

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

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January 23, 2025

Volume 18 Issue 14

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## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- Wednesday's weak breadth could actually be a positive.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. 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
<b>Active - Short Term</b>						
January 23, 2025	SPX up > 200. NYSE Up Vol < 40%	1-8 days	Bullish	1.90%	-1.30%	-2.80%
<b>Active - Long Term</b>						
January 21, 2025	First 75 of new president bullish	1-75 days	Bullish			
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%
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			

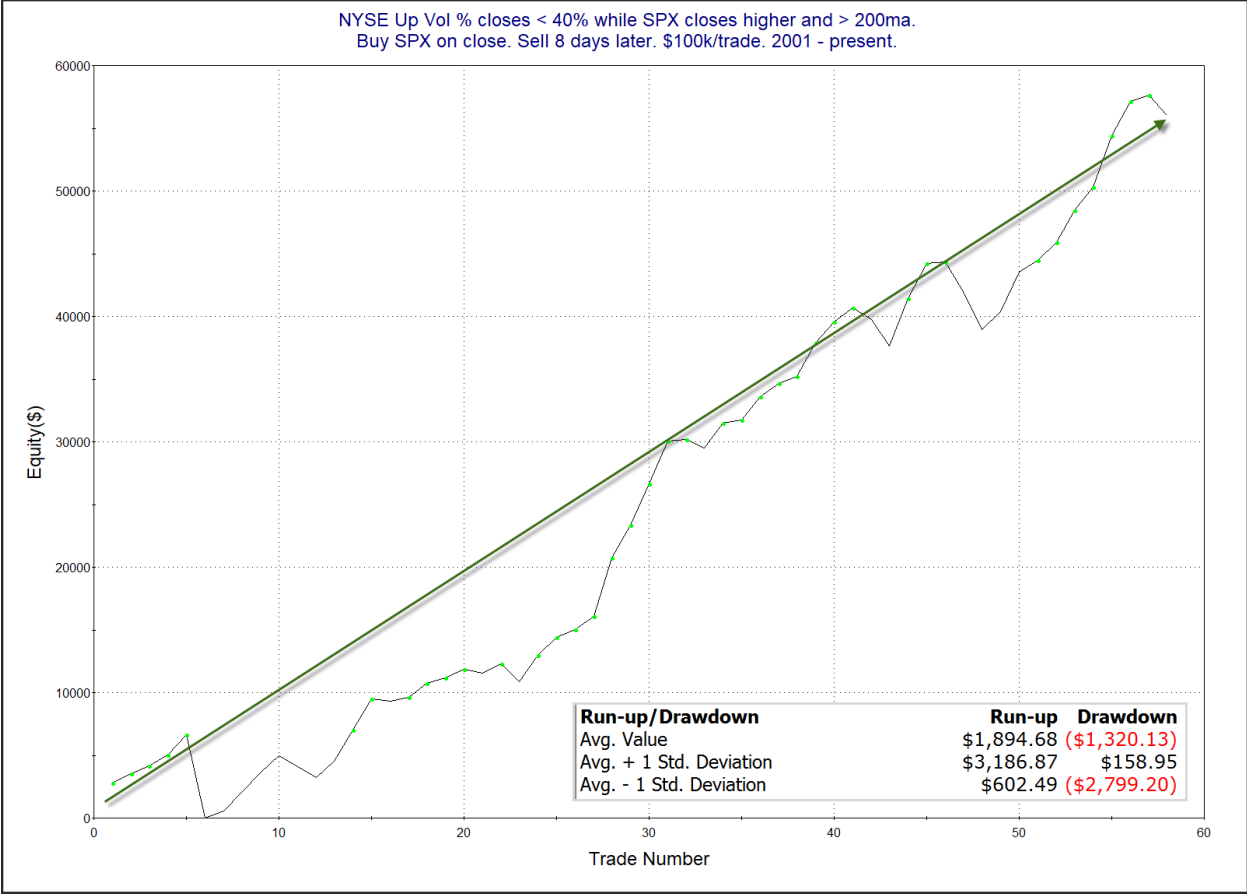
**The Evidence**

Wednesday saw mixed results. SPX gained 0.6%, the NASDAQ rose 1.3%, and the Russell 2000 declined 0.6%. Breadth was weak as the NYSE Up Issues % closed at 33% and the NYSE Up Volume % posted a 31% reading. NYSE total volume declined some from Tuesday's level.

Breadth was notably weak. In the 12/17/24 letter I looked at occurrences where the NYSE Up Volume % came in under 40% while SPX closed higher during a long-term uptrend. This triggered on Wednesday, and I have again updated the results below.

