

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 5, 2024

Volume 17 Issue 214

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	8

## Tonight's Research Points

- No compelling new evidence triggered on Monday.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is long. I like the long side, but may exit my long index position if SPX rallies on Tuesday.

**Summary of Current 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
<b>Active - Short Term</b>						
November 4, 2024	SPY btm 10% intraday 2 of last 3. <10ma	1-8 days	Bullish	2.85%	-1.30%	-2.75%
November 1, 2024	Gap dn 5 low. Close < open but > 200	1-5 days	Bullish			
October 30, 2024	Up Vol < 40%. SPX up and > 200.	1-8 days	Bullish			
<b>Active - Long Term</b>						
September 30, 2024	NASDAQ Leading	int term	Bullish			
September 23, 2024	Fed neutral. QT active. Rates dropping.	int term	Neutral			
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			
March 4, 2024	Jan & Feb both close positive	1-10 months	Bullish			
February 2, 2023	SPX Golden Cross	int term	Bullish			

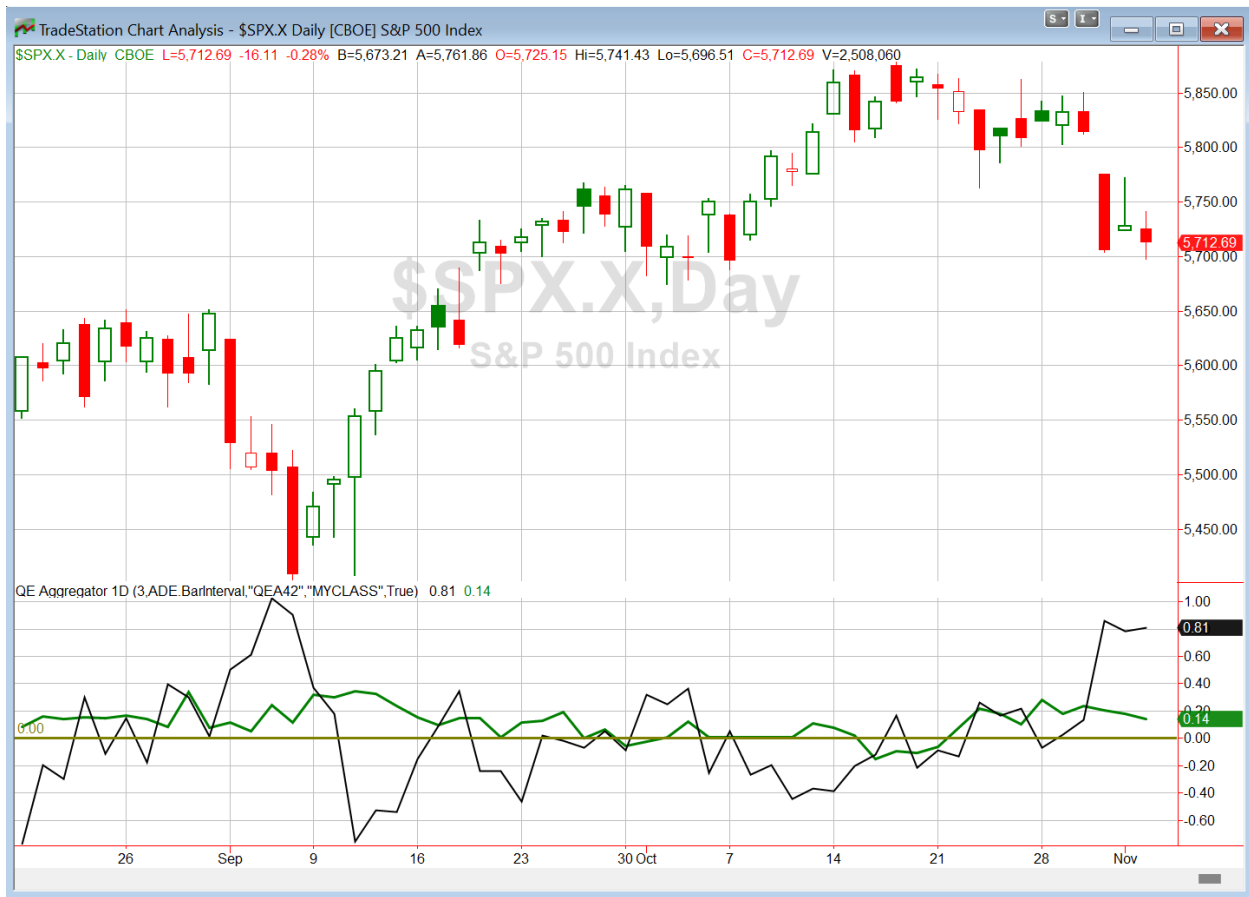
***The Evidence***

After a fair amount of back and forth, the market finished mixed on Monday. The SPX lost 0.28%, the NASDAQ fell 0.33%, and the Russell 2000 moved up 0.40%. Breadth was positive as the NYSE Up Issues % was 59% and the Up Volume % came in at 54%. NYSE total volume rose some from Friday's level.

Tuesday is election day, and Thursday is a Fed Day. So there is plenty of potential for big moves in the next few days. Of course the market has been baking in big-move potential with elevated options prices (VIX readings). And with the market already having sold off some recently, and evidence from the Active List pointing higher, odds appear to favor a bounce. If that bounce does materialize, then there is a good chance that volatility will be crushed. Of course there could be riots in the streets of Philadelphia on Thursday as the nation awaits finals vote counts, and the Fed could surprise and Powell could say something stupid, and the market could all go haywire. BUT...if things play out without much drama or chaos, then there would seem to be a decent chance of a market boost and a VIX collapse.

I won't be adding any new studies 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 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 Tuesday. This is unlikely to change. Meanwhile, the Differential Pivot will be 5741.12. That is 0.5% above Monday's close. Therefore, SPX will need to close up 0.5% on Tuesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is still long. Evidence continues to favor the bulls, and there is still some room to the upside before SPX would turn overbought. Reward/risk appears to favor the bulls. But there is definitely event risk over the next few days. If we get a 0.5% - plus rally on Tuesday, then I will look to exit near the close in anticipation of the Aggregator formation turning flat. Otherwise, I will continue to hold.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 11/4 – **bullish***

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

### ***Open Catapult Triggers***

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 (bought @ limit)  
LMT – 1/3 @ \$546.80 (bought @ limit)  
LMT – 1/3 @ \$545.94 (bought @ limit)  
CL – 1/3 @ \$93.33 (bought @ limit)

***Broad Market Large Cap CBI – 8(IBM-3, ACN, LMT-3, CL)***

### **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**

HD(1/3)	10/24/2024	\$399.64	\$395.57	-1.02%	<i>sell on open</i>
IBM(1/3)	10/28/2024	\$214.67	\$206.32	-3.89%	Catapult
ACN(1/3)	10/28/2024	\$360.80	\$343.90	-4.68%	Catapult
IBM(1/3)	10/29/2024	\$211.99	\$206.32	-2.67%	Catapult
LMT(1/3)	10/29/2024	\$552.80	\$543.10	-1.75%	Catapult
IBM(1/3)	10/30/2024	\$209.48	\$206.32	-1.51%	Catapult
LMT(1/3)	10/30/2024	\$546.80	\$543.10	-0.68%	Catapult
LMT(1/3)	10/31/2024	\$545.94	\$543.10	-0.52%	Catapult
SPY(1/4)	10/31/2024	\$575.56	\$569.81	-1.00%	<i>sell on SPX close &gt; 5741.11</i>
CL(1/3)	11/4/2024	\$93.28	\$93.61	0.35%	Catapult

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