

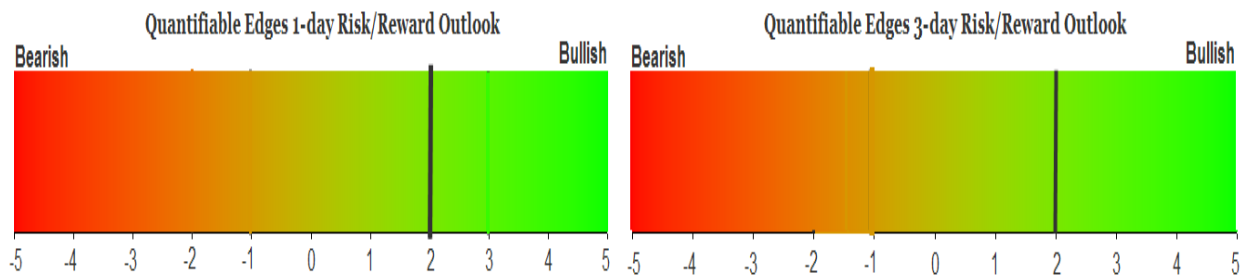
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 29, 2024

Volume 17 Issue 231

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	0

## Tonight's Research Points

- 5+ days higher to a 50-day high is rarely a rally that ends abruptly.
- SPX reversed lower on strong breadth, which has typically been followed by gains over the net few days.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish. I am starting to favor the long side.

**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 29, 2024	5+ Up to 50-high then down 1	1-6 days	Bullish	1.40%	-1.00%	-1.95%
November 29, 2024	5 intraday high, reverse down on 60% Up Iss	1-3 days	Bullish	1.60%	-0.90%	-2.10%
November 27, 2024	Breakaway gap	1-5 days	Bullish	1.40%	-0.90%	-1.90%
November 27, 2024	SPX brkt. Up 3. Low vol	1-3 days	Bullish	1.20%	-0.70%	-1.30%
November 27, 2024	Up Vol < 40%. SPX up > 200	1-8 days	Bullish	1.90%	-1.30%	-2.75%
November 27, 2024	Up Mon & Tues before Thanksgiving	1-2 days	Bullish			
November 25, 2024	Up 5 < 50 high < 3% > 200ma	1-8 days	Bullish	1.80%	-1.05%	-2.20%
<b>Active - Long Term</b>						
November 29, 2024	5+ Up to 50-high then down 1	1-10 days	Bullish	1.80%	-1.10%	-2.30%
November 27, 2024	SPX up 7 days in a row	1-20 days	Bullish	3.00%	-2.00%	-4.30%
November 26, 2024	Triple 70 Thrust	1-80 days	Bullish	9.40%	-4.60%	-11.20%
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 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			

