

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 7, 2025

Volume 18 Issue 4

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	3

Tonight's Research Points

- No compelling new evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is now neutral. That is where I am at as well.

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

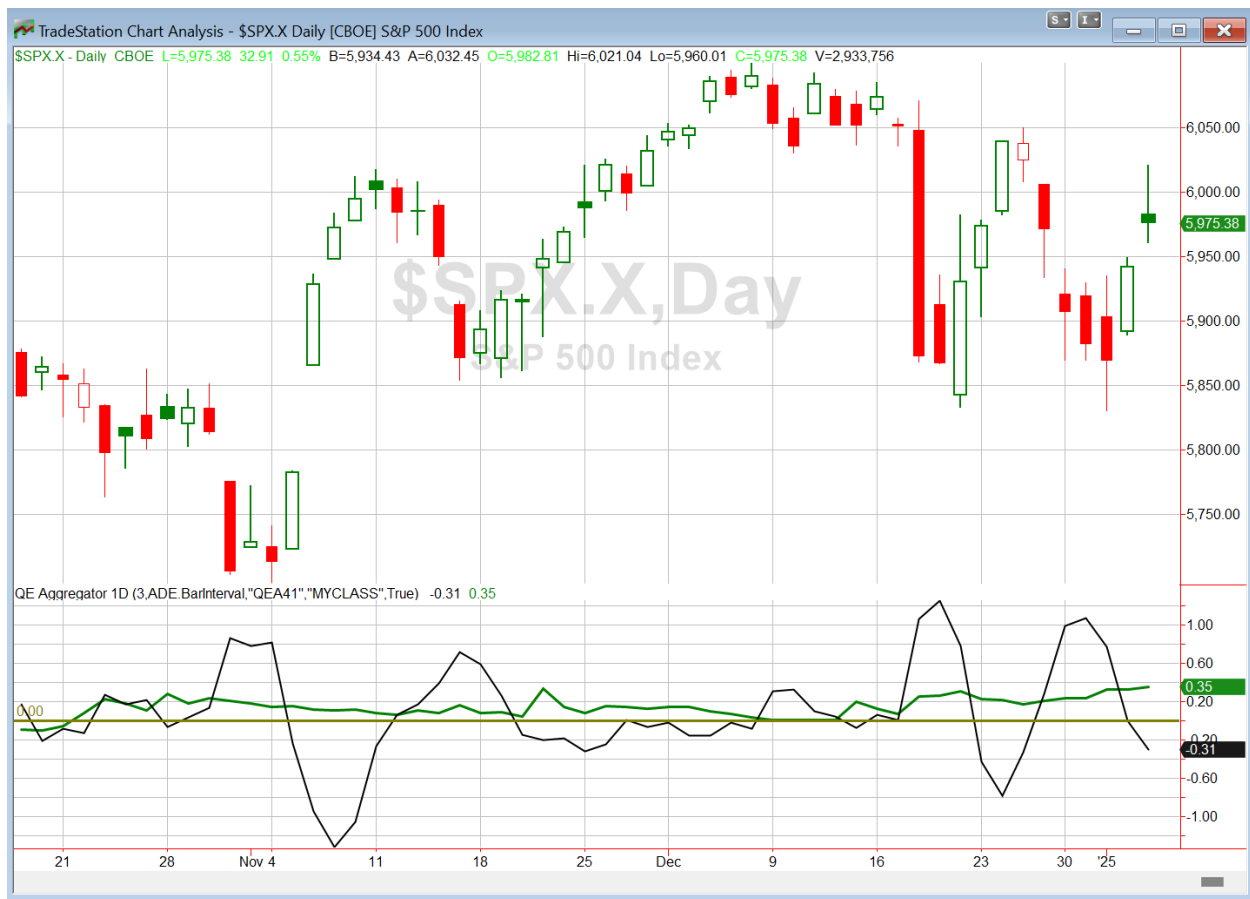
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
January 3, 2025	SPX down 5 days. VIX < 10ma	1-4 days	Bullish			
December 31, 2024	3 down on Monday > 200ma	1-7 days	Bullish			
December 30, 2024	1% dn on 4th Friday of month	1-6 days	Bullish			
December 26, 2024	VIX 10% above to 10% below 10ma in 4 days	1-8 days	Bullish			
Active - Long Term						
December 23, 2024	Rebound from 1-month low on a Friday	1-20 days	Bullish			
December 16, 2024	December opex week starts bullish period	1-15 days	Bullish	3.30%	-1.90%	-4.00%
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

Monday was mostly higher. SPX rose 0.55%, the NASDAQ rallied 1.2%, and the Russell 2000 declined 0.1%. The closes were well off the highest levels of the day as stocks floundered in the afternoon. Breadth was mixed as the NYSE Up Issues % closed at 43% and the NYSE Up Volume % posted a 54% reading. NYSE total volume rose some from Friday's level.

The mixed action did not trigger anything I found especially compelling in the Quantifinder. There was one study from 5/17/21 that looked at 2 consecutive unfilled up gaps from a 20-day low. It suggested bullish implications over the next few days. But instances were low, and the last few failed to conform. Therefore, I decided not to produce updated stats or include it in the Aggregator. Gonna keep it short tonight.

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



Without any new evidence making the cut 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 fell 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 turned flat at the close.

Based on the current list of active studies, expectations are slated to remain bullish on Tuesday. This could change if compelling new bearish evidence were to emerge. Meanwhile, the Differential Pivot will be 5913.32. That is 1.0% below Monday's close. Therefore, SPX will need to close down over 1.0% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. Evidence is pointing higher still. But we have seen a nice bounce the last 2 days and that has moved SPX to an overbought Differential reading. So I am neutral as well, and therefore I will look to close out the remaining SPY position on Tuesday and wait for the next compelling opportunity to emerge before getting into my next index position.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 1/6 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

ADBE @ \$430.57 (buy 1/3 @ limit)

New

PEP @ \$146.27 (buy 1/3 @ limit)

TMUS @ \$212.38 (buy 1/3 @ limit)

Broad Market Large Cap CBI – 3(ADBE, PEP, TMUS)

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.

PEP – Buy 1/3 Catapult position @ \$146.27 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of PEP.

TMUS – Buy 1/3 Catapult position @ \$212.38 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of TMUS.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	12/30/2024	\$587.89	\$596.27	1.43%	<i>sold on open</i>
SPY(1/4)	12/31/2024	\$586.00	\$595.36	1.60%	<i>sell on open</i>
ADBE(1/3)	1/6/2025	\$430.57	\$431.18	0.14%	Catapult

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