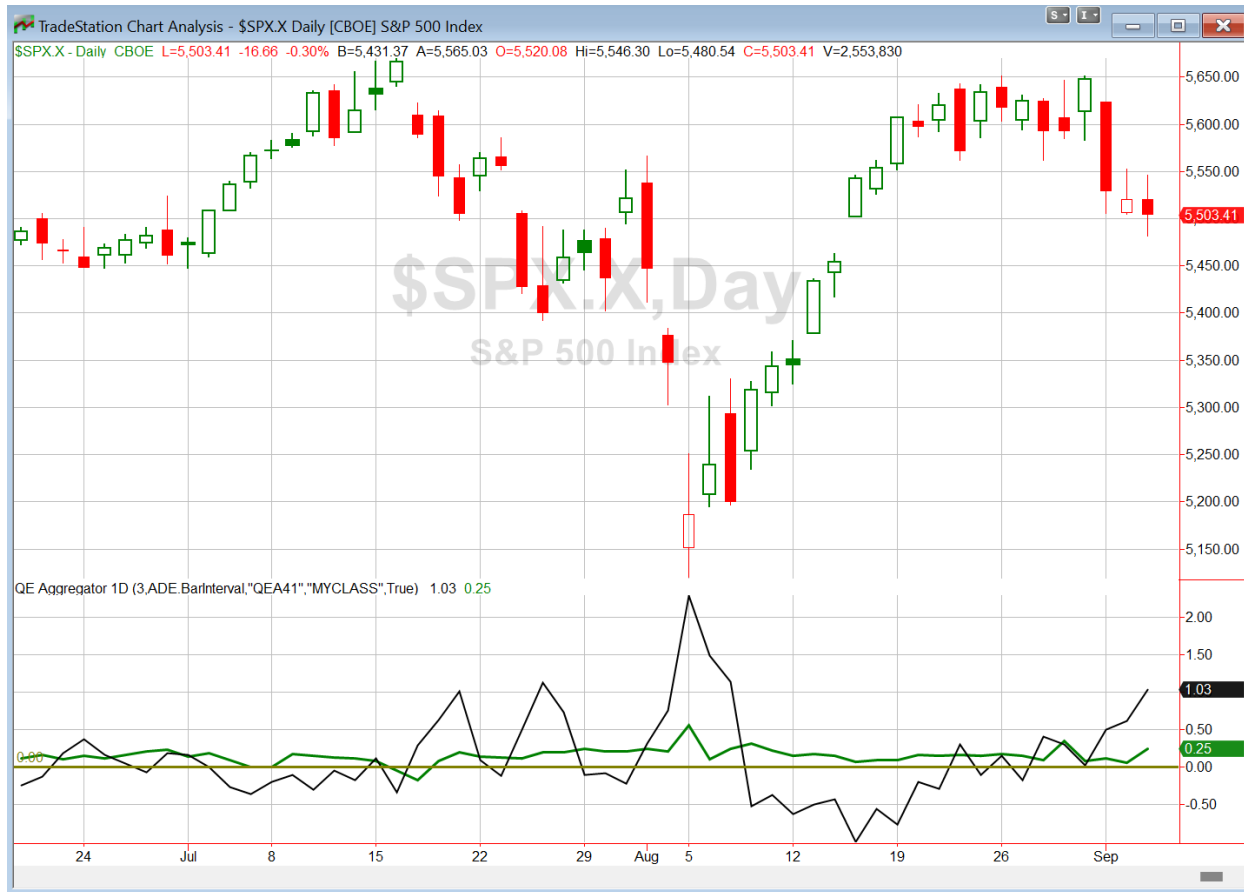


SPY closes in the bottom half of its intraday range the day before an employment day. Close > 200ma.
Buy on close. Sell next day's close. \$100k/trade. 2013 - present.



Even closing in the bottom half of the range, Employment Days have exhibited a bit of an upside tendency since 2013. The edge has not been as prevalent. Weaker numbers and choppy curve. Still, perhaps worth some consideration.

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 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 Friday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential

Pivot will be 5558.34. That is 1.0% above Thursday's close. Therefore, SPX will need to close up at least 1.0% on Friday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is again bullish. I believe there is an upside edge, and I have some long exposure to try and take advantage of it. I am not inclined to add to that long exposure just yet. While I like tonight's studies, they are not overly powerful. The pullback has only been 3 days at this point, we are not yet near an intermediate-term low, and the Quantifiable Edges CBI is still sitting at zero. So my plan is to hold tight for now, see how Friday plays out, and then take a fresh look over the weekend.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 9/3 – **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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	8/30/2024	\$557.50	\$549.61	-1.42%	Aggregator
SPY(1/4)	9/4/2024	\$550.95	\$549.61	-0.24%	Aggregator

The author of Quantifiable Edges (QE), Mr. Robert Hanna, is separately affiliated with a registered investment adviser, Eastsound Capital Advisors, LLC (ECA) d.b.a. Capital Advisors 360. Advisory clients of ECA utilizing the approaches developed by Mr. Hanna will receive the QE newsletter from QE at no charge. ECA is not otherwise affiliated with QE, and neither endorses nor warrants the content of this site, the QE newsletter(s), any embedded advertisement, nor any linked resource herein.

This report has been prepared by Quantifiable Edges, LLC and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy securities. While information contained herein is believed to be accurate at the time of publication, we make no representation as to the accuracy or completeness of any data, studies, or opinions expressed and it should not be relied upon as such. Robert Hanna, Quantifiable Edges, LLC or clients of Quantifiable Edges, LLC may have positions or other interests in securities (including derivatives) directly or indirectly which are the subject of this report. This report is provided solely for the information of Quantifiable Edges, LLC clients and prospects who are expected to make their own investment decisions without reliance upon this report. Neither Quantifiable Edges, LLC nor any officer or employee of Quantifiable Edges, LLC accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Quantifiable Edges, LLC.

Copyright © 2024 Quantifiable Edges, LLC.