

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 27, 2024

Volume 17 Issue 250

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- 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 neutral. So is the CBI. So am I.

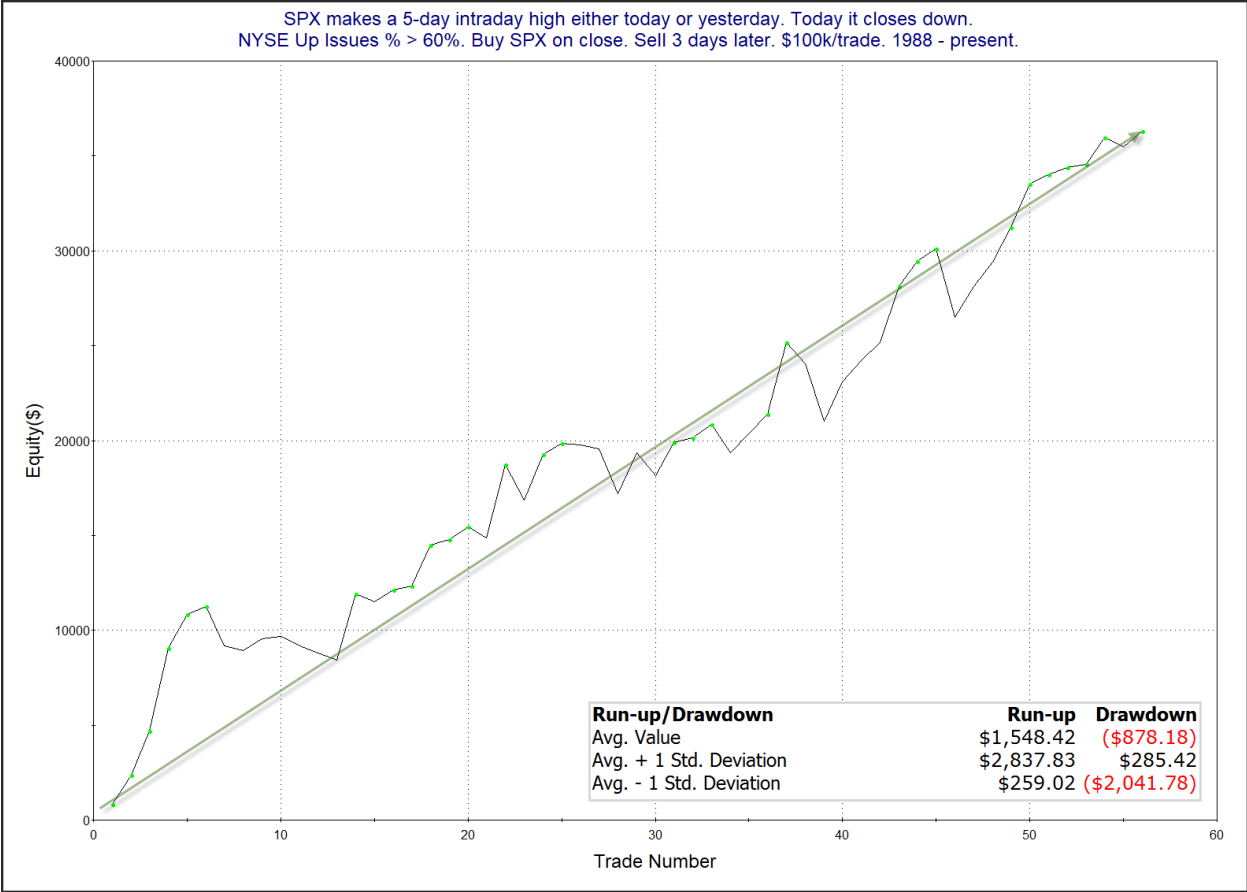
The Evidence

Thursday was mixed. SPX dipped 0.04%, the NASDAQ declined 0.05%, and the Russell 2000 gained 0.9%. Breadth was mixed as the NYSE Up Issues % closed at 60% and the NYSE Up Volume % posted a 64% reading. NYSE total volume rose some from Tuesday's level.

One study I found interesting was last seen in the 11/29/24 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.

