

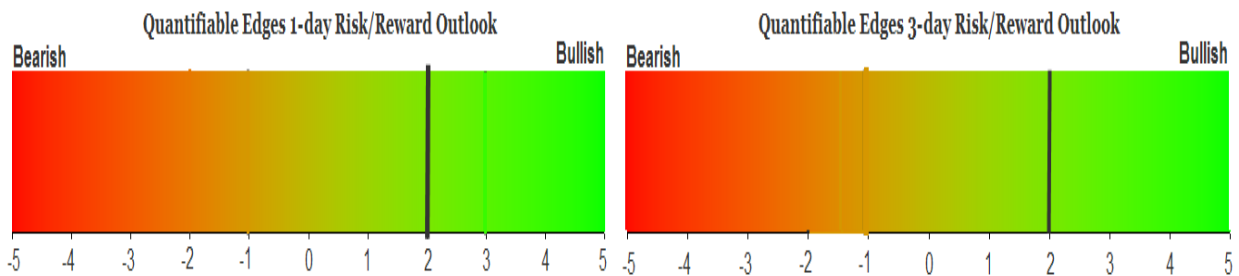
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 15, 2024

Volume 17 Issue 222

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- During uptrends, the market often sees intraday selling on opex Friday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. There appears to be a small upside edge.

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
Active - Short Term						
November 13, 2024	5 up to 50-high then down 1 day	1-4 days	Bullish	1.10%	-0.80%	-1.60%
November 8, 2024	100-day high on Fed Day	1-8 days	Bullish	1.65%	-1.00%	-1.70%
November 7, 2024	VIX goes frm 10% above to 10% below 10ma	1-8 days	Bullish	2.05%	-1.20%	-2.60%
Active - Long Term						
November 13, 2024	5 up to 50-high then down 1 day	1-10 days	Bullish	1.80%	-1.10%	-2.30%
November 8, 2024	50-day %b > 100	1-50 days	Bullish	4.90%	-4.40%	-8.90%
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