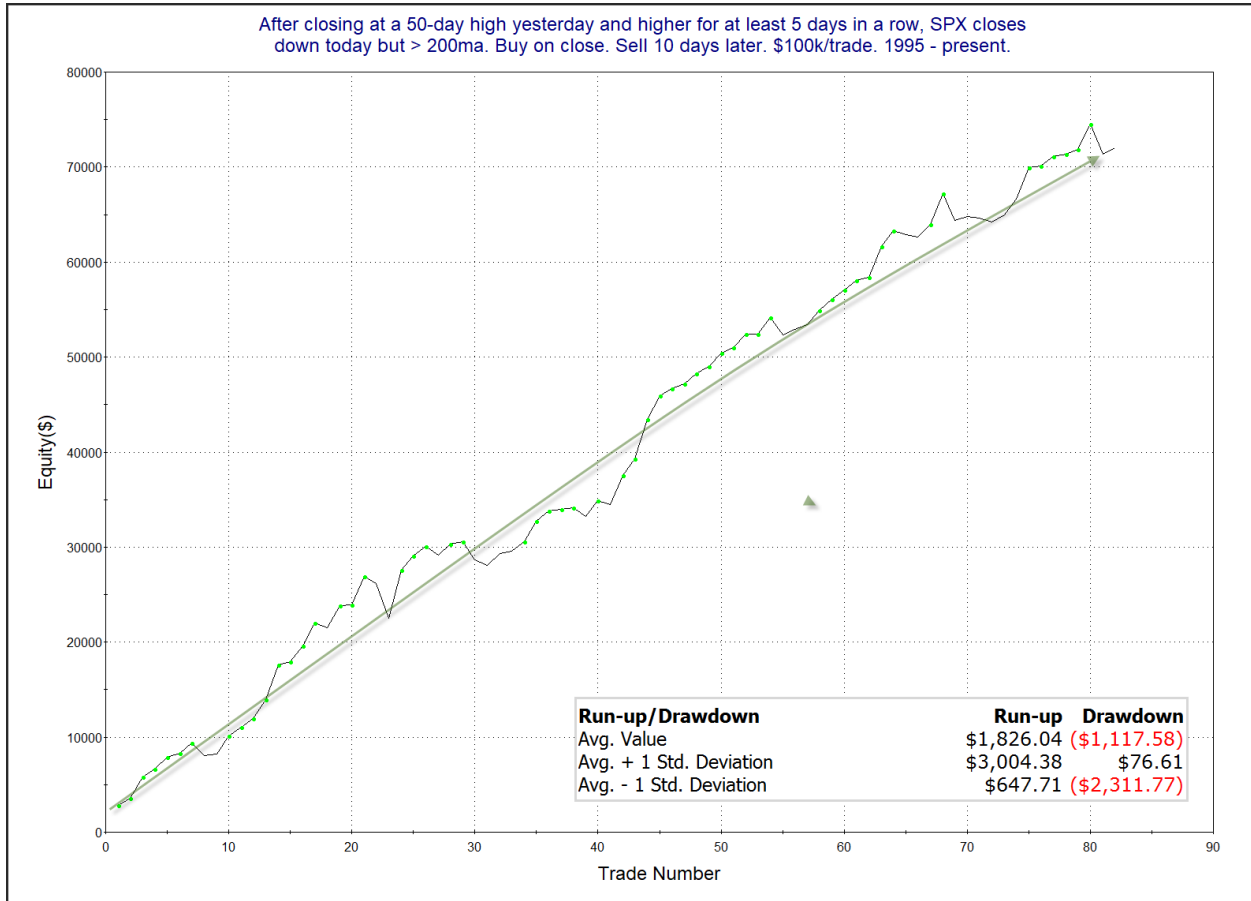
**The Evidence**

The market was mostly lower on Wednesday. The SPX lost 0.4%, the NASDAQ fell 0.6%, and the Russell 2000 moved up 0.1%. Breadth was strong as the NYSE Up Issues % was 60.2% and the Up Volume % came in at 59%. NYSE total volume was light ahead of Thanksgiving.

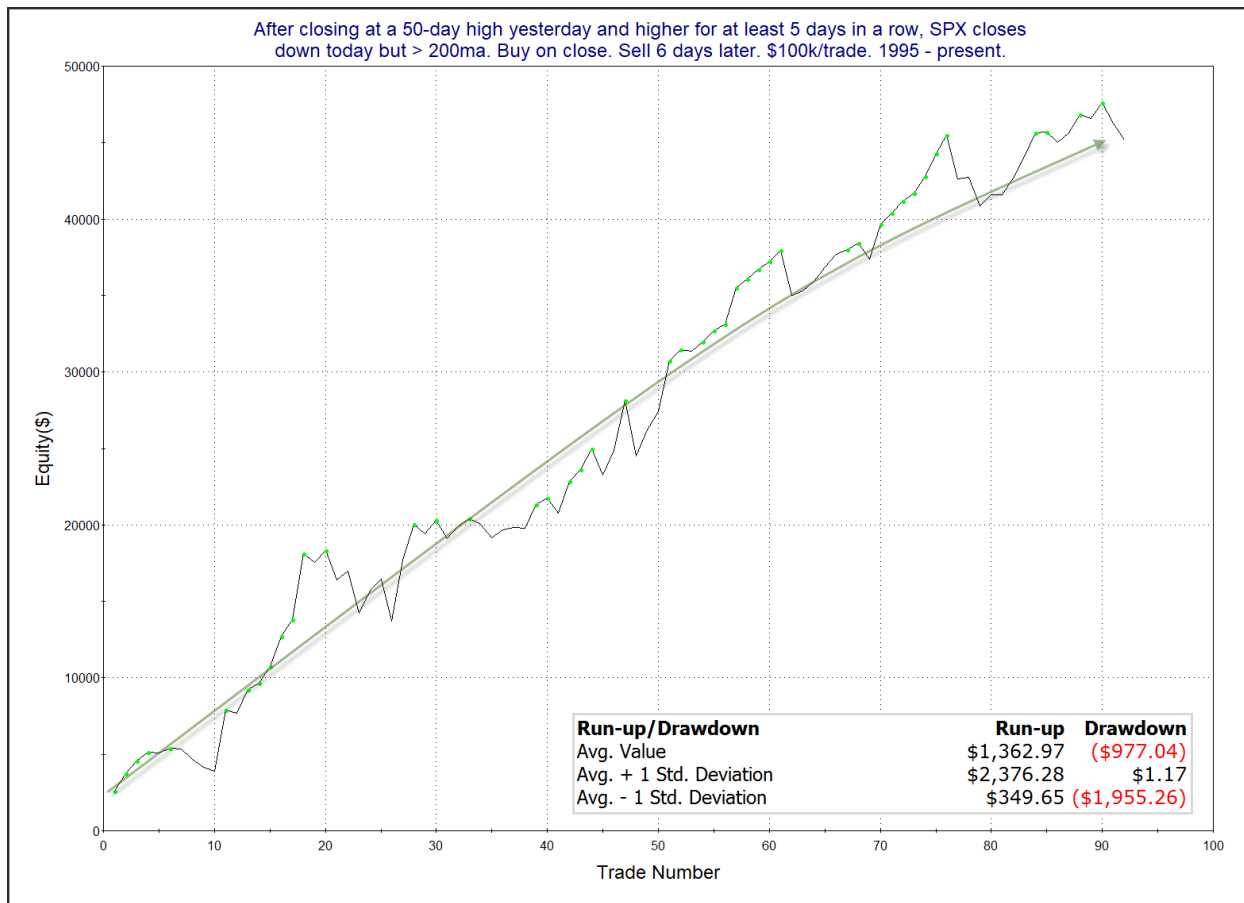
One compelling study suggested the recent persistent upmove is unlikely to abruptly end. It examined what happens after the market moves up at least 5 days in a row to a 50-day high, and then pulls back. It was last seen recently in the 11/13/24 Letter. I have updated the stats in the table below.

