

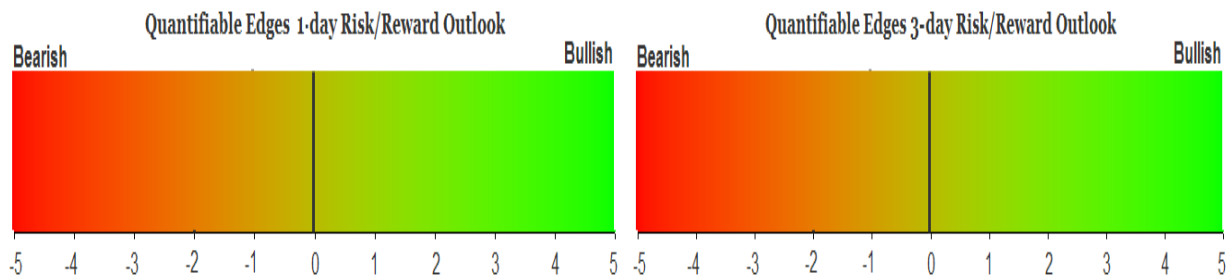
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 16, 2025

Volume 18 Issue 10

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	5

## Tonight's Research Points

- After closing at a 20-day low 2 days ago, SPX has closed up 2 days in a row but is still beneath the close of 3 days ago. That setup has often been followed by more upside over the next few days.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. The strong bounce the last few days seems to be providing an opportune time to take profits and flatten out.

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

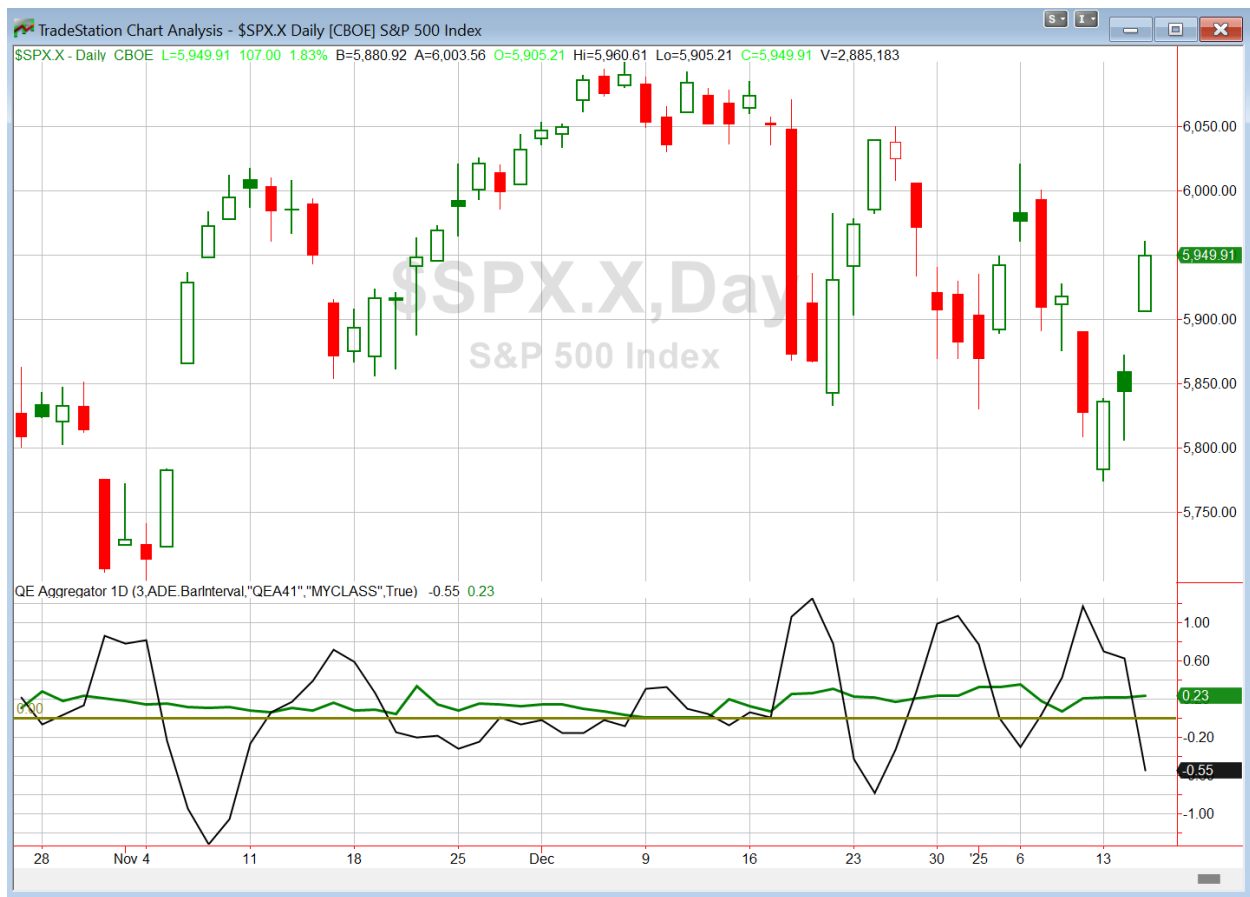
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
January 13, 2025	CBI 10+	1-8 days	Bullish			
<b>Active - Long Term</b>						
January 8, 2025	SPX down 1% 3rd day in last 10	1-20 days	Bullish	4.00%	-3.60%	-8.50%
December 23, 2024	Rebound 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			
<b>Dropped Tonight (expired, target hit, or avg drawdown + 1 std dev exceeded)</b>						
January 15, 2025	20-low 2 ago. Up 2 < 3 ago	1-4 days	Bullish	1.90%	-0.90%	-1.80%
January 13, 2025	System 110524	1-7 days	Bullish			