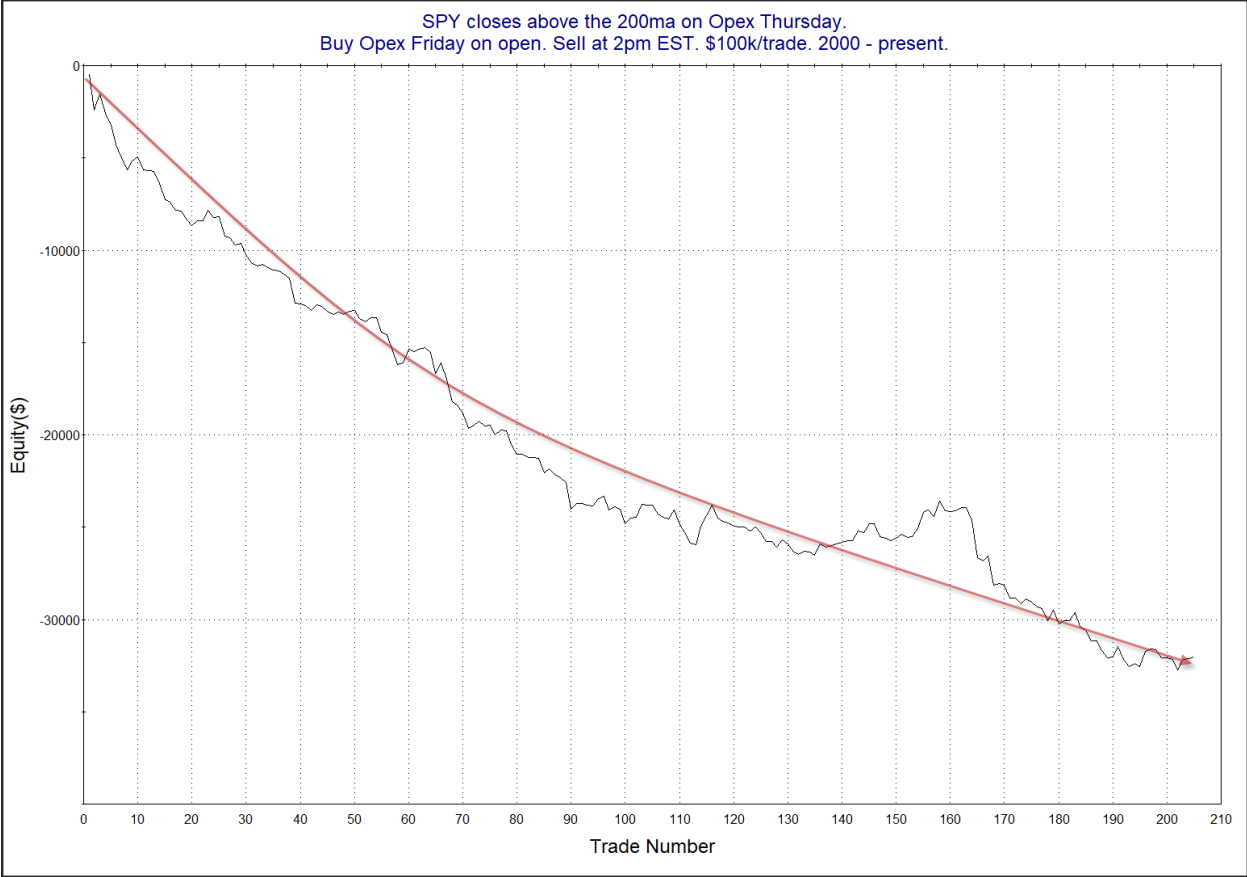
Thursday was a down day. The SPX fell 0.60%, the NASDAQ lost 0.64%, and the Russell 2000 declined 1.37%. Breadth was weak as the NYSE Up Issues % was 38% and the Up Volume % came in at 37%. NYSE total volume declined some from Wednesday’s level.

Friday is options expiration (opex). Options expiration has long been a day that has seen weakness after the opening bell. The studies below are some that I have shown several times over the years. The stats and commentary is updated from the 8/16/24 letter.

