

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 10, 2024

Volume 17 Issue 196

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	2

Tonight's Research Points

- SPX made a new high and VIX closed above 20. That is unusual, but not greatly predictive over the short term.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. So am I.

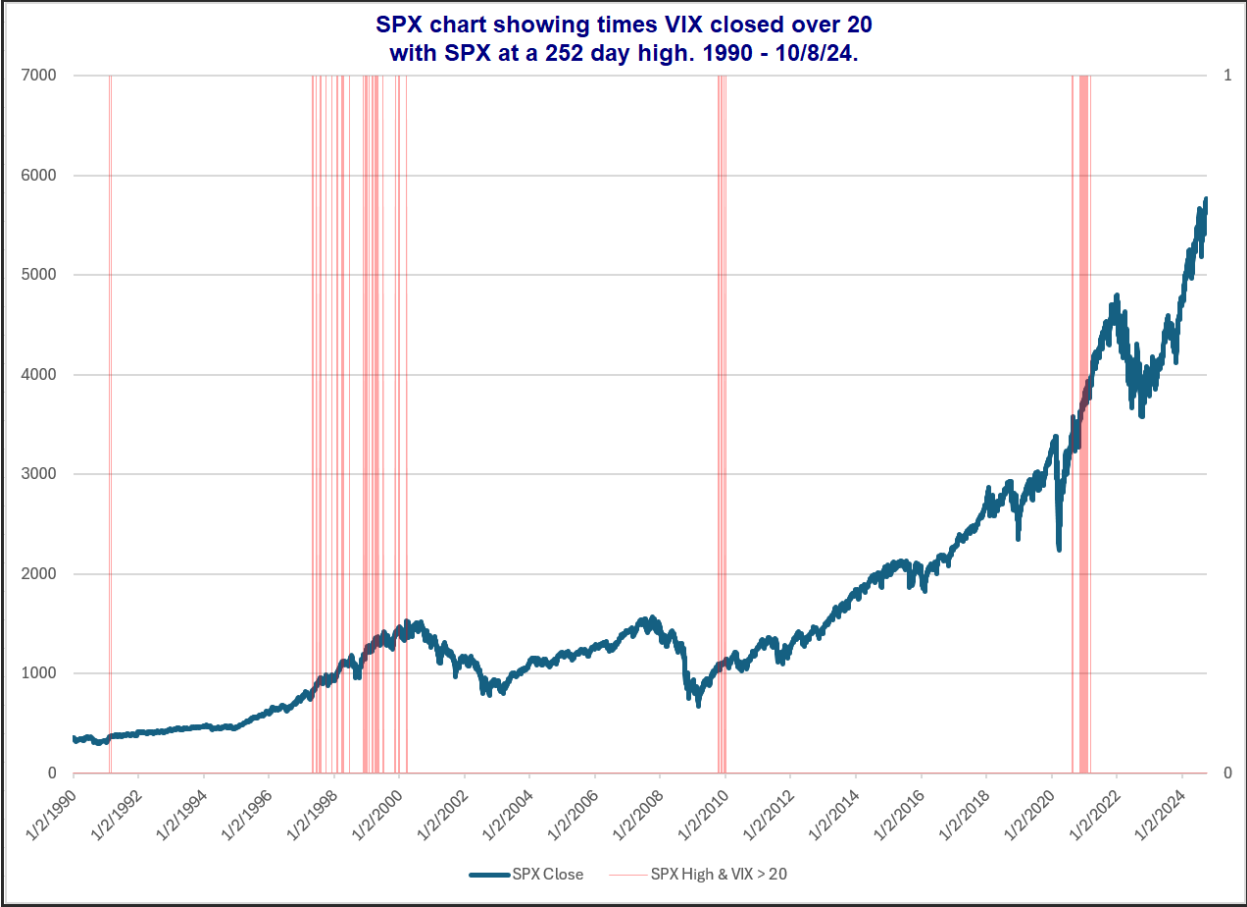
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
None						
Active - Long Term						
September 30, 2024	NASDAQ Leading	int term	Bullish			
September 23, 2024	Fed neutral. QT active. Rates dropping.	int term	Neutral			
September 18, 2024	SPX up 7 days in a row	1-20 days	Bullish	3.00%	-2.10%	-4.40%
September 16, 2024	SPX up 5 < 50-high. 5-day ROR > 3%	1-15 days	Bullish	3.35%	-1.60%	-2.90%
August 12, 2024	SPX dn 4 weeks in a row > 40-week ma	1-10 weeks	Bullish	8.70%	-3.10%	-7.10%
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			

