

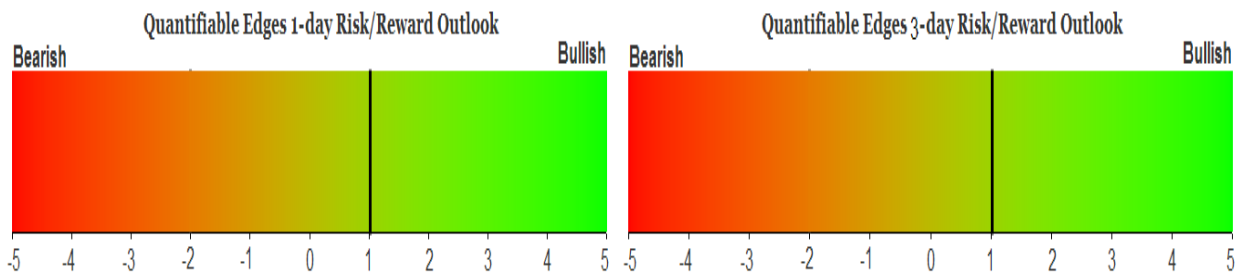
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 12, 2024

Volume 17 Issue 240

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	3

Tonight's Research Points

- I preview positive December seasonality, which often begins opex week (next week).

Short-term Outlook

The Bottom Line

The Aggregator is bullish. But with short-term evidence lacking, I am not enthused.

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						
None						
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 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			
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

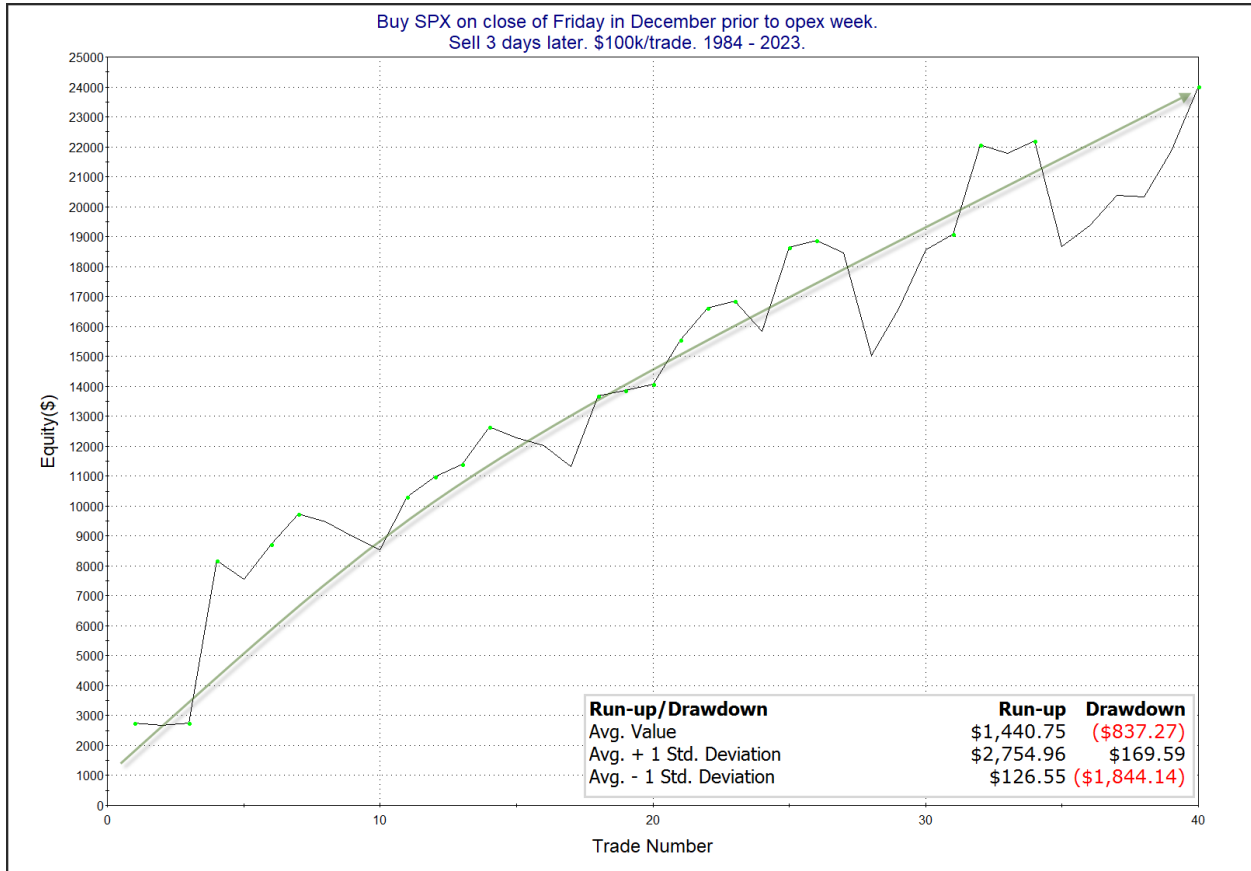
The market mostly liked the CPI report and stocks responded positively. The SPX gained 0.8%, the NASDAQ rallied 1.8%, and the Russell 2000 rose 0.5%. Breadth was notably weak. The NYSE Up Issues % was 54% and the Up Volume % came in at just 28%. NYSE total volume rose some from Tuesday's level.

