

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 22, 2024

Volume 17 Issue 204

Market Overview



Signals Overview

| Aggregator | CBI Reading |
|------------|-------------|
| Short | 0 |

Tonight's Research Points

- No new compelling evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is suggesting a downside edge, but bearish expectations may only last 1 more day.

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

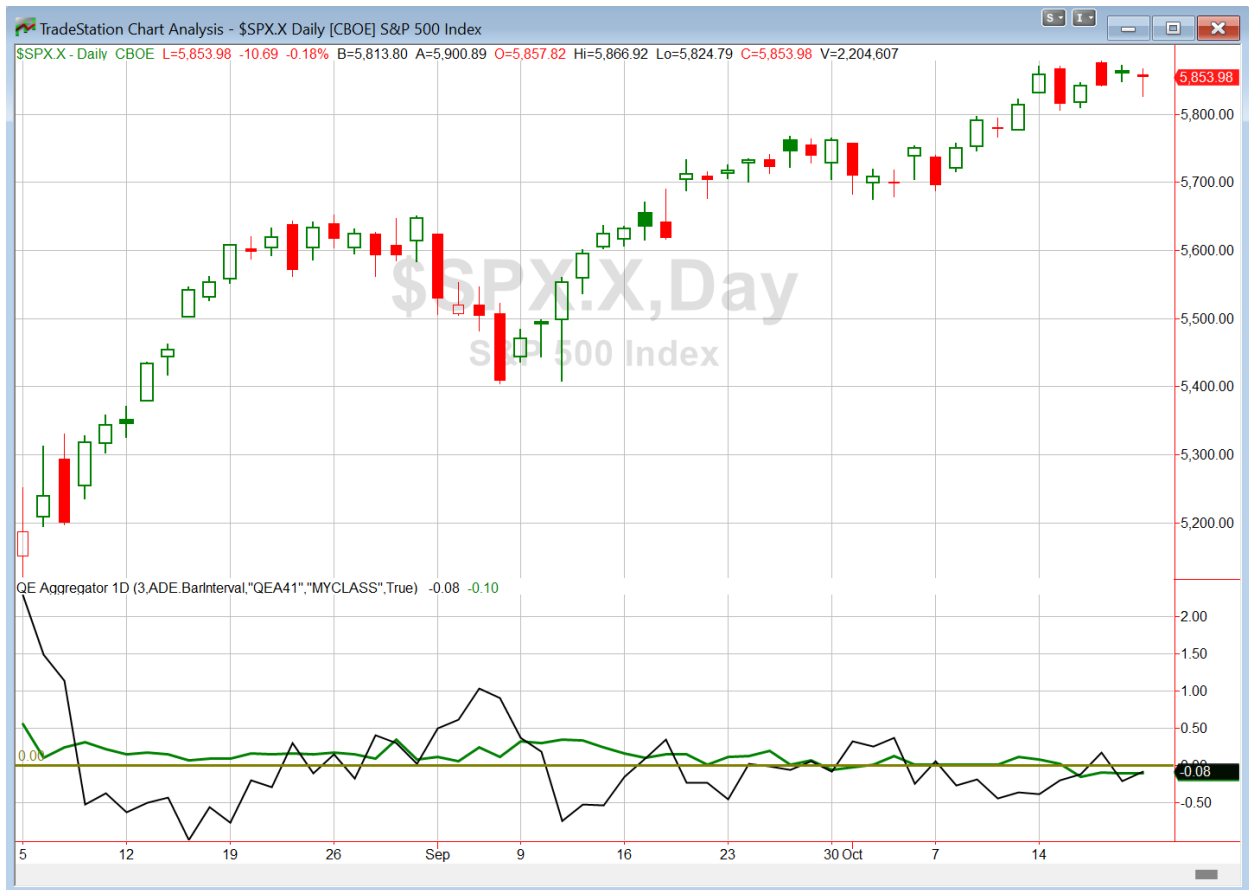
| Study Date | Description | Time span | Bias | Avg Run-up | Avg DrawDn | Avg DrawDn - 1 Std Dev |
|--|--|-------------|---------|------------|------------|------------------------|
| Active - Short Term | | | | | | |
| October 17, 2024 | SPX goes 28 days w/out 2 straight down | 1-4 days | Bearish | | | |
| Active - Long Term | | | | | | |
| October 18, 2024 | 20-high then close btm 10% intraday rng | 1-10 days | Bullish | 2.20% | -1.40% | -2.80% |
| 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 | | | |
| Dropped Tonight (expired, target hit, or avg drawdown + 1 std dev exceeded) | | | | | | |
| October 18, 2024 | 20-high then close btm 10% intraday rng | 1-2 days | Bullish | | | |

The Evidence

Monday saw mixed results for the indices. The SPX fell 0.2%, the NASDAQ gained 0.3%, and the Russell 2000 declined 1.6%. Breadth was weak as the NYSE Up Issues % was 21% and the Up Volume % came in at 22%. NYSE total volume declined some from Friday's level.

We are back in chop. This was the 5th day in a row that SPX changed direction. As often happens when the market gets into a choppy period, I am not seeing much in the way of new evidence. So I am going to keep the letter short tonight. (It may be even shorter tomorrow night.) I will note that we are now at 31 days without 2 consecutive down days. The record is 32. If SPX closes higher on Tuesday, then the record will be broken. And while it has appeared long stretches have ended with some sizable dips, it is impossible to quantify a sample size of zero previous instances.

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



Without any new studies making the list tonight, the green Aggregator Line remained below zero. Negative readings mean net expectations are for downside 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 negative and SPX is overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close below zero. Therefore, the Aggregator formation stayed short at the close.

Based on the current active studies, expectations are slated to flip to slightly positive on Tuesday. This could easily change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5827.99 on Monday. That is 0.4% below Monday's close. Therefore, SPX will need to close down at least 0.4% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is bearish. But expectations are primed to flip positive tomorrow with the last (bearish) short-term study set to expire. I'm no inclined to get involved with a counter-trend trade with such a short window to profit. I will remain sidelined, awaiting the market to move in a way that suggests a more substantial edge.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 10/21 – **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

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.