

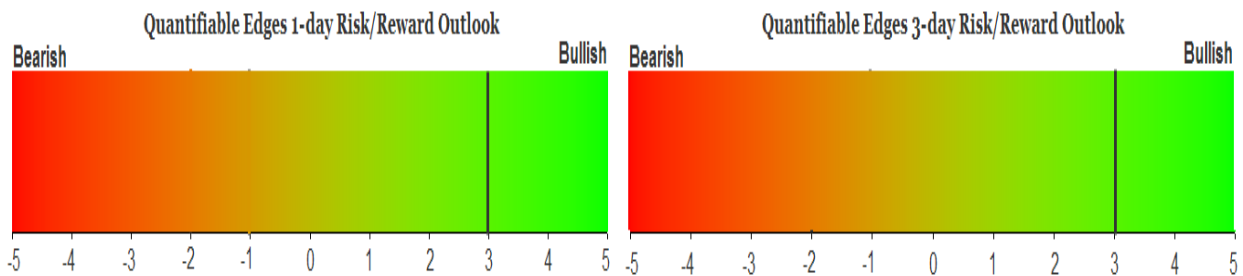
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 2, 2025

Volume 18 Issue 1

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- SPY closing poorly to finish a month has often been followed by a good start to the next month.
- January's SPX Seasonality Calendar looks quite bullish.

