

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 16, 2024

Volume 17 Issue 200

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling evidence emerged tonight.

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

Tuesday saw the indices mostly lower. The SPX lost 0.8%, the NASDAQ declined 1.0%, and the Russell 2000 inched up 0.05%. Breadth was weak as the NYSE Up Issues % was 47% and the Up Volume % came in at 47%. NYSE total volume rose some from Monday's low level.

This is going to be a brief letter. Nothing compelling triggered. SPY did close down from a 50-day high on Monday. In the past I have found that when the market gaps down from a 50-day high and closes lower without ever filling, that there is often another day of selling. But when there is no unfilled gap, there is not a substantial edge. There was not an unfilled gap on Tuesday, and no substantial edge that I see.

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 slightly inverted at 5821.69 on Wednesday. That is 0.1% *above* Tuesday's close. An inverted pivot means that the Differential Line will cross zero if SPX closes flat. In this case, SPX will need to close up a little over 0.1% in order to remain overbought. Anything other than that and it will change to "oversold" versus recent expectations as of Wednesday's close.

So the Aggregator is again neutral. Evidence is fairly weak and the Differential Pivot is inverted. That is a good amount of uncertainty. We still don't have a great setup for an index trade. I will continue to wait until we do.

*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

None

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