

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 20, 2025

Volume 18 Issue 53

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	7

## Tonight's Research Points

- No compelling new evidence emerged on Wednesday.
- Potentially positive news from the Fed is that QT will be reduced starting in April.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. We could have a bit further to bounce, but SPX is currently short-term overbought vs recent expectations..

**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>						
March 19, 2025	Fed tmrw. SPX dn 1% ant btm 1/2 range	1-3 days	Bullish	2.35%	-1.00%	-2.20%
March 17, 2025	CBI hits 10+ on an up day < 200ma	1-4 days	Bullish			
March 17, 2025	Friday reversal from a 50-day low bullish	1-2 days	Bullish			
<b>Active - Long Term</b>						
March 3, 2025	21-day low close yest. Up close on a Friday.	1-25 days	Bullish	5.40%	-3.80%	-8.80%
November 26, 2024	Triple 70 Thrust	1-80 days	Bullish	9.40%	-4.60%	-11.20%
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			

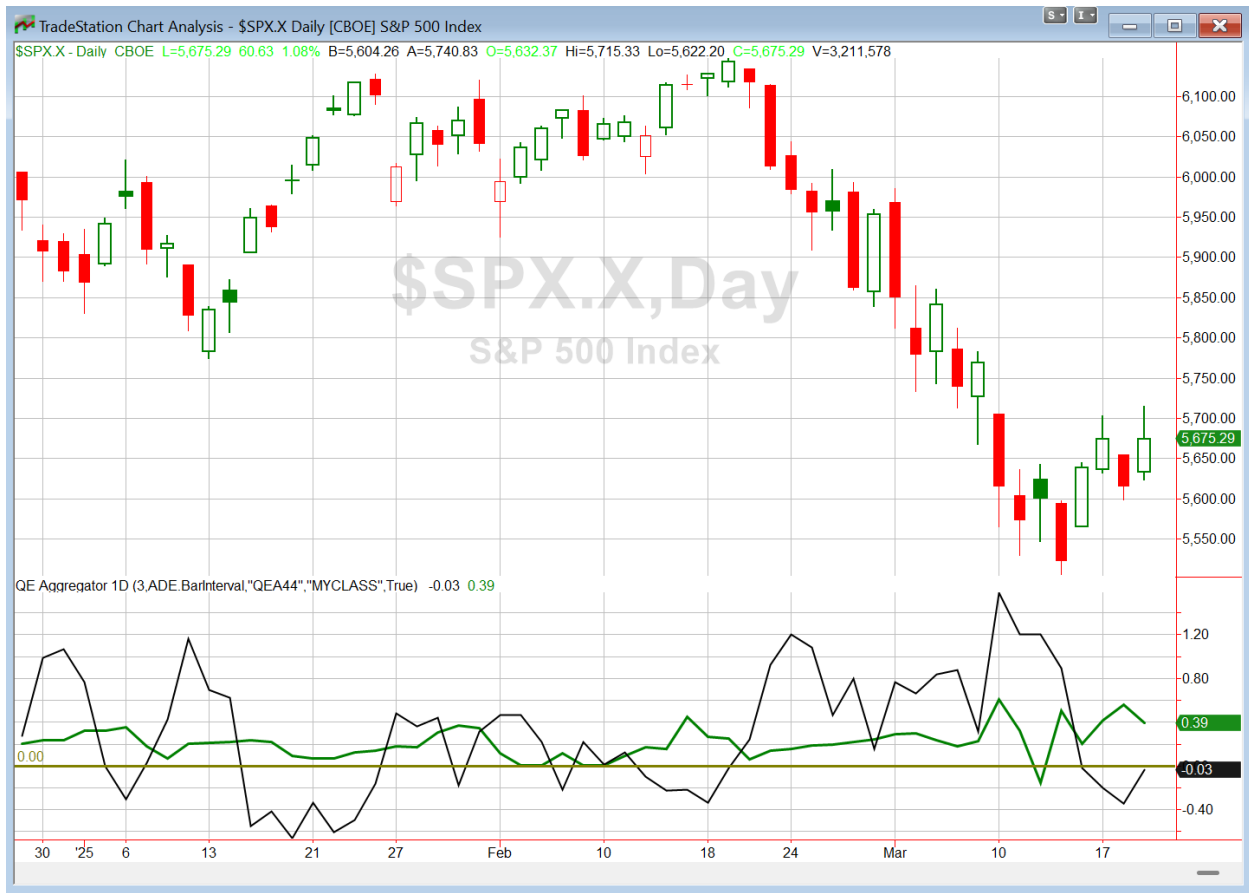
**The Evidence**

Wednesday saw a positive reaction to the Fed. SPX rose 1.1%, the NASDAQ gained 1.4%, and the Russell 2000 rallied 1.6%. Breadth was strong as the NYSE Up Issues % closed at 72% and the NYSE Up Volume % posted a 75% reading. NYSE total volume rose some from Tuesday's level.

The Fed announcement was viewed favorably and the market rallied. I'm not sure what was so favorable about the announcement. Powell noted elevated uncertainty, the dot plot suggested reduced growth expectations, and rates cut expectations were pushed further out. But as I showed last night, when there is a selloff heading into the announcement, as long as the Fed doesn't shock everyone, there is often a relief rally. That might be what we saw. One policy change that could be favorable for the market is that the Quantitative Tightening will be reduced starting in April. There will still be QT happening. So it will not be a QE environment where they are pumping money into the system, but less QT is better than more QT.

Also notable about the action on Wednesday is that the CBI remained at 7. We will need a bit more of a bounce in the Catapult positions before the CBI will fully return to neutral. No new studies are being added to the active list tonight.

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



Without any new studies tonight, the green Aggregator Line held above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line remained 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 active list, expectations are set to remain positive on Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted at 5739.00*. That is about 1.1% *above* Wednesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up at least 1.1% in order to remain overbought. Anything other than that and it will flip to oversold versus expectations as of Thursday's close.

So the Aggregator is again neutral. The setup is quite similar to last night. Evidence is pointing higher and the CBI has not yet returned to neutral. Additionally, unless there is a strong rally, SPX will flip to an oversold condition. So I will maintain my small amount of index exposure for another day, and see what emerges Thursday.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 3/17 – neutral*

**Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

***Open Catapult Triggers***

SBUX – 1/3 @ \$101.13 (bought @ limit)

META – 1/3 @ \$590.12 (bought @ limit)

META – 1/3 @ \$590.12 (bought @ limit)

SBUX – 1/3 @ \$96.04 (buy @ limit) – not filled – cancel for now

ACN – 1/3 @ \$324.33 (bought @ limit)

ABT – 1/3 @ \$126.71(bought @ limit)

***Broad Market Large Cap CBI – 7(SBUX-2, ACN-2, META-2, ABT)***

**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
SPY(1/4)	3/4/2025	\$579.71	\$567.13	-2.17%	Aggregator
SBUX(1/3)	3/11/2025	\$101.13	\$99.19	-1.92%	Catapult
ACN(1/3)	3/13/2025	\$323.69	\$324.47	0.24%	Catapult
ACN(1/3)	3/14/2025	\$316.41	\$324.47	2.55%	Catapult
META(1/3)	3/14/2025	\$600.00	\$584.06	-2.66%	Catapult
META(1/3)	3/14/2025	\$600.00	\$584.06	-2.66%	Catapult
ABT(1/3)	3/17/2025	\$126.71	\$127.42	0.56%	Catapult

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