

## Medium-term market oversold alert

TPA monitors a number of short-term and medium-term alert measures in its TPA Marketscore, which it sends to clients on a daily basis. The percent of Russell 100 stocks trading above their 50DMA is trading at a historical extreme of 11.87%. TPA notes that this alert is remarkably accurate on the BUY side (meaning under 15%).

Looking back over the past 20 years, this alert has been triggered 3 times; 5/11/2022, 6/14/2022, and

10/9/2022. Once triggered, the S&P500 (SPY) rose 4.05%, 10.24%, and 12.37% in the next 19, 64, and

53 days, respectively. Of course, no pattern is foolproof, but as patterns go, this one is pretty consistent.

TPA provides The TPA Marketscope, a table of past alerts, and the chart of the alert and the SPY since February 2021.

TPA MARKETSCOPE

(most indicators use Top 1000 stocks, detailed explanation below)

Tuesday, October 3, 2023

TURNING POINT ANALYTICS

Since 2009, TPA has used the indicators below to identify extreme inflection points in the market for institutional clients.

INDICATORS	TODAY	EXTREME LIMITS		ALERT	HISTORICAL IMPORTANCE
		LOW	HIGH		
Short Term Market Score (SPY, see below)	-1.7016	-3.50	4.00	OVERSOLD	Works better for the BUY side - accurate on the BUY side 4 out of 5 times since 2010.
Percent Stocks Above 2 STD DEV Bollinger Band	0.50%		40%		Valid short term indicator of an overbought market.
Percent Stocks Below 2 STD DEV Bollinger Band	13.58%	40%			Valid short term indicator of an oversold market.
Percent Stocks Above 50DMA	11.87%	15%	85%	Extreme	Very accurate on the BUY side. Effective irregularly on the SELL side.
Percent Stocks RSI above 70	8.66%		38%		Mildly successful on predicting short term tops.
Percent Stocks RSI below 30	20.93%	55%			Valid indicator of short term lows.
Percent Stocks 50DMA > 200DMA	56.04%	25%	70%		Medium term indicator of a low extreme and high extreme. (see note below)
Percent R1000 @ bottom 10% of 2 Std Dev BB Band	7.90%		40%		Monitor
Percent R1000 @ top 10% of 2 Std Dev BB Band	0.40%	40%			Monitor

TPA 30 DAY MARKET EXTREME SIGNAL

EXPLANATION OF TPA MARKET SCORE: A daily analysis of S&P 500 relative to the normal distribution using the 2 standard deviation Bollinger Band. TPA then adjusts the SCORE by the amount of overbought or oversold as measured by RSI.

SPY LAST	427.31
TPA MARKET SCORE	-1.70165
TPA MARKET SIGNAL	OVERSOLD
VALUE OF 1 STD DEV (SPX POINTS)	8.88
34 DAY RSI	33.71

BOLLINGER BAND LEVELS

3 STD DEV UPPER BB

465.45

2.10%

2 STD DEV UPPER BB

456.55

13.60%

1 STD DEV UPPER BB

447.64

34.10%

BB MID

438.74

1 STD DEV LOWER BB

429.83

34.10%

427.31

2 STD DEV LOWER BB

420.93

13.60%

3 STD DEV LOWER BB

412.02

2.10%

Normal Bell Curve

KEY

SCORE	SIGNAL
3	STRONG SELL
2	SELL
1	OVERBOUGHT
0	NEUTRAL
0	NEUTRAL
0	NEUTRAL
-1	OVERSOLD
-2	BUY
-3	STRONG BUY

Alert history

<u>Date</u>	<u>Rally %</u>	<u>Days</u>
5/11/2022	4.05%	19
6/14/2022	10.24%	64
10/9/2022	12.37%	53