The Evidence

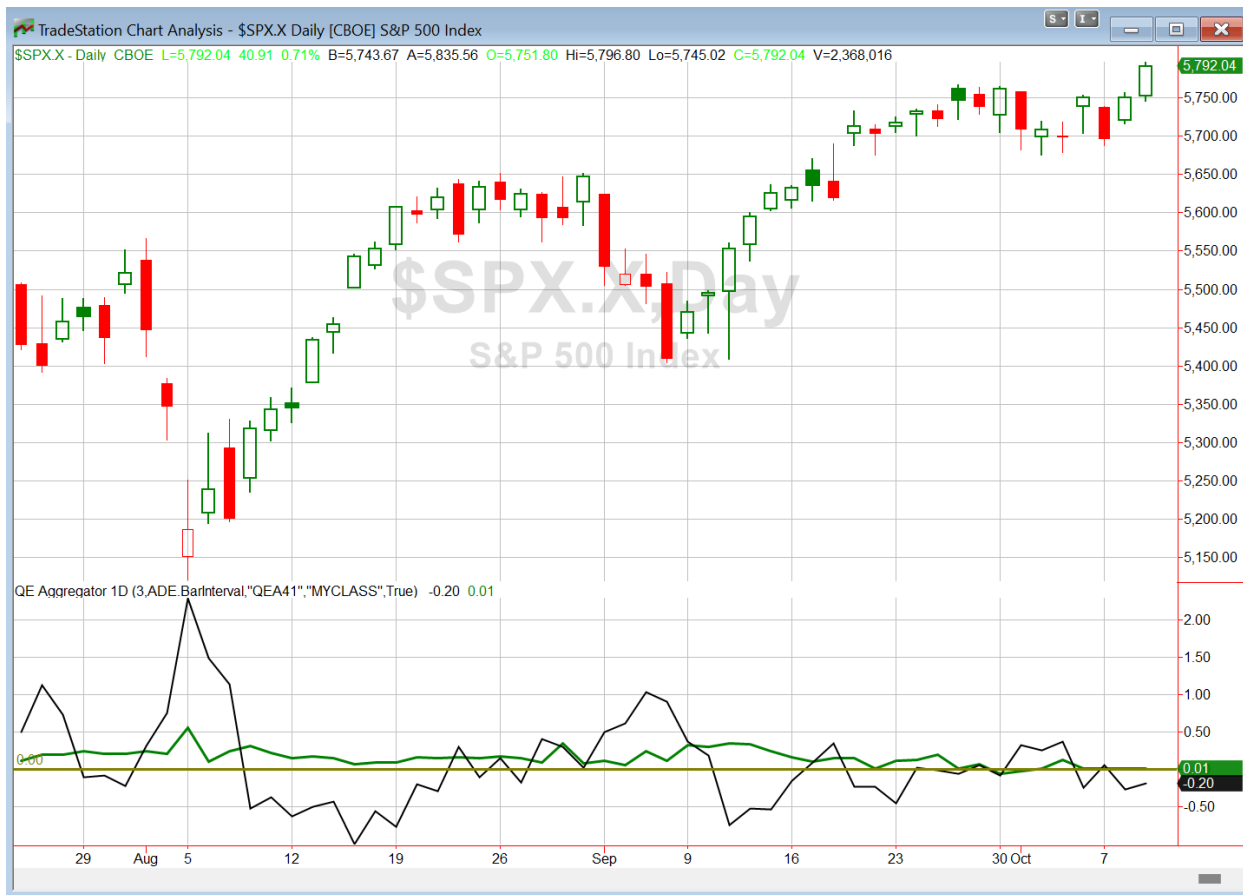
Wednesday was an up day. The SPX gained 0.7%, the NASDAQ rallied 0.6%, and the Russell 2000 rose 0.3%. Breadth was positive as the NYSE Up Issues % was 57% and the Up Volume % came in at 64%. NYSE total volume declined some from Tuesday's level.

SPX closed at a new all-time high on Wednesday. It is interesting that the new high occurred on a day in which VIX closed above 20. That is the 1st time this has happened since March of 2021. Below is a look at past instances where SPX closed at a 252-day high at the same time that VIX closed > 20. This chart is updated from the 8/24/20 letter.



Unusual activity. This is the 1st instance in a few years. Based on forward performance, it does not appear to be especially predictive. So not a “signal”, but it still seemed notable. No new studies made the active list tonight.

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



Without any new studies making the Active List, the green Aggregator Line remained slightly 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 active studies, expectations are slated to remain positive on Thursday. Of course with the short-term active list barren, expectations over the next few days will be largely dependent on any new evidence that emerges. Meanwhile, the Differential Pivot will be 5702.55 on Thursday. That is 1.5% below Wednesday's close. Therefore, SPX will need to close down over 1.5% on Thursday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is again neutral. That is where I am as well. Times like now it can get frustrating just sitting around waiting for a favorable setup to arrive. Over time I have found that patience pays and playing marginal edges doesn't. So I'll continue to sit on my hands another day and see what Thursday brings.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 10/7 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

MDLZ @ \$72.28 (Bought 1/3 @ limit)

DE @ \$400.28 (Buy @ limit) – not filled – cancel for now

Broad Market Large Cap CBI – 2 (MDLZ, DE)

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
MDLZ(1/3)	10/3/2024	\$72.20	\$71.05	-1.59%	Catapult

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