

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 30, 2024

Volume 17 Issue 210

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	7

Tonight's Research Points

- Tuesday's weak breadth could actually be a positive.

Short-term Outlook

The Bottom Line

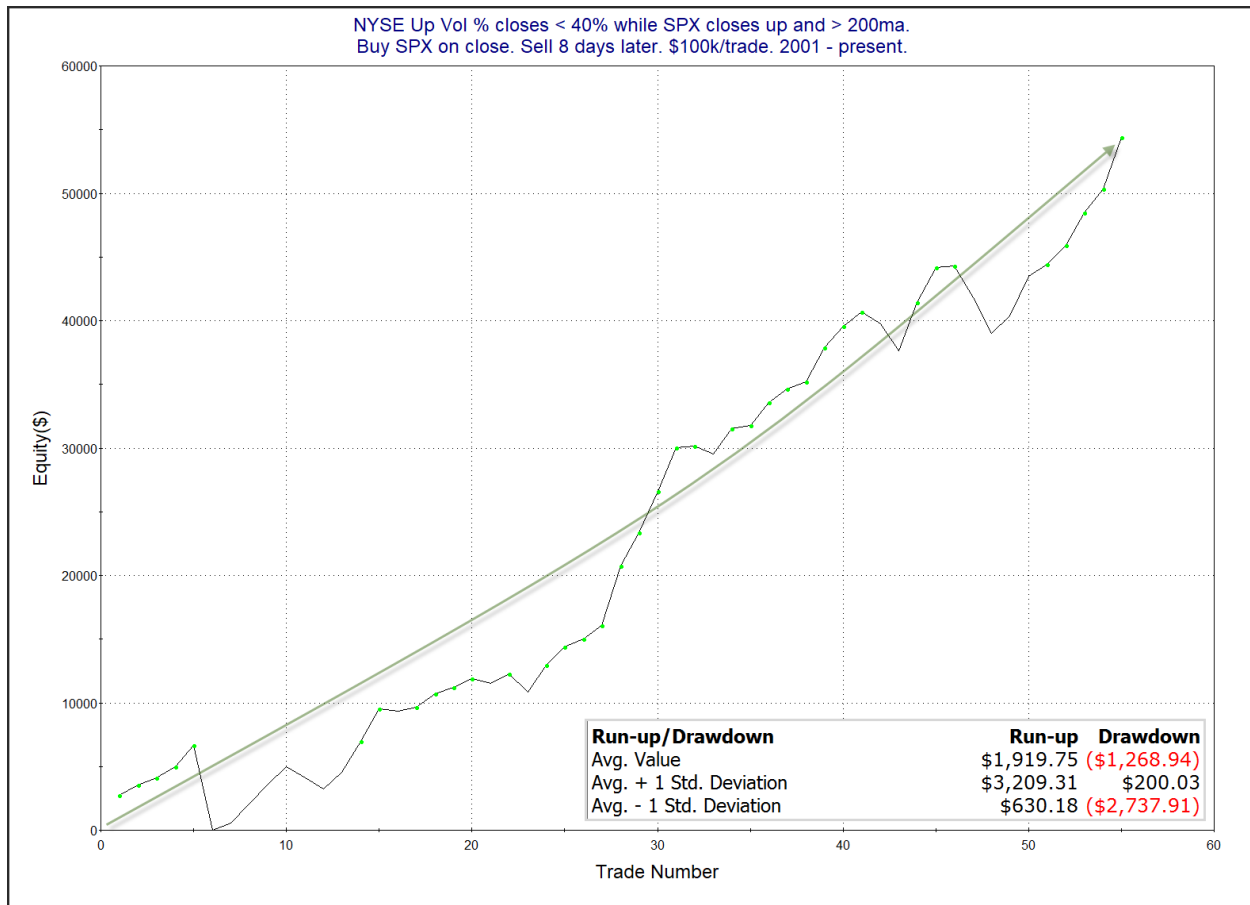
The Aggregator is long. There appears to be a mild upside edge.