We have not had much to discuss the last few nights, as very little has triggered in the Quantifinder. That is the case again tonight. So I thought I would look ahead a little to next week. Opex week in December has long been the start of a bullish end-of-year trading period. The study below looks at opex week in December back to 1984, which was the first year that SPX options traded. It also extends out to 15 days. It was last seen in the 12/11/23 letter and has been updated.

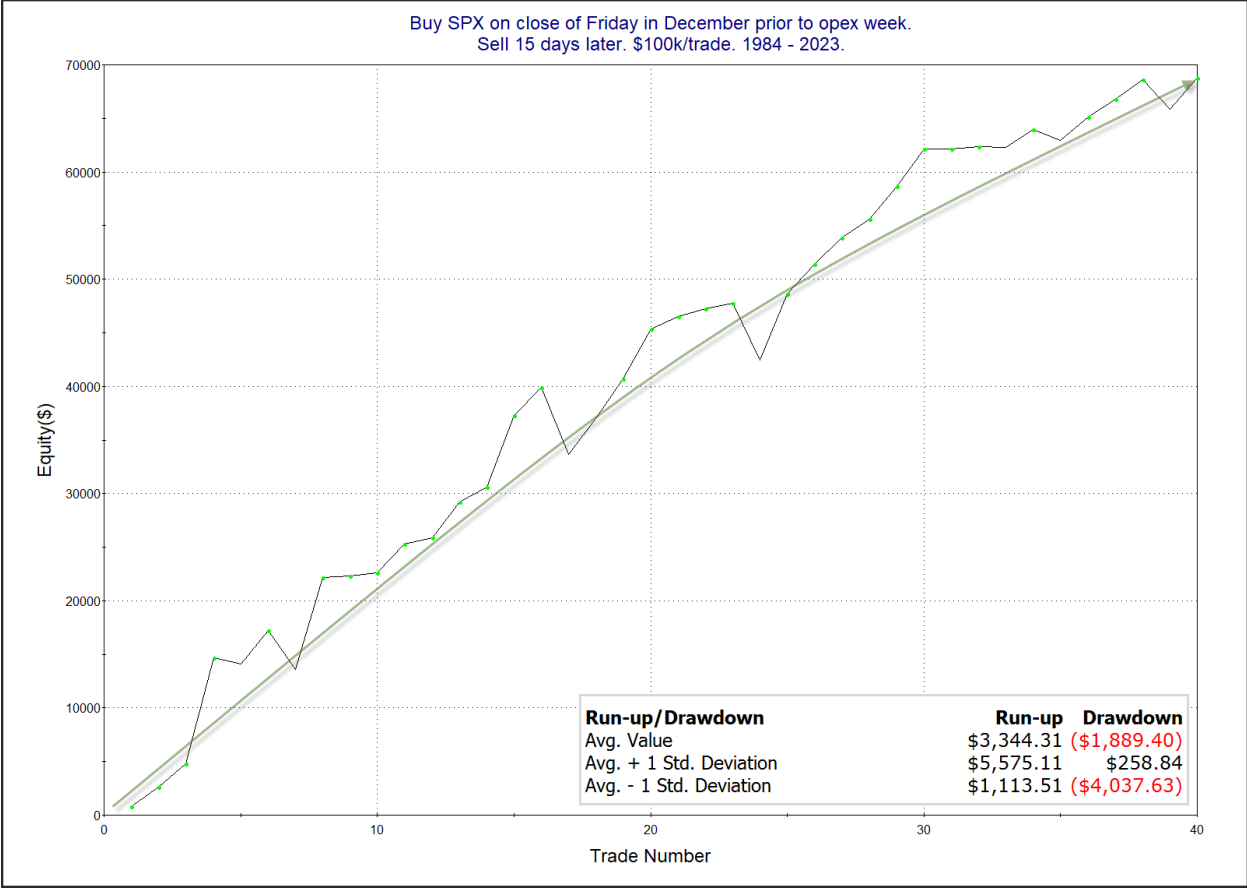
Buy SPX on close of Friday in December prior to opex week. Sell X days later. \$100k/trade. 1984 - 0223.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
15	68,742.71	40	33	7	82.50	9,879.20	-6,297.71	2,678.42	-2,806.46	0.95	4.50	1,718.57
14	63,604.51	40	32	8	80.00	8,742.88	-3,579.92	2,515.44	-2,111.18	1.19	4.77	1,590.11
13	63,839.95	40	31	9	77.50	9,068.80	-3,830.44	2,531.92	-1,627.72	1.56	5.36	1,596.00
12	54,980.89	40	29	11	72.50	8,528.00	-5,778.28	2,555.76	-1,739.64	1.47	3.87	1,374.52
11	56,621.14	40	29	11	72.50	8,483.80	-3,966.09	2,489.57	-1,416.04	1.76	4.64	1,415.53