Short-term Outlook

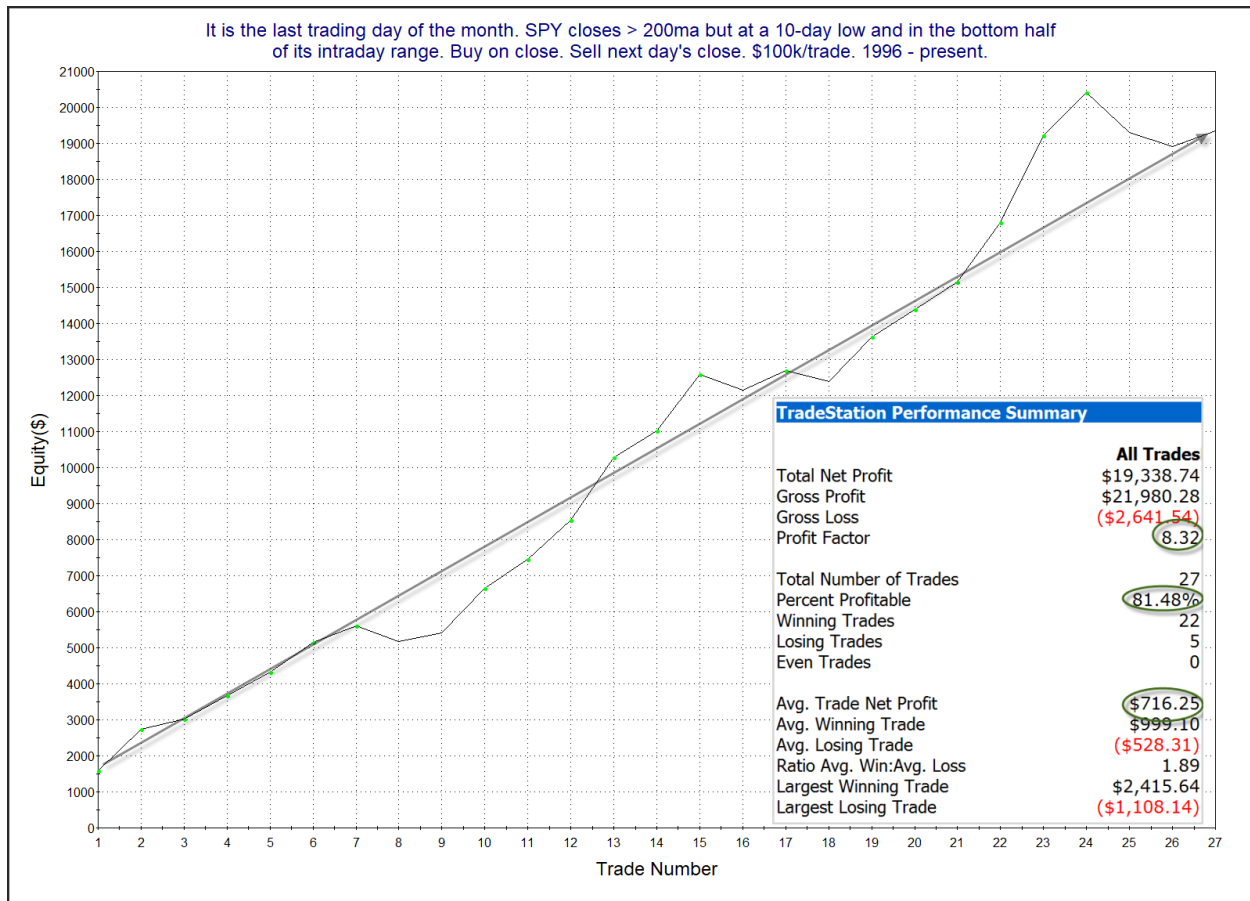
The Bottom Line

The Aggregator is bullish. I like the long side.

The Evidence

Tuesday was mostly a tough finish to mostly a down December. SPX lost 0.4%, the NASDAQ declined 0.9%, and the Russell 2000 rose 0.1%. Breadth was positive as the NYSE Up Issues % closed at 60.5% and the NYSE Up Volume % posted a 59.9% reading. NYSE total volume rose some from Monday's level.

There were several studies that triggered in the Quantifinder that considered the fact that Tuesday is the 1st day of a new month. As I have discussed many times, turn of the month is often a bullish day. Over the years we have found that it tends to be more bullish under certain circumstances. These include 1) being in an uptrend, 2) closing low in the day's range, 3) and closing at a short-term low. The study below was last seen in the 3/1/23 letter. It considers all 3 of these factors. Results are updated.



The numbers and curve look great and suggest a good chance at a close higher on Thursday. I will note that while SPY managed to (barely) close at a 10-day low on Tuesday, SPX just missed. It

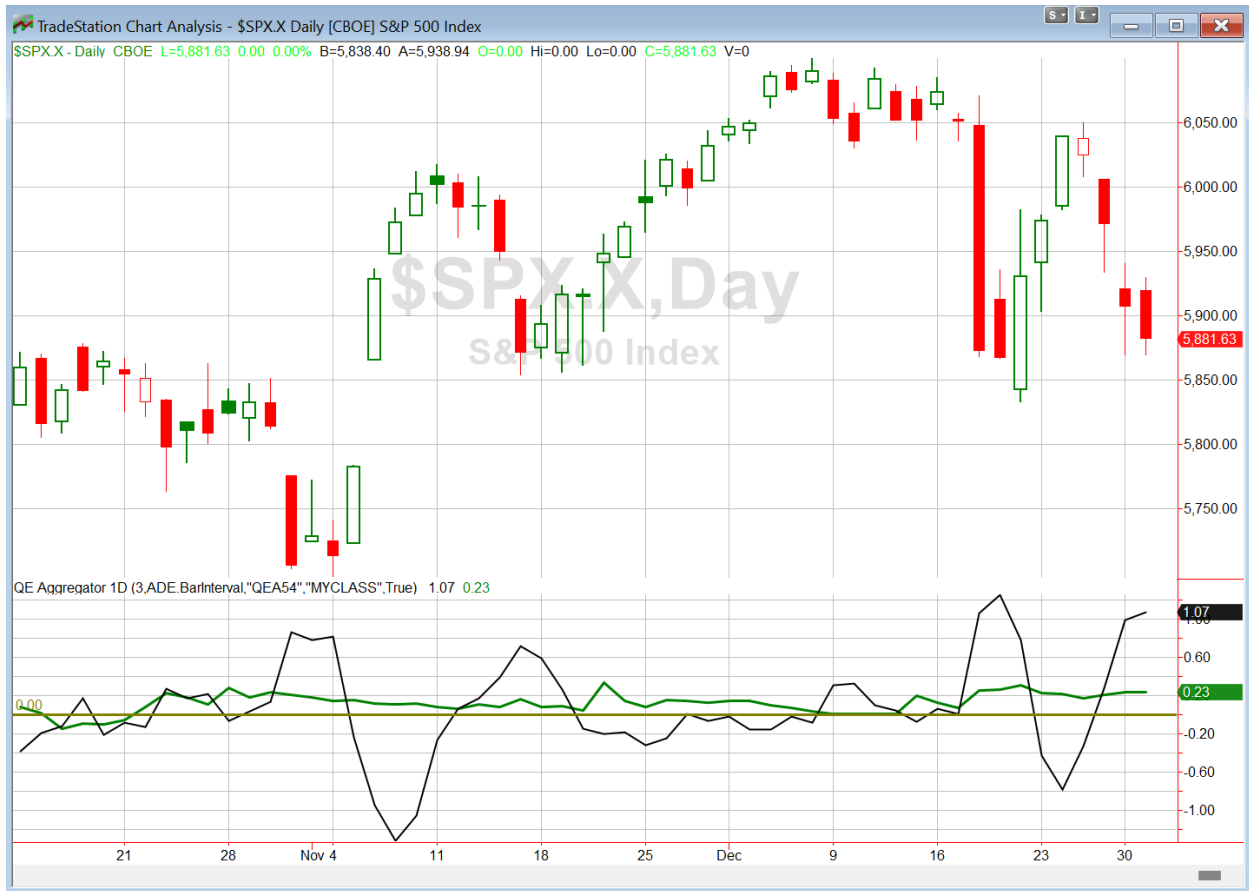
closed just a fraction of a point above a new low. Still, even without the 10-day low filter, the stats would be quite compelling.