After closing at a 50-day high yesterday and higher for at least 5 days in a row, SPX closes down today but > 200ma. Buy on close. Sell X days later. \$100k/trade. 1995 - 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	71,999.41	82	66	16	80.49	5,131.35	-3,672.90	1,395.74	-1,257.46	1.11	4.58	878.04
9	68,267.69	86	68	18	79.07	5,023.20	-4,151.40	1,372.51	-1,392.37	0.99	3.72	793.81
8	59,285.06	87	60	27	68.97	4,878.08	-4,874.10	1,486.74	-1,108.13	1.34	2.98	681.44
7	46,772.65	90	62	28	68.89	3,874.76	-4,511.36	1,289.48	-1,184.82	1.09	2.41	519.70
6	45,166.76	92	65	27	70.65	4,307.20	-3,637.71	1,178.04	-1,163.19	1.01	2.44	490.94
5	34,810.59	92	61	31	66.30	4,252.50	-4,717.16	1,049.63	-942.47	1.11	2.19	378.38
4	35,411.04	92	59	33	64.13	3,843.00	-3,003.39	1,042.02	-789.94	1.32	2.36	384.90
3	18,614.99	92	55	37	59.78	2,472.85	-1,992.34	843.07	-750.10	1.12	1.67	202.34
2	22,282.45	92	60	32	65.22	2,437.50	-2,614.95	761.61	-731.68	1.04	1.95	242.20
1	14,030.58	92	59	32	64.13	1,751.19	-1,744.10	507.57	-497.38	1.02	1.88	152.51

We see here a decent edge that becomes stronger and more consistent as you look out over the next several days. The 9-10 day time frame shows exceptional stats. The 6-day timeframe suggests a short-term boost is also likely. Let's take a look below at both the 10-day and 6-day exit profit curves. First, the 10 day.



The strong upslope appears to confirm the bullish edge. Next let's look at the 6-day curve.