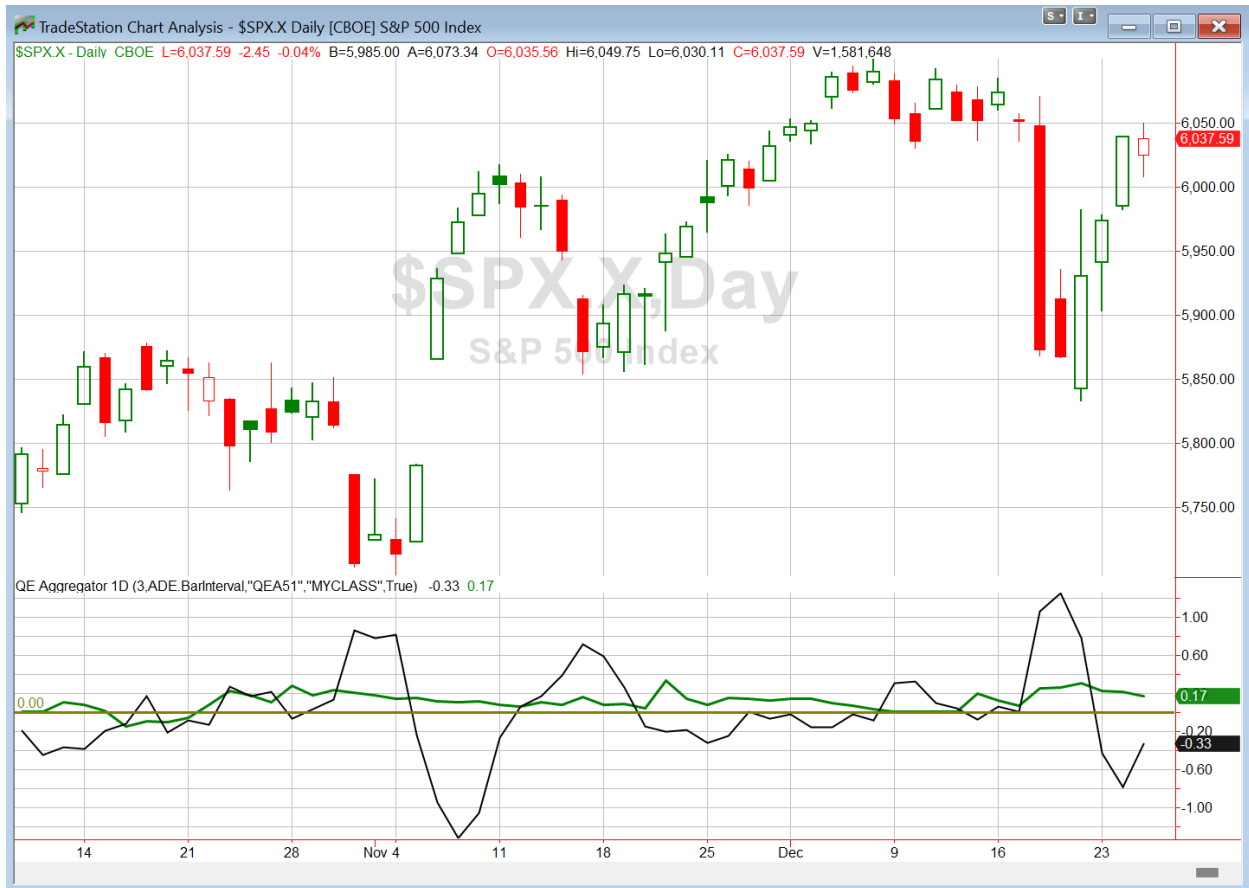
SPX makes a 5-day intraday high either today or yesterday. Today it closes down. NYSE Up Issues % > 60%. Buy SPX on close. Sell X days later. \$100k/trade. 1988 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	16,885.28	53	33	20	62.26	4,586.15	-6,119.33	1,633.87	-1,851.62	0.88	1.46	318.59
4	40,057.08	56	36	20	64.29	8,095.62	-6,253.50	1,898.82	-1,415.03	1.34	2.42	715.31
3	36,289.33	56	39	17	69.64	4,370.82	-3,593.26	1,444.19	-1,178.47	1.23	2.81	648.02
2	25,163.24	56	37	19	66.07	4,825.17	-4,128.74	1,227.95	-1,066.88	1.15	2.24	449.34
1	20,306.60	56	34	22	60.71	3,351.09	-1,606.00	941.88	-532.61	1.77	2.73	362.62

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 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 list of active studies, expectations are slated to remain bullish on Friday. This is unlikely to change. Meanwhile, the Differential Pivot will be 6020.96. That is 0.3% below Thursday's close. Therefore, SPX will need to close down 0.3% on Thursday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is neutral. All of the short-term evidence is pointing higher but the SPX is overbought. Meanwhile, the CBI has dropped all the way to zero. So I am neutral as well, I will wait for the next compelling setup to emerge before looking to take on new short-term index exposure.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 12/23 – **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
DE(1/3)	12/11/2024	\$439.48	\$433.84	-1.28%	<i>sell on open</i>
TMUS(1/3)	12/18/2024	\$219.40	\$221.00	0.73%	<i>sold on open</i>
TMUS(1/3)	12/18/2024	\$219.40	\$221.00	0.73%	<i>sold on open</i>
LMT(1/3)	12/18/2024	\$489.50	\$489.98	0.10%	<i>sell on open</i>
XOM(1/3)	12/18/2024	\$107.57	\$106.52	-0.98%	<i>sold on open</i>
LMT(1/3)	12/19/2024	\$480.00	\$489.98	2.08%	<i>sell on open</i>
XOM(1/3)	12/19/2024	\$106.42	\$106.52	0.09%	<i>sold on open</i>
SCHW(1/3)	12/19/2024	\$73.97	\$75.05	1.46%	<i>sell on open</i>
EMR(1/3)	12/19/2024	\$122.38	\$126.11	3.05%	<i>sold on open</i>
TMUS(1/3)	12/19/2024	\$220.06	\$221.00	0.43%	<i>sold on open</i>
SPY(1/4)	12/19/2024	\$586.10	\$601.97	2.71%	<i>sold at limit</i>
XOM(1/3)	12/20/2024	\$105.45	\$106.52	1.01%	<i>sold on open</i>
SCHW(1/3)	12/20/2024	\$73.52	\$75.05	2.08%	<i>sell on open</i>
LMT(1/3)	12/20/2024	\$479.45	\$489.98	2.20%	<i>sell on open</i>
MDLZ(1/3)	12/20/2024	\$59.13	\$59.85	1.22%	<i>sell on open</i>
DOW(1/3)	12/20/2024	\$38.99	\$40.22	3.15%	<i>sell on open</i>

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