10	51,346.38	40	31	9	77.50	7,974.20	-4,640.61	2,141.98	-1,672.77	1.28	4.41	1,283.66
9	41,226.31	40	27	13	67.50	7,080.80	-6,909.45	2,329.78	-1,667.51	1.40	2.90	1,030.66
8	35,337.17	40	29	11	72.50	7,564.16	-7,650.40	2,011.60	-2,090.84	0.96	2.54	883.43
7	30,273.75	40	29	11	72.50	6,198.88	-5,025.50	1,827.12	-2,064.79	0.88	2.33	756.84
6	20,824.02	40	31	9	77.50	6,025.04	-9,456.30	1,557.66	-3,051.51	0.51	1.76	520.60
5	23,373.12	40	29	11	72.50	5,868.16	-6,968.06	1,489.16	-1,801.15	0.83	2.18	584.33
4	17,806.14	40	27	13	67.50	3,243.60	-5,036.14	1,256.08	-1,239.08	1.01	2.11	445.15
3	24,020.20	40	26	14	65.00	5,410.24	-3,533.62	1,383.36	-853.36	1.62	3.01	600.50
2	20,330.07	40	28	12	70.00	3,779.85	-2,327.34	1,123.76	-927.95	1.21	2.83	508.25
1	5,306.30	40	23	17	57.50	2,912.88	-2,147.10	792.38	-759.91	1.04	1.41	132.66

**2018 was the only year that SPX failed to make a higher close at any point in the next 3 weeks.
All other years did so within 10 days.**

The stats here are very strong. Below is an equity curve using a 3-day holding period.