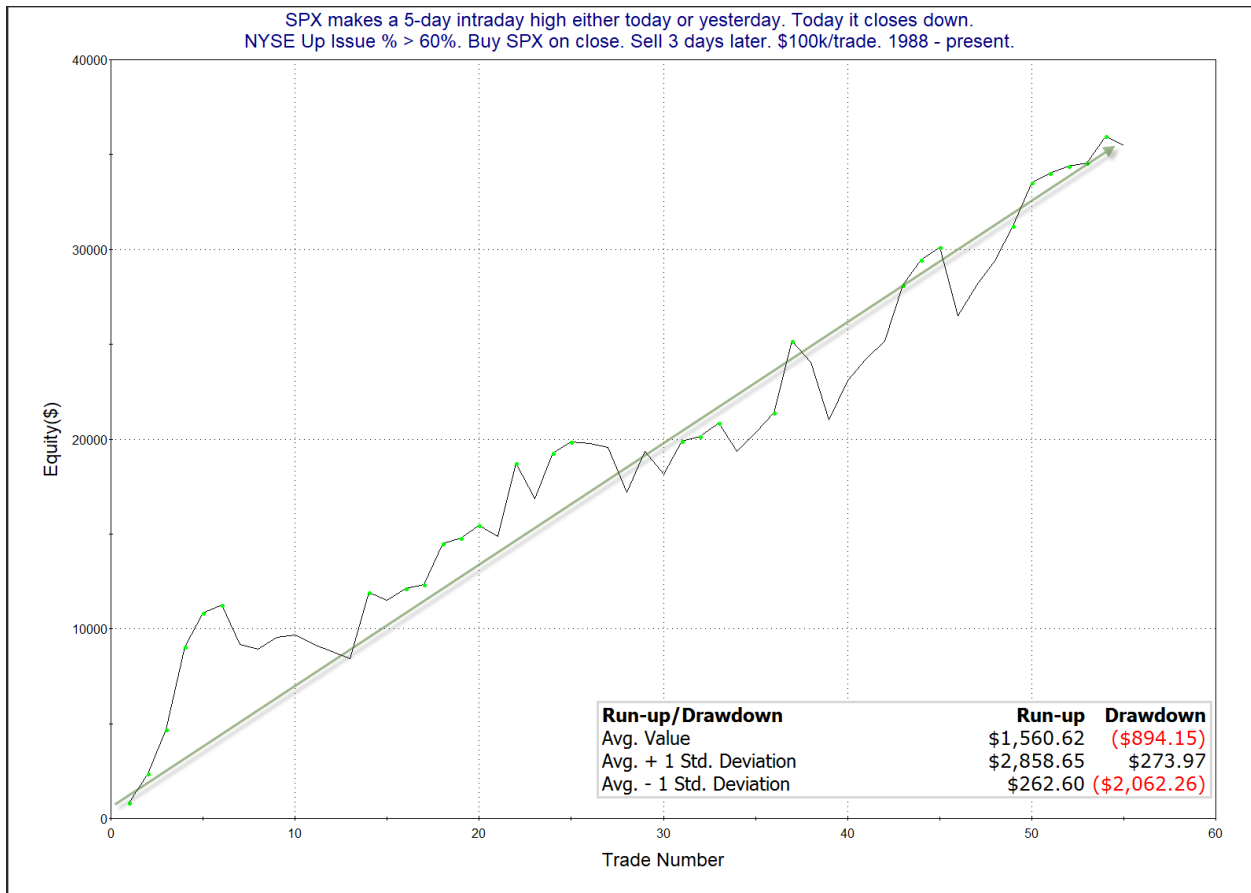
Results are a little choppier. But even with more whipsaws this curve has worked its way from lower left to upper right and is not far off new highs. The study appears worthy of consideration. I have included it on both the short-term and intermediate-term active lists.

Another study I found interesting was last seen in the 9/30/24 letter. It examined other times the market made a recent short-term high, then pulled back but the breadth remained squarely positive. Results are updated below.

SPX makes a 5-day intraday high either today or yesterday. Today it closes down. NYSE Up Issue % > 60%. Buy SPX on close. Sell X days later. \$100k/trade. 1988 - 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
5	15,663.36	52	32	20	61.54	4,586.15	-6,119.33	1,646.74	-1,851.62	0.89	1.42	301.22
4	38,653.08	55	35	20	63.64	8,095.62	-6,253.50	1,912.96	-1,415.03	1.35	2.37	702.78
3	35,471.09	55	38	17	69.09	4,370.82	-3,593.26	1,460.66	-1,178.47	1.24	2.77	644.93
2	24,388.69	55	36	19	65.45	4,825.17	-4,128.74	1,240.54	-1,066.88	1.16	2.20	443.43
1	19,768.36	55	33	22	60.00	3,351.09	-1,606.00	954.11	-532.61	1.79	2.69	359.42

This suggests a possible upside edge over the next few days. Below is a look at the 3-day profit curve.



The curve has sloped upwards for a long time. This seems to offer some confirmation of the upside edge suggested by the stats table. I have included this study on the Active List.

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 barely 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 Friday. That is highly unlikely to change. Meanwhile, the Differential Pivot will be 6020.33. That is 0.4% above Wednesday's close. Therefore, SPX will need to close up 0.4% on Thursday in order to flip back to overbought versus recent expectations.

So the Aggregator is now bullish. We do need to keep in mind that the Monday after Thanksgiving has shown a bearish tilt. And I typically don't get very excited about buying just a 1-day pullback. But there is enough bullish evidence and enough upside potential that I will look for a small starter position on Friday if I can get a favorable fill near the open or near the close.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 11/25 – **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.*

**SPY – Buy ¼ index position @ \$597.83 LIMIT ON OPEN. If not filled on open, cancel order and then look to enter @ \$598.75 LIMIT ON CLOSE.** Based on the short-term outlook above, I will look to start a small SPY position if it gaps down a good amount at the open or if it closes down slightly on Friday.

## **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.