

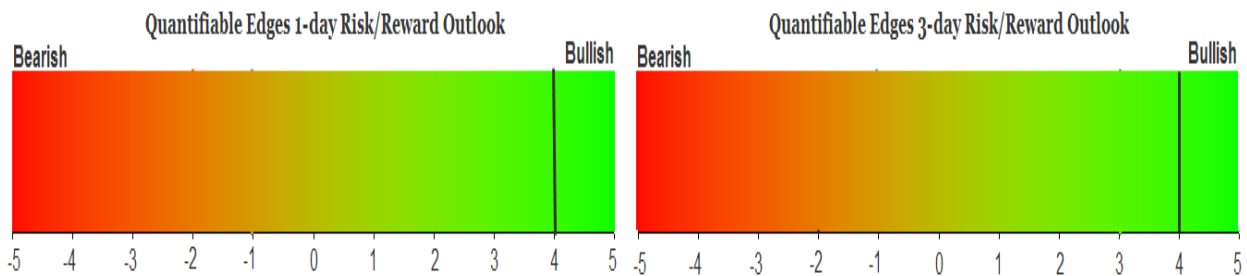
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 14, 2025

Volume 18 Issue 8

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	10

Tonight's Research Points

- After closing at a 10-day low Friday, the gap down and reversal Monday appears to be a short-term bullish indication.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I like the long side.

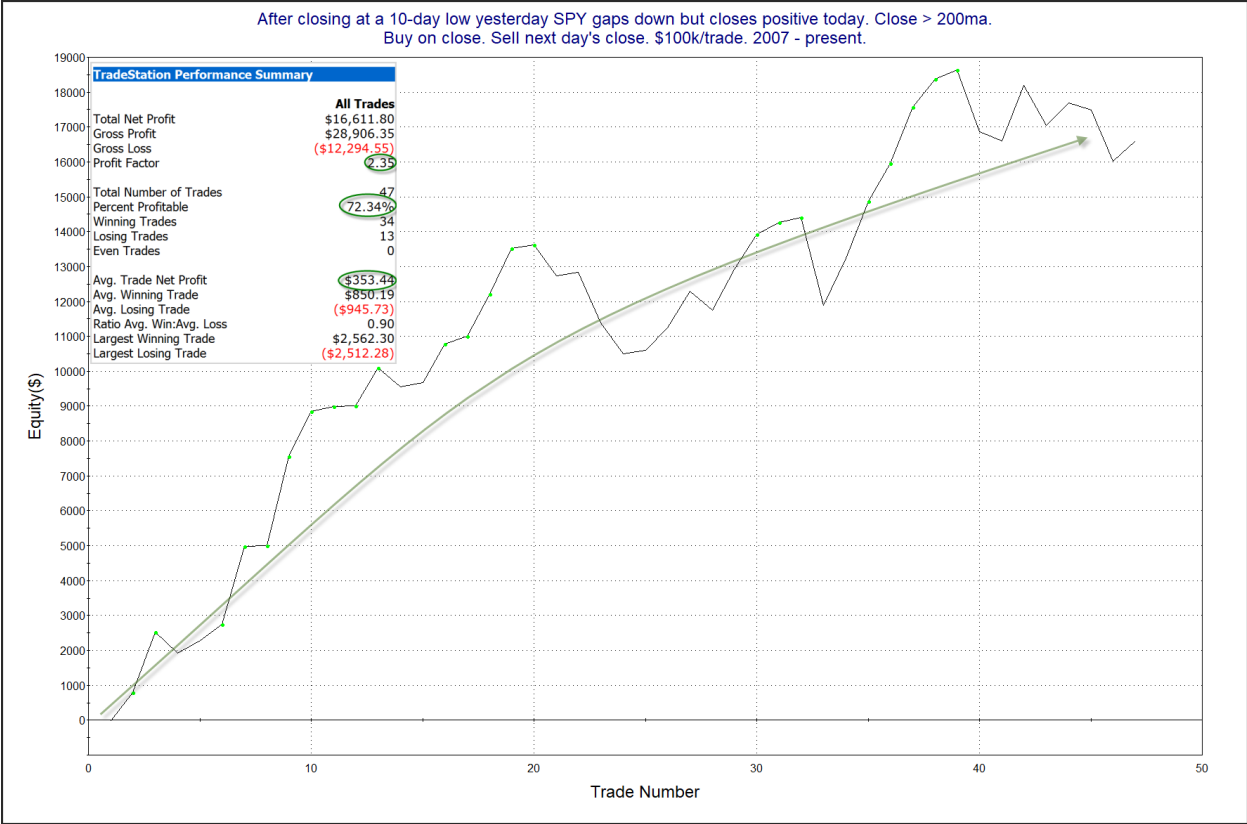
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
January 14, 2025	10-low yesterday. Gap dn and close up 2day	1 day	Bullish			
January 13, 2025	System 110524	1-7 days	Bullish			
January 13, 2025	CBI 10+	1-8 days	Bullish			
Active - Long Term						
January 8, 2025	SPX down 1% 3rd day in last 10	1-20 days	Bullish	4.00%	-3.60%	-8.50%
December 23, 2024	Rebound from 1-month low on a Friday	1-20 days	Bullish			
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			
February 2, 2023	SPX Golden Cross	int term	Bullish			

