

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 4, 2024

Volume 17 Issue 234

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling studies triggered tonight.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Evidence is generally bullish, but the overbought SPX reduces reward/risk. Basically the same as yesterday.

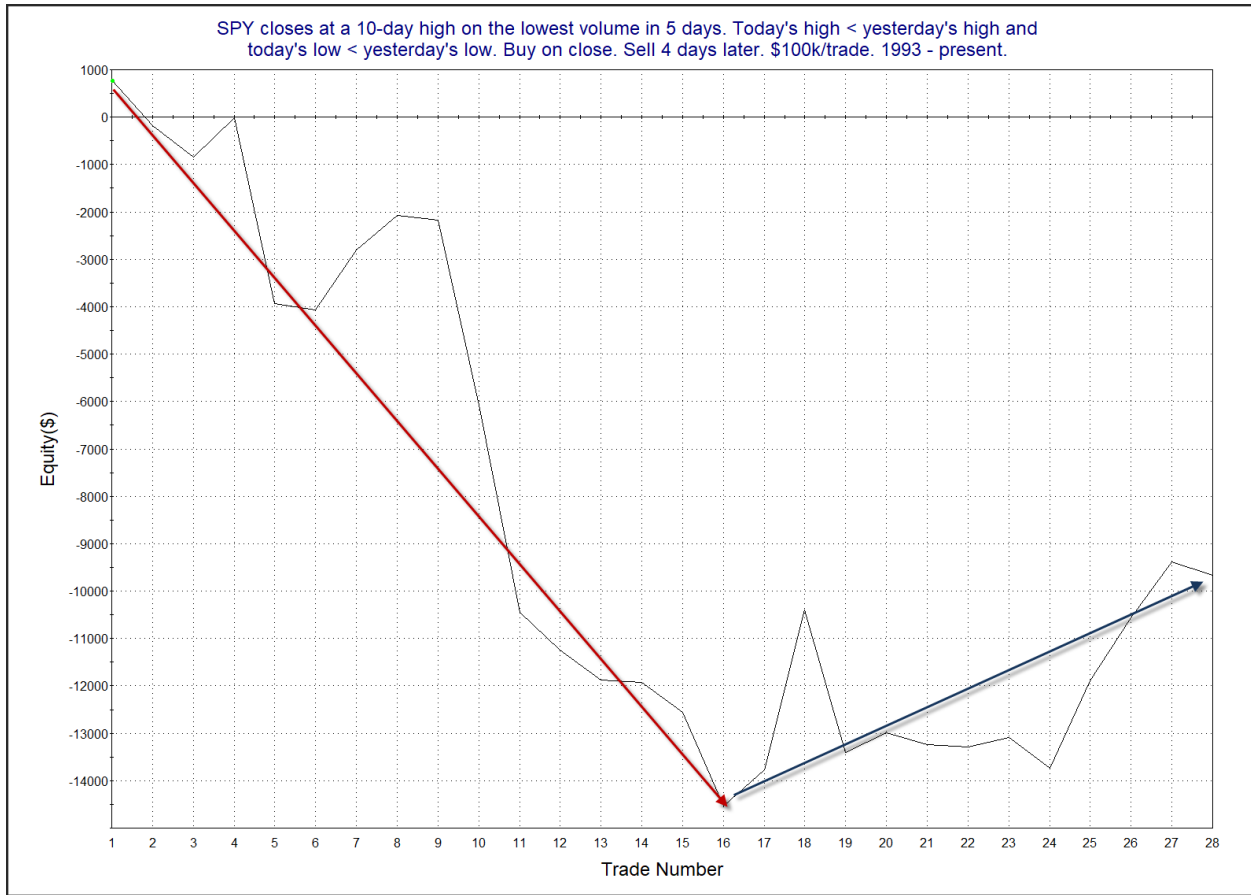
Summary of Current Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
November 29, 2024	5+ Up to 50-high then down 1	1-6 days	Bullish	1.40%	-1.00%	-1.95%
November 27, 2024	Breakaway gap	1-5 days	Bullish	1.40%	-0.90%	-1.90%
November 27, 2024	Up Vol < 40%. SPX up > 200	1-8 days	Bullish	1.90%	-1.30%	-2.75%
November 25, 2024	Up 5 < 50 high < 3% > 200ma	1-8 days	Bullish	1.80%	-1.05%	-2.20%
Active - Long Term						
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