The Evidence

Breadth was notably weak. In the 8/13/24 letter I looked at occurrences where the NYSE Up Volume % came in under 40% while SPX closed higher during a long-term uptrend. This triggered on Tuesday, and I have again updated the results below.

NYSE Up Vol % closes < 40% while SPX closes up and > 200ma. Buy SPX on close. Sell X days later. \$100k/trade. 2001 - 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
10	62,317.99	52	41	11	78.85	4,904.10	-7,891.63	2,125.27	-2,256.18	0.94	3.51	1,198.42
9	54,207.95	53	41	12	77.36	5,223.96	-7,594.37	1,919.62	-2,041.37	0.94	3.21	1,022.79
8	54,388.61	55	44	11	80.00	4,666.56	-6,657.20	1,678.88	-1,771.11	0.95	3.79	988.88
7	53,687.88	60	47	13	78.33	5,211.84	-3,755.76	1,586.88	-1,607.36	0.99	3.57	894.80
6	48,445.24	60	45	15	75.00	6,018.56	-3,495.92	1,546.12	-1,408.67	1.10	3.29	807.42
5	39,078.43	64	49	15	76.56	4,787.84	-4,623.84	1,264.18	-1,524.42	0.83	2.71	610.60
4	23,942.14	65	43	22	66.15	3,777.48	-4,483.92	1,141.07	-1,142.00	1.00	1.95	368.34
3	19,363.38	69	44	25	63.77	3,578.94	-3,122.40	971.93	-936.05	1.04	1.83	280.63
2	19,687.56	75	51	24	68.00	2,661.75	-2,848.17	759.37	-793.36	0.96	2.03	262.50
1	10,297.12	81	50	31	61.73	1,790.64	-1,489.20	548.03	-551.76	0.99	1.60	127.12

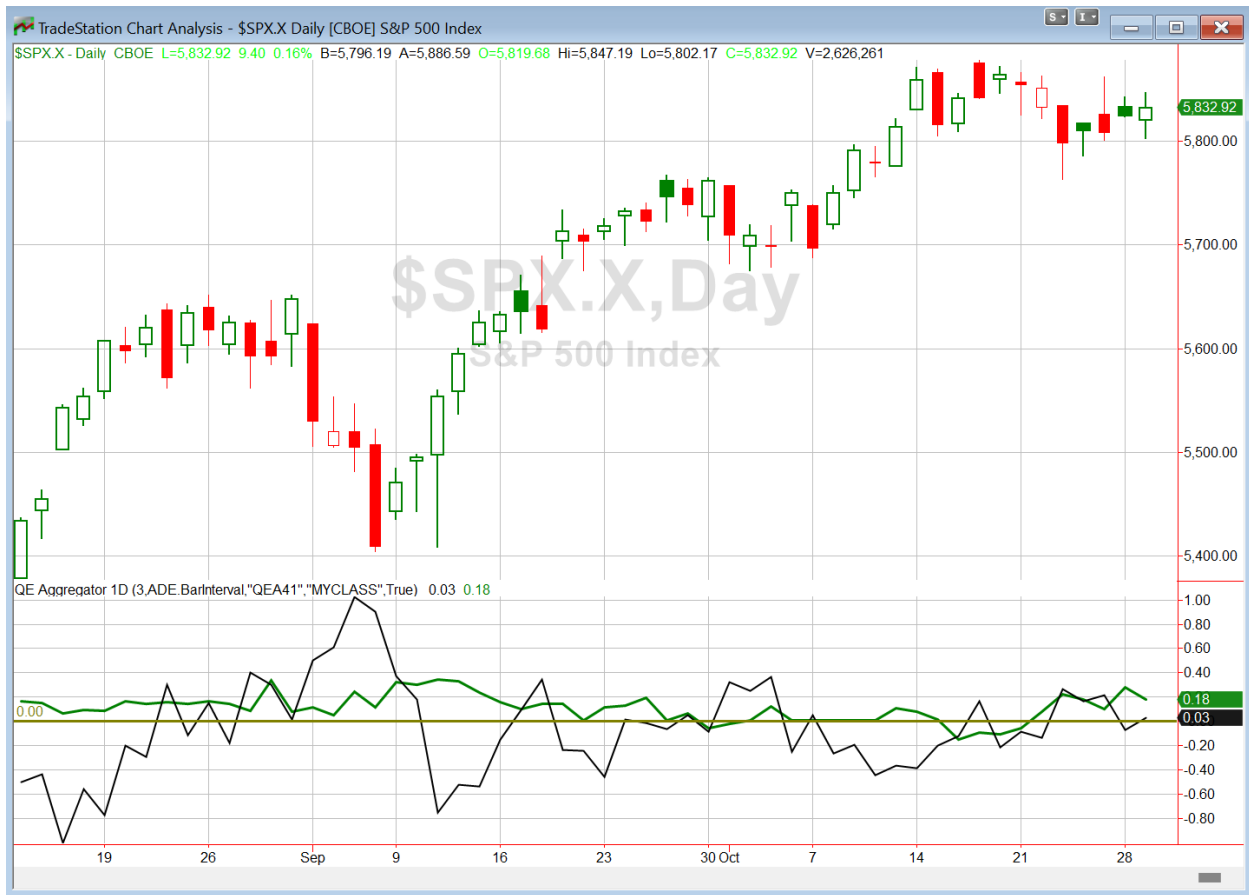
Results continue to look very strong, especially over the 7-10 day periods. Below is a look at an 8-day profit curve.



