

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 21, 2025

Volume 18 Issue 54

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	5

## Tonight's Research Points

- A Russell Death cross triggered, but that does not appear intermediate-term bearish for the SPX.
- Opex Friday mornings tend to see selling after the open – even during downtrends.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish, but the short-term evidence is running out soon.

**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			
<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**

Thursday saw the market decline a bit. SPX fell 0.2%, the NASDAQ fell 0.3%, and the Russell 2000 dropped 0.65%. Breadth was weak as the NYSE Up Issues % closed at 42% and the NYSE Up Volume % posted a 37% reading. NYSE total volume rose some from Wednesday’s level.

A Russell “Death Cross” occurred on Thursday. A “Death Cross” is a catchy (though not terribly accurate) term for when the 50-day moving average of a security cross below its 200-day moving average. It is sometimes promoted as a warning of a potential bear market. Of course all bear markets will see this happen at some point, because a bear market is an extended decline. But the real question when considering the implications of the Death Cross are whether it serves any value in *predicting* a more substantial decline. In the past I did an examination of previous Russell Death Crosses, and what they meant for the S&P 500. I have updated that study from the 10/16/23 letter below.

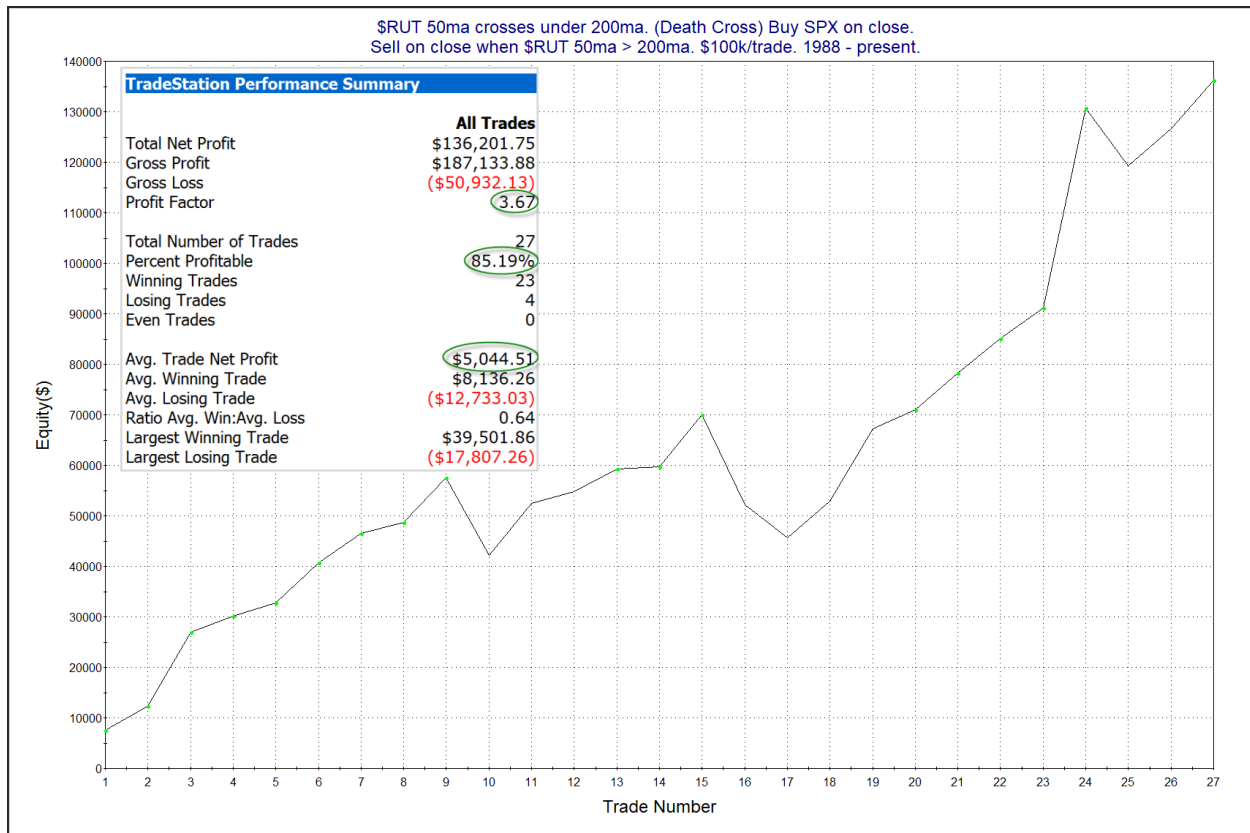
Both of my data sources show Russell data back to late 1987. And since I need 200 days to calculate a 200-day moving average, the earliest the study could look back to was 1988.