**The Evidence**

The market liked the low CPI numbers and stocks rallied strongly. SPX closed up 1.8%, the NASDAQ rallied 2.45%, and the Russell 2000 gained 2.0%. Breadth was positive as the NYSE Up Issues % closed at 83% and the NYSE Up Volume % posted a 80% reading. NYSE total volume rose some from Tuesday's level.

Wednesday's action did not generate any compelling new studies. But the bounce was strong enough that a couple of the studies on the short-term list reached their profit targets, and have now been removed. The lone remaining short-term study is the CBI study. That will be removed in a few days, or possibly sooner if the CBI drops to 3 or lower. (It currently sits at 5.) So I am going to keep the letter fairly short tonight.

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



Even with some of the bullish studies reaching their targets, 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 dropped 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 Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5863.32. That is 1.5% below Wednesday's close. Therefore, SPX will need to close down at least 1.5% on Thursday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. This bounce could certainly have further to go, but we may see a pause after the strong rally over the last 3 days. I took some long index exposure off the table on Wednesday. I am content to take the rest off on Thursday morning, and then wait for the next compelling setup to emerge before considering my next short-term index trade.

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

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

### ***Open Catapult Triggers***

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

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

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

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

MDLZ @ \$56.17 (buy 1/3 @ limit)

***Broad Market Large Cap CBI – 5(PEP-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.*

**None tonight.**

### **Current Open Trade Ideas**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
ADBE(1/3)	1/6/2025	\$430.57	\$417.28	-3.09%	<i>sell on open</i>
PEP(1/3)	1/7/2025	\$146.27	\$144.78	-1.02%	Catapult
TMUS(1/3)	1/7/2025	\$211.38	\$214.20	1.33%	<i>sell on open</i>
<b>SPY(1/4)</b>	<b>1/8/2025</b>	<b>\$588.63</b>	<b>\$592.78</b>	<b>0.71%</b>	<b><i>sold on close</i></b>
PEP(1/3)	1/8/2025	\$145.40	\$144.78	-0.43%	Catapult
TMUS(1/3)	1/8/2025	\$212.34	\$214.20	0.88%	<i>sell on open</i>
ADBE(1/3)	1/10/2025	\$410.00	\$417.28	1.78%	<i>sell on open</i>
ADBE(1/3)	1/13/2025	\$404.27	\$417.28	3.22%	<i>sell on open</i>
CMCSA(1/3)	1/13/2025	\$36.36	\$36.50	0.39%	Catapult
MDLZ(1/3)	1/13/2025	\$56.25	\$56.64	0.69%	Catapult
SPY(1/4)	1/13/2025	\$575.77	\$592.78	2.95%	<i>sell on open</i>
MDLZ(1/3)	1/13/2025	\$56.11	\$56.64	0.94%	Catapult

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