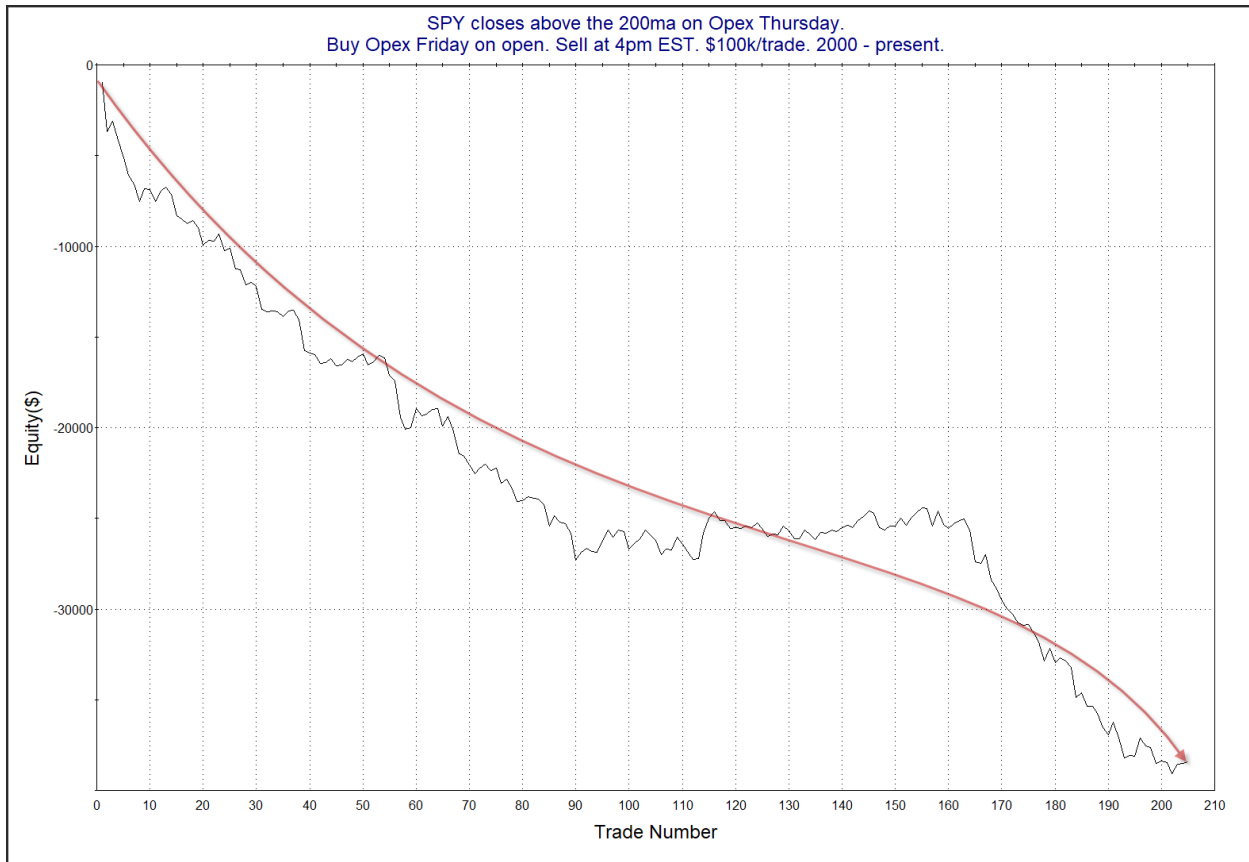
This first study shows results of purchasing SPY at the open and then exiting at different times during the day.

SPY closes above the 200ma on Opex Thursday. Buy Opex Friday on open. Sell at time shown on left. \$100k/trade. 2000 - present.												
OE Op-Ex Fri Intra Short: timeofday	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
1,600	-38,426.28	205	83	122	40.49	1,400.58	-2,746.58	320.05	-532.71	0.60	0.41	-187.45
1,500	-32,610.86	205	83	121	40.49	983.92	-2,315.18	299.22	-474.76	0.63	0.43	-159.08
1,400	-32,017.91	205	71	134	34.63	993.96	-2,000.00	292.02	-393.66	0.74	0.39	-156.18
1,300	-28,806.53	205	74	130	36.10	968.86	-1,324.62	273.60	-377.33	0.73	0.41	-140.52
1,200	-27,214.71	205	72	133	35.12	1,243.06	-1,318.40	260.80	-345.81	0.75	0.41	-132.75
1,100	-21,813.28	205	77	127	37.56	1,020.18	-968.50	215.07	-302.15	0.71	0.43	-106.41
1,000	-18,076.83	205	59	146	28.78	365.47	-629.00	134.13	-178.02	0.75	0.30	-88.18

As you can see, the bearish implications primarily play themselves out by early afternoon. (1000 = 10am EST, 1200 = noon EST, 1400 = 2pm EST, etc.) Most of the downside would have been achieved by exiting at 2pm. Below is a look at a profit curve the 2pm exit.



The strong move from upper left to lower right supports the bearish case. Next is the 4pm exit.

