

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 15, 2024

Volume 17 Issue 199

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Low Columbus Day volume is typical, and not something to read into.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. So am I. Again.

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

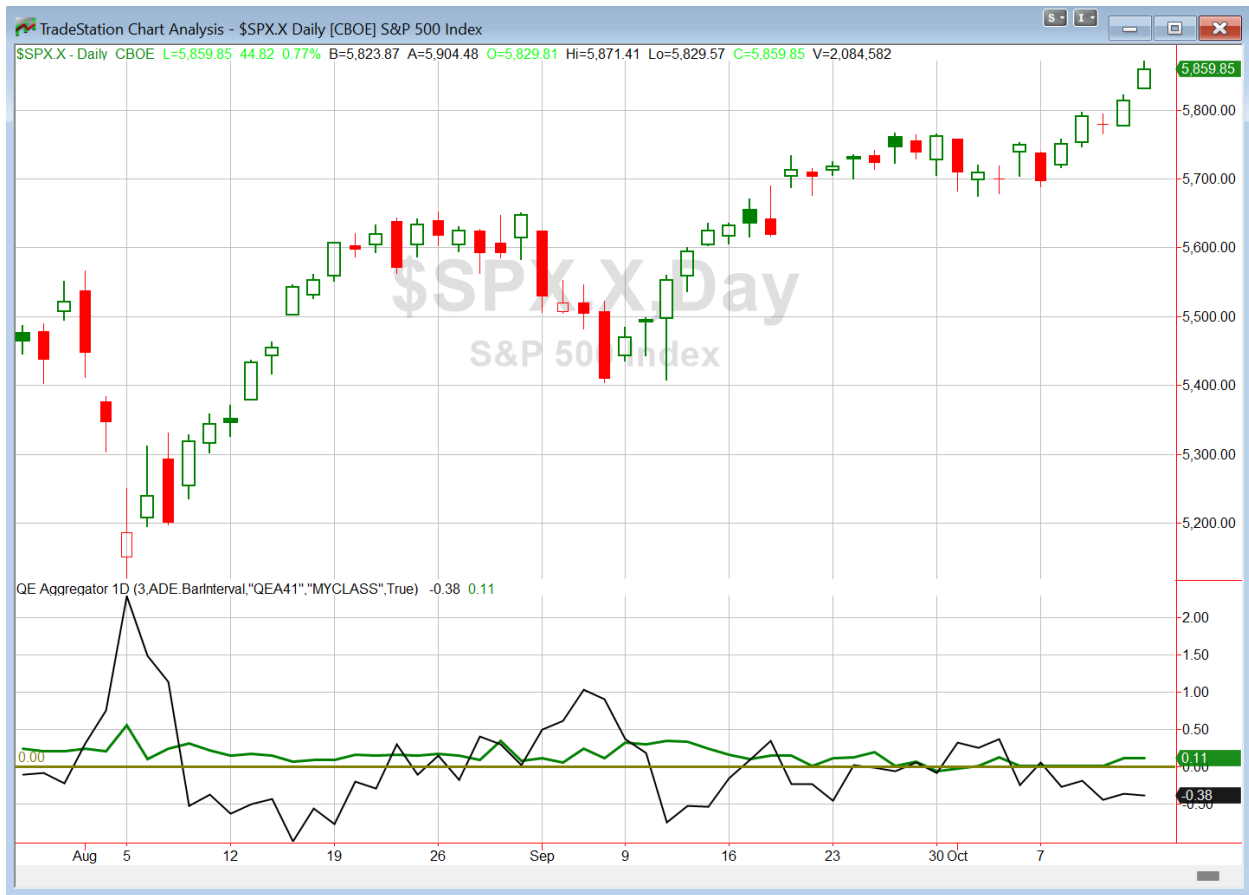
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
October 14, 2024	October Opex bullish	1-4 days	Bullish	3.00%	-2.50%	-7.30%
Active - Long Term						
September 30, 2024	NASDAQ Leading	int term	Bullish			
September 23, 2024	Fed neutral. QT active. 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%
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

Monday was a rally day. The SPX gained 0.8%, the NASDAQ rose 0.9%, and the Russell 2000 climbed 0.6%. Breadth was strong as the NYSE Up Issues % was 59% and the Up Volume % came in at 61%. NYSE total volume came in light.

There were several studies that appeared on the Quantifinder tonight, but most of them were volume related. As a bond holiday it is understood that volume will typically be a bit light. But is the extremely low level really attributable to Columbus Day? Since 1980 this was the 29th time that Columbus Days posted the lowest volume in at least 20 days. That means volume has been this low about 64% of the time. That is certainly often enough that I am comfortable ignoring volume indications and volume-related studies. Nothing new is being added to the active list tonight.

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



Without any new evidence making the cut, 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 active studies, expectations are slated to remain positive on Tuesday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5780.27 on Tuesday. That is 1.4% below Monday's close. Therefore, SPX will need to close down 1.4% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is again neutral. The October opex week study from the weekend is pointing higher, and so are intermediate-term expectations. But the overbought nature of the market reduces potential reward and increases risk. This does not appear to be a highly favorable entry opportunity. I'll continue to wait for a stronger setup before looking to take on new index exposure.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 10/14 – **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
<i>MDLZ(1/3)</i>	<i>10/3/2024</i>	<i>\$72.20</i>	<i>\$70.53</i>	<i>-2.31%</i>	<i>sold on open</i>

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