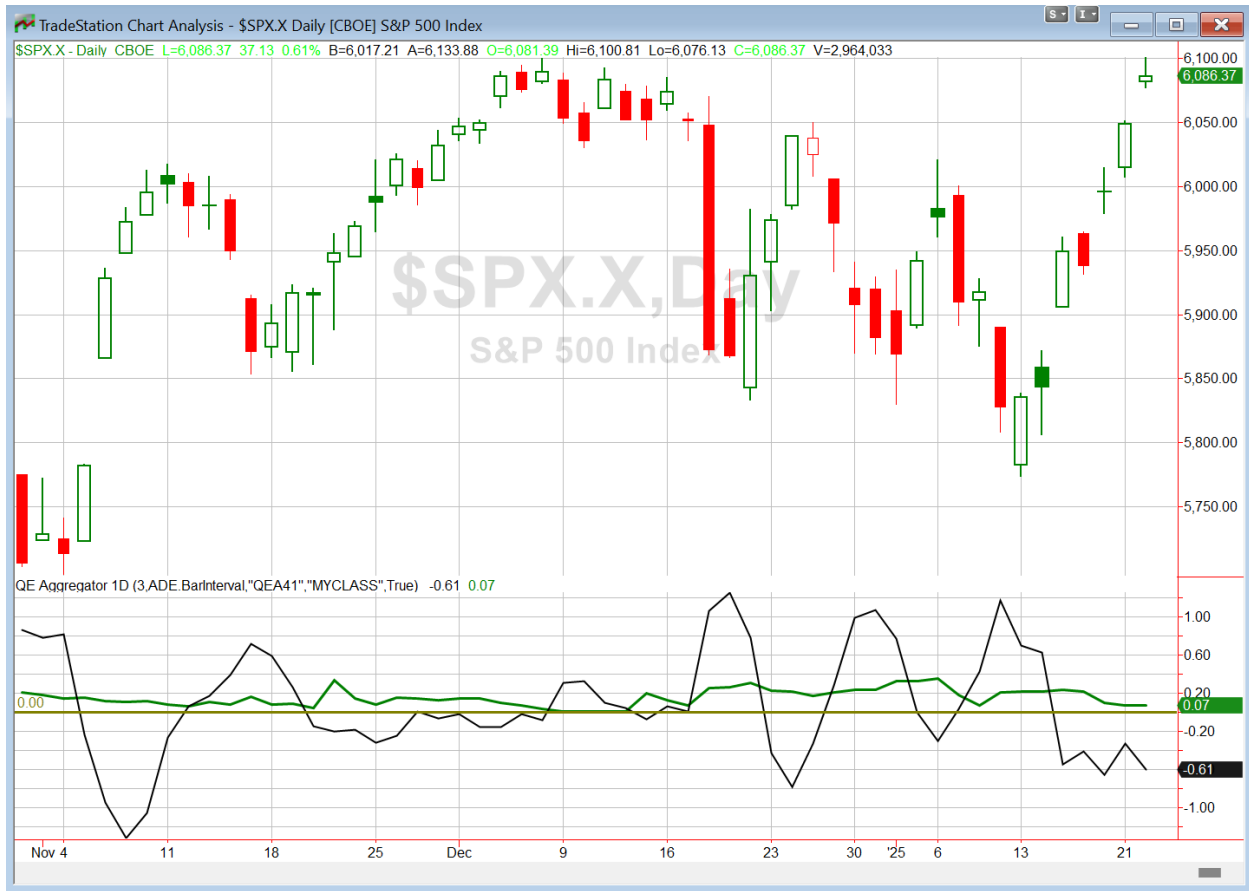
NYSE Up Vol % closes < 40% while SPX closes higher and > 200ma. Buy SPX on close. Sell X days later. \$100k/trade. 2001 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
10	62,807.94	55	43	12	78.18	4,904.10	-7,891.63	2,109.42	-2,324.77	0.91	3.25	1,141.96
9	54,609.50	56	43	13	76.79	5,223.96	-7,594.37	1,901.87	-2,090.06	0.91	3.01	975.17
8	56,000.83	58	46	12	79.31	4,666.56	-6,657.20	1,676.85	-1,761.17	0.95	3.65	965.53
7	56,585.34	63	49	14	77.78	5,211.84	-3,755.76	1,593.16	-1,534.25	1.04	3.63	898.18
6	50,390.32	63	47	16	74.60	6,018.56	-3,495.92	1,533.30	-1,354.67	1.13	3.32	799.85
5	37,663.31	67	50	17	74.63	4,787.84	-4,623.84	1,259.65	-1,489.36	0.85	2.49	562.14
4	20,058.55	68	44	24	64.71	3,777.48	-4,483.92	1,125.41	-1,227.49	0.92	1.68	294.98
3	15,137.02	73	46	27	63.01	3,578.94	-3,312.00	948.27	-1,054.94	0.90	1.53	207.36
2	15,091.29	79	53	26	67.09	2,661.75	-3,230.72	745.84	-939.93	0.79	1.62	191.03
1	9,271.79	85	51	34	60.00	1,790.64	-1,489.20	538.15	-534.52	1.01	1.51	109.08

Results continue to look very strong, especially over the 7-10 day periods. Below is a look at an 8-day profit curve.



The curve has shown strong upside persistence. I find these results intriguing, and have added this study to the short-term active list. This is one of those studies that traditional analysis would say should not be suggesting a bullish edge. But it keeps proving itself correct. So I'll continue to take the study under consideration as I have been doing.

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 Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6028.83. That is 0.9% below Wednesday's close. Therefore, SPX will need to close down at least 0.9% on Thursday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is again neutral. Short-term evidence is pointing higher, but it is really just the one study. The market could certainly use a short-term pullback. Reward/risk is not appealing and I am not interested in getting involved right now.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 1/21 – **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**

**None**

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