Additionally, the Seasonality Calendars for January were posted to the site. SPX is below.

Quantifiable Edges Seasonality Calendar			
\$SPX S&P 500 Index			
Date	Win%	Profit Factor	Avg % Chg
1/2/2025	54.91	1.326	0.061
1/3/2025	50.68	1.091	0.031
1/6/2025	55.22	1.325	0.097
1/7/2025	53.94	1.128	0.028
1/8/2025	56.58	1.142	0.038
1/9/2025	56.44	1.138	0.036
1/10/2025	57.01	1.362	0.095
1/13/2025	53.25	1.064	0.015
1/14/2025	52.54	1.202	0.061
1/15/2025	54.16	1.139	0.032
1/16/2025	52.62	1.152	0.038
1/17/2025	51.25	1.119	0.009
1/21/2025	53.07	1.413	0.105
1/22/2025	51.47	1.232	0.068
1/23/2025	53.21	1.310	0.087
1/24/2025	54.78	1.140	0.037
1/27/2025	55.87	1.160	0.054
1/28/2025	54.09	1.110	0.039
1/29/2025	51.01	1.117	0.043
1/30/2025	55.76	1.256	0.083
1/31/2025	54.37	1.046	0.020
Baseline	53.69	1.139	0.048

Amazingly, the whole month is showing positive numbers. So we have some nicely bullish seasonality this upcoming month based on the Calendar algorithms. I will note that the market will be closed on Jan 9th for President Carter’s funeral, so you can ignore that day.

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 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.

Based on the current list of active studies, expectations are slated to remain bullish on Thursday. This is highly unlikely to change. Meanwhile, the Differential Pivot will be 6004.63. That is a sizable 2.1% above Friday's close. Therefore, SPX will need to close up at least 2.1% on Thursday in order to flip from oversold to overbought versus recent expectations. More likely, it will take a multi-day rally or consolidation to work off the oversold condition.

So the Aggregator is bullish. There is a good amount of evidence pointing higher and plenty of room to the upside before SPX would turn overbought. I like the long side. I already have a decent amount of long index exposure. I will give it one more day before considering adding more.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 12/30 – **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
SPY(1/4)	12/30/2024	\$587.89	\$586.09	-0.31%	Aggregator
SPY(1/4)	12/31/2024	\$586.00	\$586.09	0.02%	Aggregator

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