

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 31, 2024

Volume 17 Issue 211

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	8

Tonight's Research Points

- A poor close on Thursday could set up for a good day on Friday.

Short-term Outlook

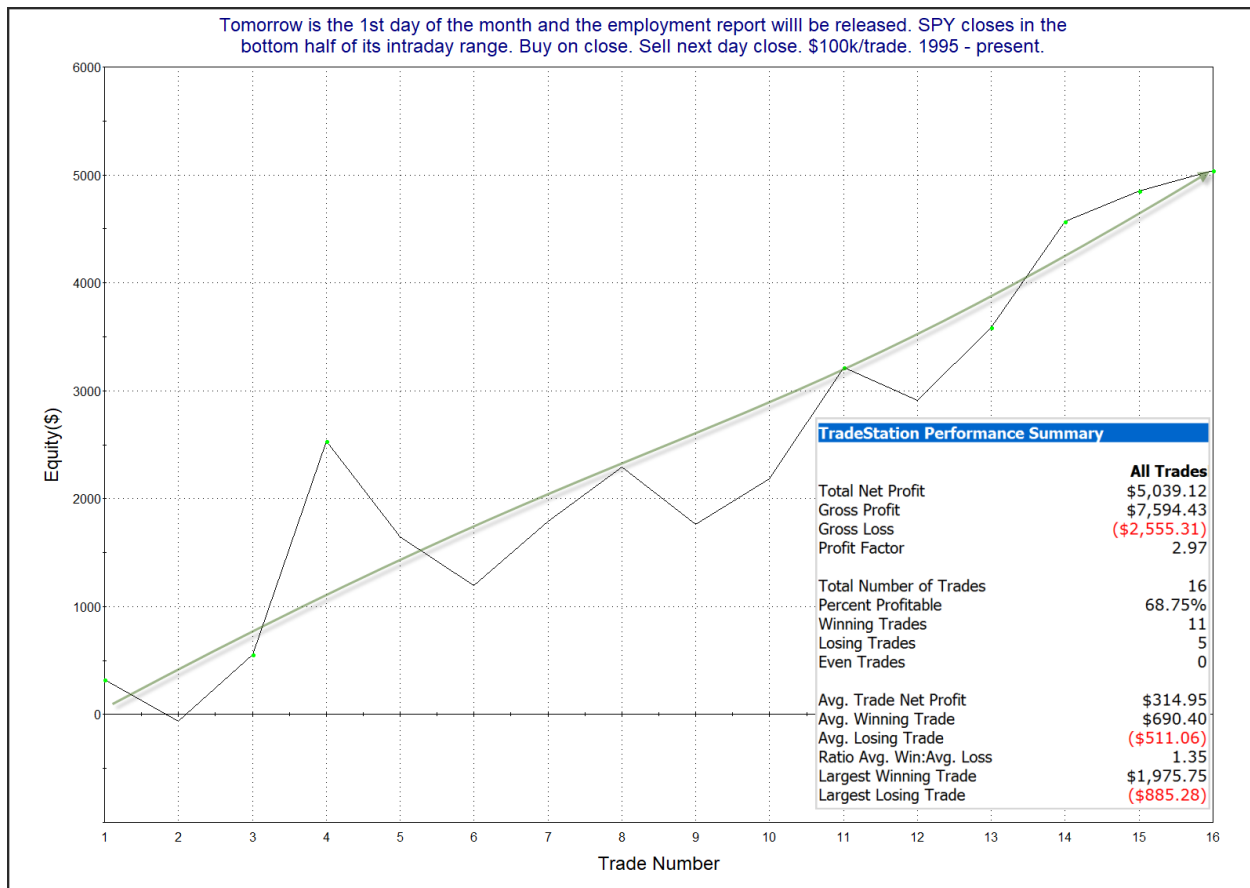
The Bottom Line

The Aggregator is long. Reward/risk appears favorable for the bulls.