The Evidence

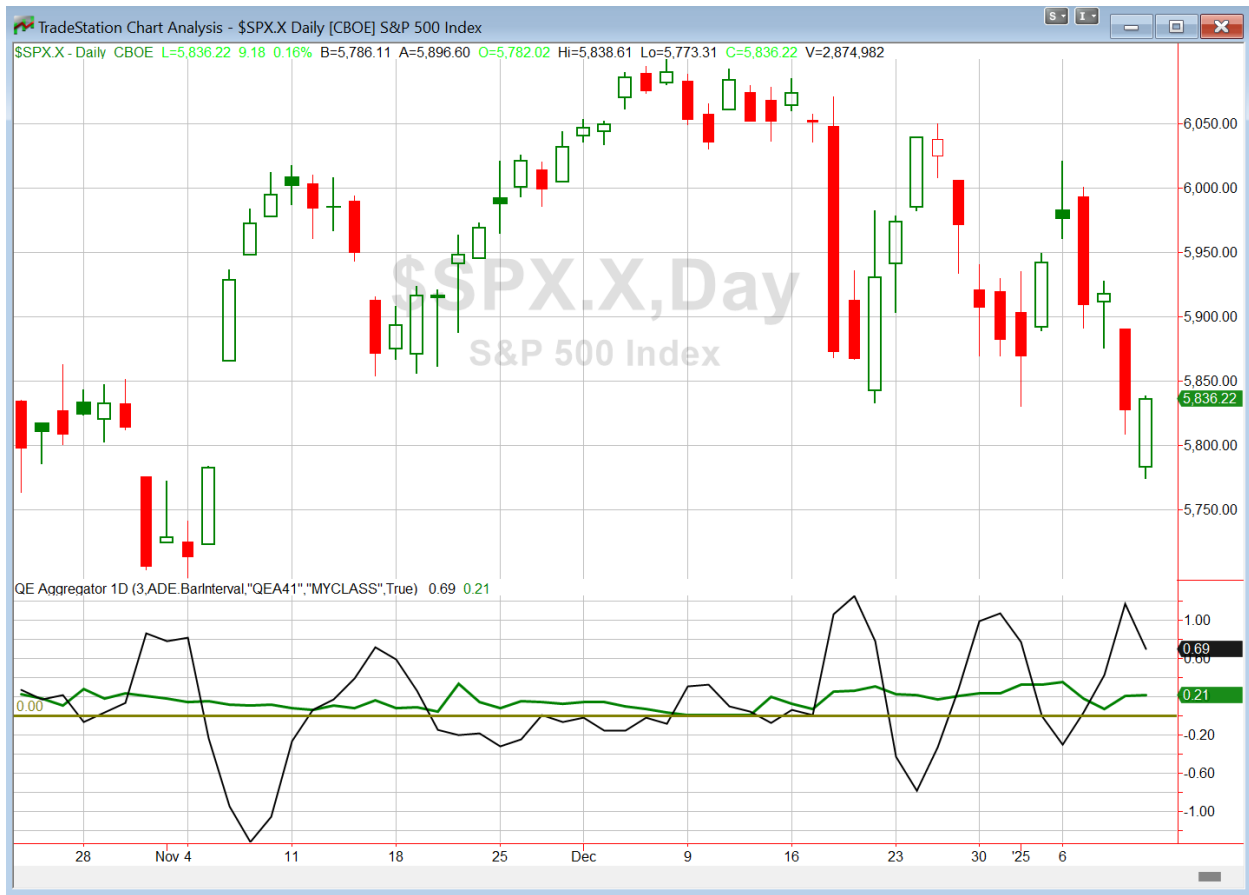
Morning selling was followed by a sizable reversal and the indices finished mixed. SPX rose 0.2%, the NASDAQ dropped 0.4%, and the Russell 2000 gained 0.2%. Breadth was mildly positive as the NYSE Up Issues % closed at 55% and the NYSE Up Volume % posted a 57% reading. NYSE total volume declined some from Friday's level.

