

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 29, 2025

Volume 18 Issue 18

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- No new compelling evidence emerged on Wednesday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. But the market is primed to turn overbought on Thursday unless SPX pulls back. So reward/risk is not great.

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

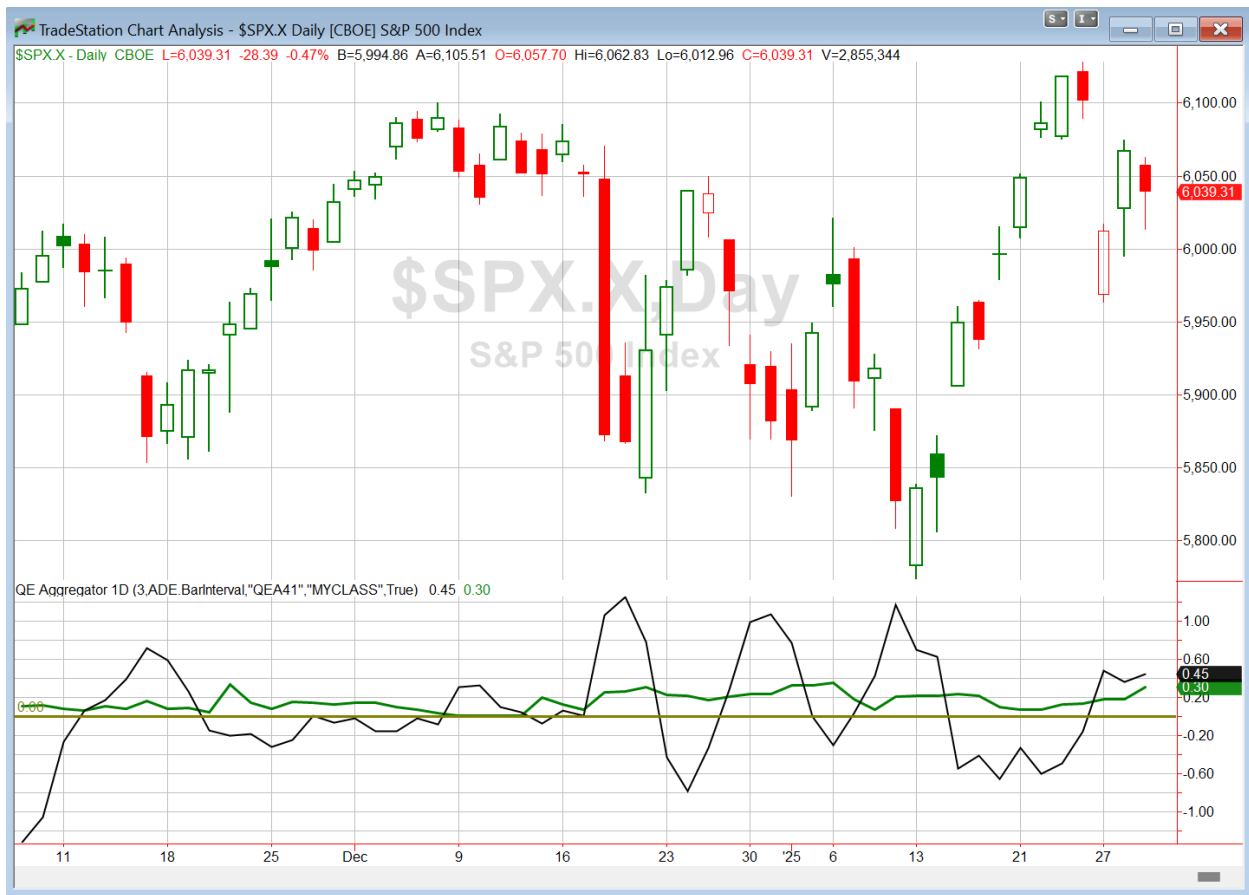
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
January 28, 2025	Big Gap down and partial reversal	1-6 days	Bullish			
January 27, 2025	3 higher hi, lo, cls. Dn cls but higher hi, lo.	1-4 days	Bullish	1.25%	-0.80%	-1.70%
January 24, 2025	SPX up 3+ and 50-high breakout low vol	1-5 days	Bullish	1.60%	-0.90%	-1.85%
January 23, 2025	SPX up > 200. NYSE Up Vol < 40%	1-8 days	Bullish	1.90%	-1.30%	-2.80%
Active - Long Term						
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%
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

Reaction to the Fed was fairly muted, as markets closed at 4pm EST near the same level they were at just before the announcement at 2pm EST. For the day SPX declined 0.47%, the NASDAQ dropped 0.51%, and the Russell 2000 lost 0.25%. Breadth was weak as the NYSE Up Issues % closed at 37% and the NYSE Up Volume % posted a 45% reading. NYSE total volume declined some from Tuesday's level.

This is going to be a real short one tonight. Nothing compelling triggered. I am still looking at some of the evidence that piled up late last week and early this week, but there is nothing new.

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



Without any new studies 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 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 Thursday. That could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted* at 6038.48. That is about *1 point below* Wednesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX will need to close down slightly in order to remain oversold. Any flat or positive close on Thursday will turn SPX overbought vs recent expectations.

So the Aggregator is bullish. But the inverted pivot makes an entry much less appealing. It limits upside potential because the signal will only last until Thursday's close if the market goes in the anticipated direction (up). I often view inverted pivots as opportune times to take profits. In this case, I have no position. So I will not take a new one.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 1/27 – **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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