The Evidence

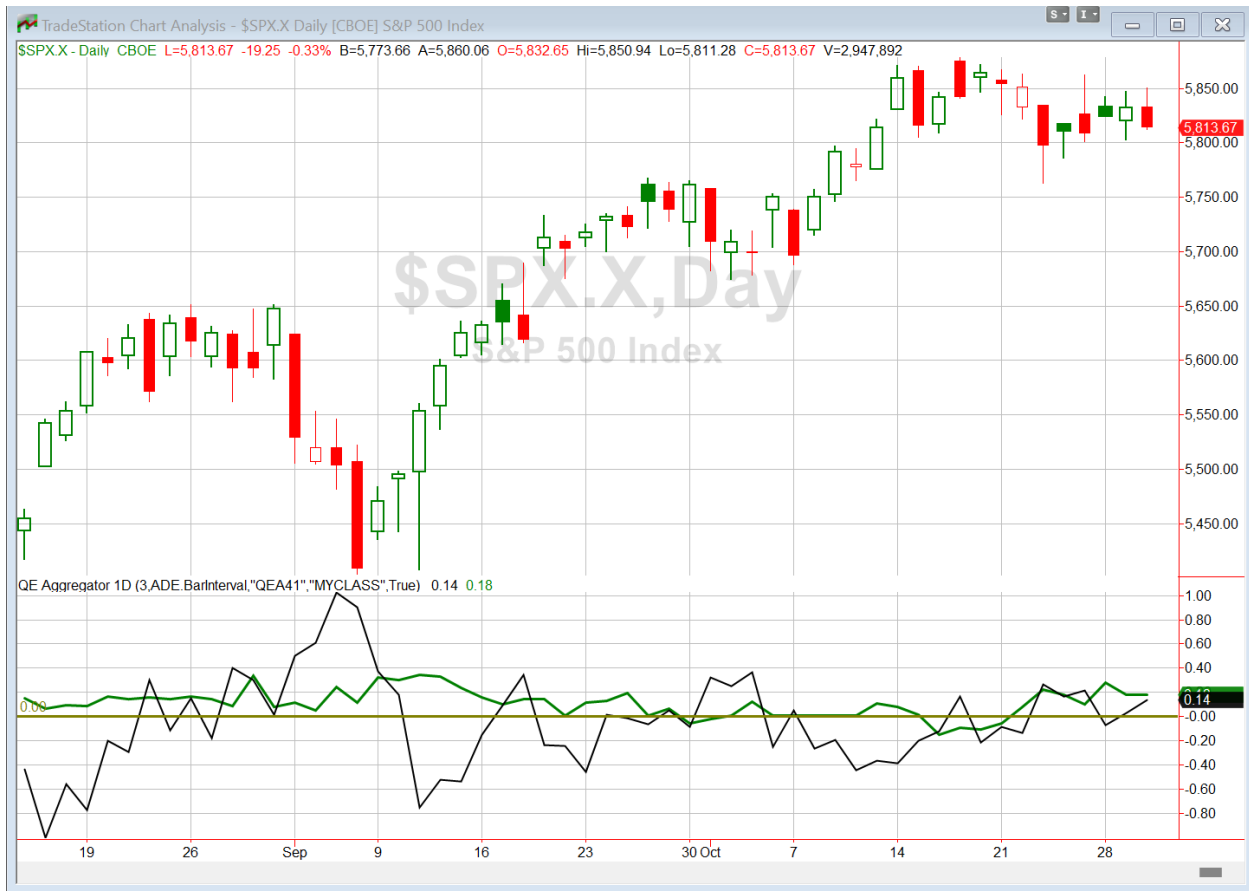
Wednesday saw back and forth action and the finish was not good. The SPX closed down 0.3%, the NASDAQ lost 0.6%, and the Russell 2000 fell 0.2%. Breadth was mildly positive as the NYSE Up Issues % was 51.7% and the Up Volume % came in at 52.5%. NYSE total volume rose some from Tuesday's level.

Nothing compelling triggered in the Quantifinder. We do have a couple of seasonal forces colliding on Friday. For one, it will be the 1st day of a new month. Additionally, the jobs report will be released before the open. In the past I have shown studies indicating that SPY has done much better on the 1st day of the month when it closed in the bottom half of its intraday range the day before. But I have also showed the inverse for jobs report days. On those days, SPY has done better when the market has rallied and closed in the top half of its intraday range the day before. I looked tonight at times the jobs report fell on the 1st day of the month. I found odds to be about flat when SPY closed in the top half of the range. But the bottom half of the range looked solid on a moderate number of instances.



This might be worth keeping in mind on Thursday.

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 held 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 stayed long at the close.

Based on the current active studies, expectations are slated to remain positive on Thursday. This is unlikely to change. Meanwhile, the Differential Pivot will be 5856.19. That is 0.7% above Wednesday's close. Therefore, SPX will need to close up at least 0.7% on Thursday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is long. Evidence is decent. The CBI is starting to get elevated. And there is ample room to the upside before SPX would turn overbought. Overall, reward/risk appears favorable enough to consider taking on some long index exposure. That is what I will do if I can get a good fill on Thursday.

*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)

IBM – 1/3 @ \$210.43 (buy @ limit)

LMT – 1/3 @ \$546.80 (buy @ limit)

New

LMT – 1/3 @ \$545.94 (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.

LMT – Buy 1/3 Catapult position @ \$545.94 LIMIT. From the Catapult section above, this is the 3rd and final of LMT.

SPY – Buy ¼ index position @\$580.00 LIMIT . Based on the short-term outlook, I will look to start scaling into a long SPY position.

Current Open Trade Ideas

Not updated tonight. I will update tomorrow. All Catapult positions are still being held.

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
HD(1/3)	10/24/2024	\$399.64	\$402.89	0.81%	Catapult
<i>SPY(1/4)</i>	<i>10/24/2024</i>	<i>\$577.75</i>	<i>\$580.83</i>	<i>0.53%</i>	<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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