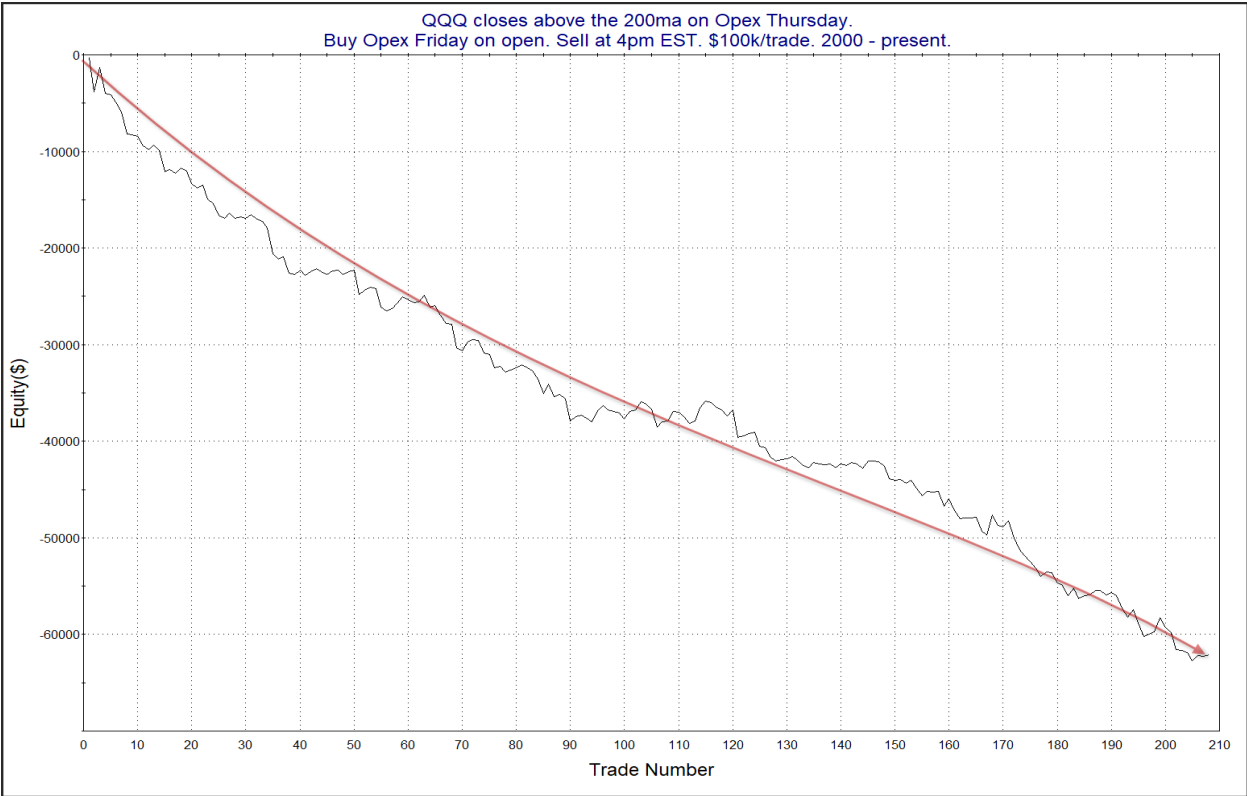
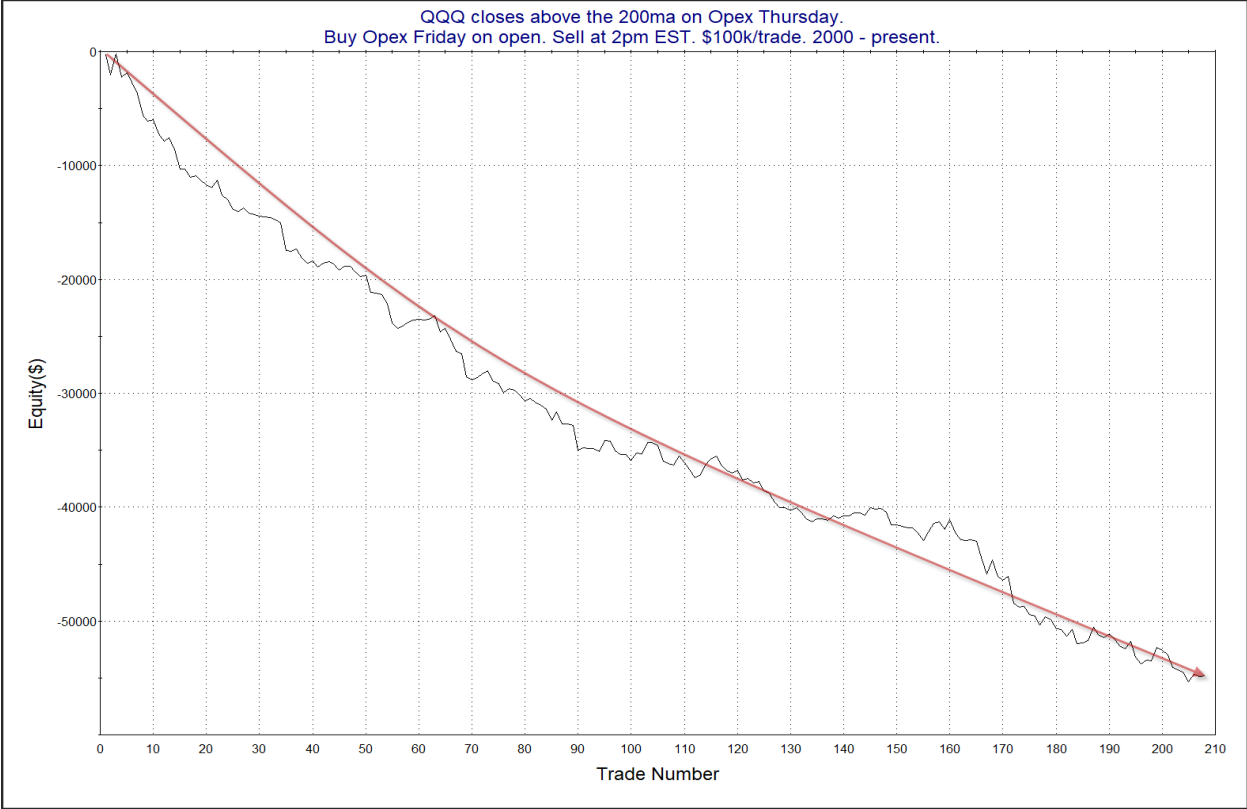