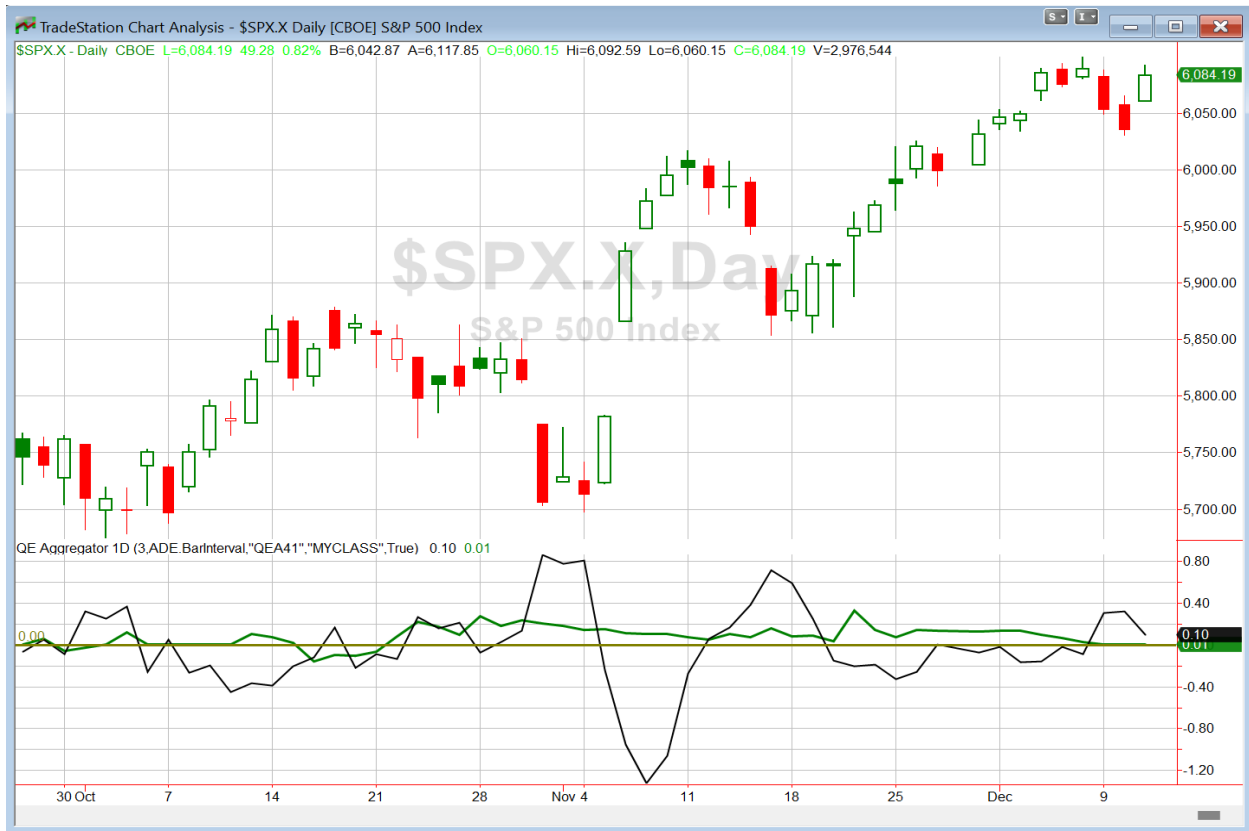


A bit choppy, but the curve has persisted higher and again made new highs last year. Next let's look at the 15-day curve.



They don't get much better looking than that. Every dip has quickly been recovered, making the curve quite smooth. Of course we also have a Fed meeting coming up next week, so there will be multiple seasonal influences working at the same time. I'll show this study again in the weekend letter, but figured I would get a head-start today with little else triggering.

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



Without any new short-term evidence making the cut tonight, the green Aggregator Line remained slightly 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.

With the short-term active list still bare, expectations are based on the intermediate-term outlook. Expectations over the next few days can be shifted quickly based on any new evidence that emerges. Meanwhile, the Differential Pivot will be *inverted* at 6059.15. That is 0.4% *below* Wednesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX will need to close down over 0.4% in order to remain oversold. Anything other than that and it will change to overbought versus expectations as of Thursday's close..

So the Aggregator is bullish. But evidence for the next couple of days is still lacking. We have a market close to new highs and an inverted pivot. All together this still looks like a mild edge at best. I will continue to wait for a more favorable reward/risk setup to emerge before taking on new short-term index exposure.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 12/9 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

DE – 1/3 @ \$444.00 (buy @ limit) – not filled, cancel for now

TMUS – 1/3 @ \$228.86 (buy @ limit) – not filled, cancel for now

MS – 1/3 @ \$126.79 (bought @ limit)

Broad Market Large Cap CBI – 3(DE, TMUS, MS)

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
KO(1/3)	12/5/2024	\$62.21	\$62.64	0.69%	<i>sell on open</i>
MDLZ(1/3)	12/10/2024	\$61.40	\$63.12	2.80%	<i>sell on open</i>
MS(1/3)	12/11/2024	\$126.79	\$127.59	0.63%	Catapult

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.