After closing at an intermediate-term low on Friday, SPY gapped down quite a bit at the open on Monday. But the bears could not manage to sell the market down any further, and around noon Eastern the rally started that left SPY positive on the day. I look at other similar failures of the bears to take control over the years. Since 2007 I have found that such reversals often earn themselves another day of rallying. This can be seen in the study below, updated from the 1/18/22 letter.



The curve has faded some lately, so this is not exactly the most compelling study I have ever shared. But with the strong stats it still seems worth some consideration, and I like it better than anything else I looked at tonight.

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 also 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 Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5952.19. That is a 2.0% above Monday's close. Therefore, SPX will need to close up 2.0% on Tuesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. Evidence is pointing higher and there is still ample room to the upside before SPX would turn overbought. I like the long side. I already have 2 lots of SPY. I'll stay pat for now with just those 2 lots. I do expect more upside at some point in the next few days.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 1/13 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

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

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

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

PEP @ \$145.40 (bought 1/3 @ limit)

TMUS @ \$212.34 (bought 1/3 @ limit)

ADBE @ \$419.58 (bought 1/3 @ limit)

ADBE @ \$405.92 (buy 1/3 @ limit)

CMCSA @ \$36.36 (buy 1/3 @ limit)

MDLZ @ \$56.25 (buy 1/3 @ limit)

New

MDLZ @ \$56.25 (buy 1/3 @ limit)

Broad Market Large Cap CBI – 10(ADBE-3, PEP-2, TMUS-2, CMCSA, MDLZ-2)

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.

MDLZ – Buy 1/3 Catapult position @ \$56.17 LIMIT. From the Catapult section above, this is the 2nd of up to 3 possible lots of MDLZ.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
ADBE(1/3)	1/6/2025	\$430.57	\$408.50	-5.13%	Catapult
PEP(1/3)	1/7/2025	\$146.27	\$144.50	-1.21%	Catapult
TMUS(1/3)	1/7/2025	\$211.38	\$213.46	0.98%	Catapult
SPY(1/4)	1/8/2025	\$588.63	\$581.39	-1.23%	Aggregator
LMT(1/3)	1/8/2025	\$463.50	\$483.16	4.24%	<i>sell on open</i>
PEP(1/3)	1/8/2025	\$145.40	\$144.50	-0.62%	Catapult
TMUS(1/3)	1/8/2025	\$212.34	\$213.46	0.53%	Catapult
ADBE(1/3)	1/10/2025	\$410.00	\$408.50	-0.37%	Catapult
ADBE(1/3)	1/13/2025	\$404.27	\$408.50	1.05%	Catapult
CMCSA(1/3)	1/13/2025	\$36.36	\$36.45	0.25%	Catapult
MDLZ(1/3)	1/13/2025	\$56.25	\$56.17	-0.14%	Catapult
SPY(1/4)	1/13/2025	\$575.77	\$581.39	0.98%	Aggregator

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