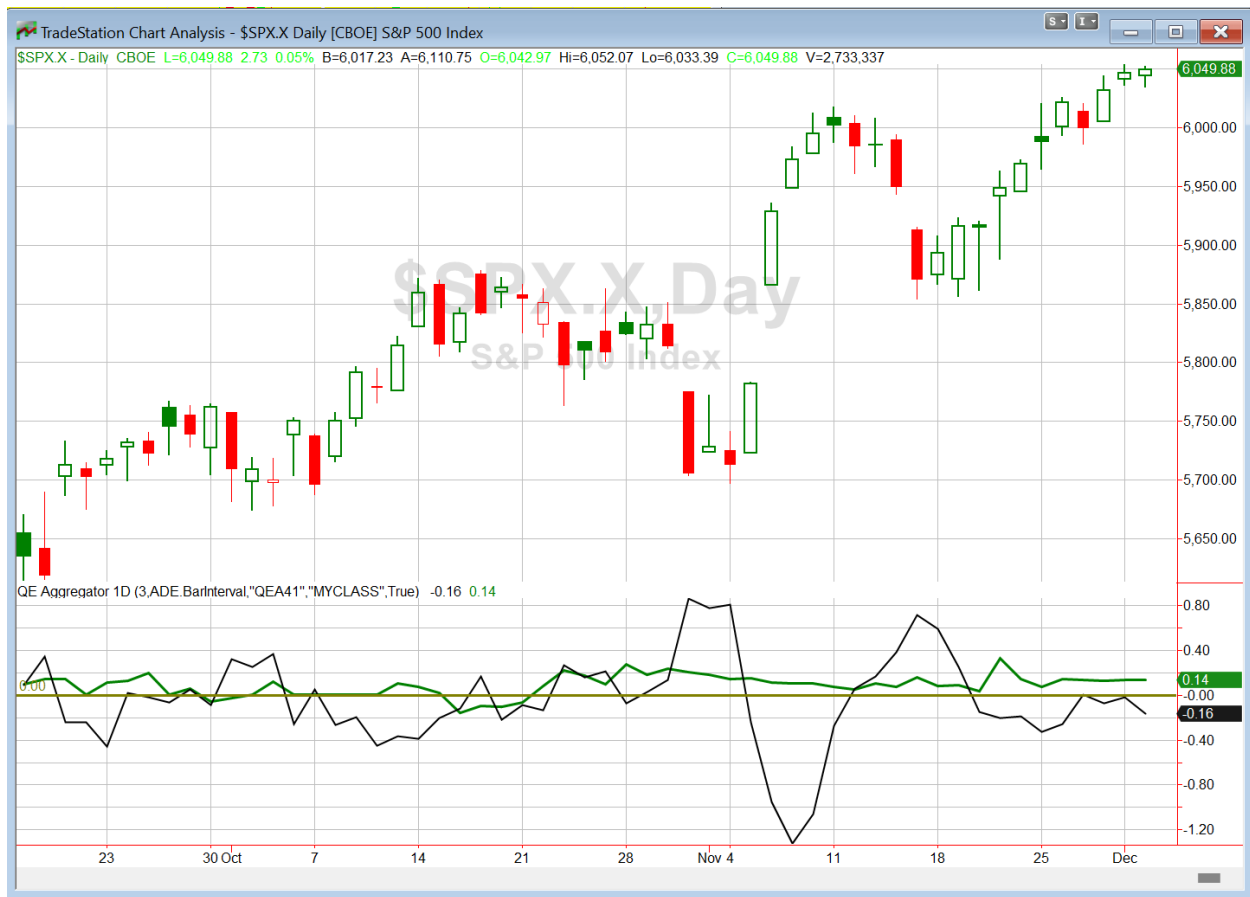
Tuesday saw mixed results. The SPX rose 0.05%, the NASDAQ gained 0.4%, and the Russell 2000 declined 0.7%. Breadth was weak as the NYSE Up Issues % was 40.6% and the Up Volume % came in at 41.1%. NYSE total volume declined some from Monday's level.

The mixed market did not do anything to trigger compelling new studies. There was one from 4/28/17 letter that previously appeared to suggest a bearish edge. It looked at times SPY closed at a short-term high on low volume and it did so while posting a lower high and a lower low than the day before. But that edge has not played out in recent years. This can be seen in the updated profit curve below.



Some studies lose their luster over time. This is one. I won't include this on the active list tonight, and will be removing it from the Quantifinder as well. No new studies are being added to the active list tonight.

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



Without any new studies tonight, 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 below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of zero. Therefore, the Aggregator formation stayed flat at the close.

Based on the current active studies, expectations are slated to remain positive on Wednesday. That is unlikely to change. Meanwhile, the Differential Pivot will be *inverted* at 6057.56. That is 0.1% *above* Tuesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up a little over 0.1% on Wednesday in order to remain overbought. Otherwise, it will flip to "oversold" versus recent expectations as of Wednesday's close.

So the Aggregator is again neutral. Evidence continues to point higher, but the market is still extended and reward/risk potential is underwhelming. I'll remain patient and wait for a more compelling reward/risk opportunity to arrive before looking to take on new index positions.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 12/2 – **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

None.

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