This is also impressive.

QQQ has seen an even stronger tendency to sell off. This can be seen in the table and profit curves below.

QQQ closes above the 200ma on Opex Thursday.
Buy Opex Friday on open. Sell at time shown on left. \$100k/trade. 2000 - present.

OE Op-Ex Fri Intra Short: timeofday	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
1,600	-62,144.91	208	80	128	38.46	2,516.00	-3,525.88	445.71	-764.08	0.58	0.36	-298.77
1,500	-55,806.19	208	75	131	36.06	1,739.00	-2,590.84	420.82	-666.93	0.63	0.36	-268.30
1,400	-54,795.86	208	67	138	32.21	1,822.25	-2,431.68	403.11	-592.78	0.68	0.33	-263.44
1,300	-47,876.17	208	71	136	34.13	1,655.75	-2,382.80	370.82	-545.62	0.68	0.35	-230.17
1,200	-46,676.32	208	75	132	36.06	2,488.25	-1,843.43	336.24	-544.66	0.62	0.35	-224.41
1,100	-38,871.46	208	70	137	33.65	1,998.00	-1,936.40	352.99	-464.09	0.76	0.39	-186.88
1,000	-30,033.98	208	65	142	31.25	1,332.00	-1,198.29	213.34	-309.16	0.69	0.32	-144.39



The bearish edge appears alive and well here. It is something traders may want to consider on Friday morning.

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



Without any new studies making the active list, 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 Friday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5998.23. That is 0.8% above Thursday's close. Therefore, SPX will need to close up at least 0.8% on Friday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is long. But we have not seen any confirming bullish evidence emerge in the last couple of days. While there appears to be an upside edge, it does not seem to be a big one. I took some long index exposure near the close on Thursday. I will hold that for the time being.

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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	11/14/2024	\$593.35	\$593.35	0.00%	Aggregator

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