The curve has shown strong upside persistence. I find these results intriguing, and have added this study to the short-term active list. This is one of those studies that traditional analysis would say should not be suggesting a bullish edge. But it keeps proving itself correct. So I'll continue to take the study under consideration as I have been doing.

There were a couple of other studies, but recent performance made them questionable at best. So I decided not to include them tonight.

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 inched back 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 turned long at the close.

Based on the current active studies, expectations are slated to remain positive on Wednesday. This is unlikely to change. Meanwhile, the Differential Pivot will be 5837.38. That is 0.1% above Tuesday's close. Therefore, SPX will only need to close up about 0.1% on Wednesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is long. But there is not a lot of room to the upside before SPX would turn overbought. And it has just closed up 2 days in a row. So rather than jump into a new position right away, I will wait for the close on Wednesday. If SPX closes down much, then I will look for a small long position at the close.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 10/28 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

HD – 1/3 @ \$399.64

IBM – 1/3 @ \$214.67 (bought @ limit)

ACN – 1/3 @ \$360.80 (bought @ limit)

IBM – 1/3 @ \$212.91 (bought @ limit)

LMT – 1/3 @ \$555.17 (bought @ limit)

New

IBM – 1/3 @ \$210.43 (buy @ limit)

LMT – 1/3 @ \$546.80 (buy @ limit)

Broad Market Large Cap CBI – 7(HD, IBM-3, ACN, LMT-2)

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.

IBM – Buy 1/3 Catapult position @ \$210.43 LIMIT. From the Catapult section above, this is the 3rd and final lot of IBM.

LMT – Buy 1/3 Catapult position @ \$546.80 LIMIT. From the Catapult section above, this is the 2nd of up to 3 possible lots of LMT.

Current Open Trade Ideas

Not updated tonight. I will update tomorrow. LMT and IBM Catapults were purchased, though.

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
HD(1/3)	10/24/2024	\$399.64	\$402.89	0.81%	Catapult
SPY(1/4)	10/24/2024	\$577.75	\$580.83	0.53%	<i>sold on close</i>
IBM(1/3)	10/28/2024	\$214.67	\$212.91	-0.82%	Catapult
ACN(1/3)	10/28/2024	\$360.80	\$361.32	0.14%	Catapult

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