Here is the list of all Russell Death Crosses and how the SPX performed from the time of the initial cross until the Russell Death Cross was no longer in effect (meaning the 50-day moving average closed back above the 200-day moving average).

\$RUT 50ma crosses under 200ma. (Death Cross) Buy SPX on close.  
 Sell on close when \$RUT 50ma > 200ma. \$100k/trade. 1988 - present.

Date	Side	Price	% Profit	Runup/Drawn
12/13/1988	Buy	\$276.31	7.52%	\$7,949.22
2/1/1989	Sell	\$297.09		(\$902.50)
12/18/1989	Buy	\$343.68	4.79%	\$7,279.00
7/3/1990	Sell	\$360.15		(\$6,916.50)
8/17/1990	Buy	\$327.83	14.66%	\$15,805.10
3/7/1991	Sell	\$375.89		(\$10,162.60)
7/17/1992	Buy	\$415.62	3.26%	\$3,307.20
11/25/1992	Sell	\$429.18		(\$4,516.80)
5/23/1994	Buy	\$453.20	2.58%	\$5,365.80
10/21/1994	Sell	\$464.89		(\$2,941.40)
11/25/1994	Buy	\$452.29	7.95%	\$8,154.90
2/24/1995	Sell	\$488.26		(\$2,079.61)
9/3/1996	Buy	\$654.73	5.81%	\$6,093.68
10/3/1996	Sell	\$692.78		(\$887.68)
5/16/1997	Buy	\$829.75	2.23%	\$2,654.40
5/30/1997	Sell	\$848.28		(\$400.80)
7/30/1998	Buy	\$1,142.86	8.83%	\$12,247.86
2/8/1999	Sell	\$1,243.77		(\$19,101.72)
9/29/2000	Buy	\$1,436.48	-15.46%	\$1,265.46
6/15/2001	Sell	\$1,214.36		(\$24,515.01)
9/17/2001	Buy	\$1,038.77	10.28%	\$13,267.20
1/11/2002	Sell	\$1,145.60		(\$9,025.92)
7/15/2002	Buy	\$917.93	2.33%	\$5,083.56
5/14/2003	Sell	\$939.28		(\$16,120.08)
8/5/2004	Buy	\$1,080.70	4.61%	\$5,644.20
11/2/2004	Sell	\$1,130.56		(\$1,838.16)
5/25/2005	Buy	\$1,190.01	0.37%	\$2,484.72
7/1/2005	Sell	\$1,194.44		(\$143.64)
7/21/2006	Buy	\$1,240.29	10.35%	\$10,606.40
10/20/2006	Sell	\$1,368.60		\$0.00
9/5/2007	Buy	\$1,472.29	-18.05%	\$6,954.60
9/18/2008	Sell	\$1,206.51		(\$22,698.93)
10/8/2008	Buy	\$984.94	-6.47%	\$5,996.37
6/19/2009	Sell	\$921.23		(\$32,133.15)
7/28/2010	Buy	\$1,106.13	7.19%	\$8,100.90
10/25/2010	Sell	\$1,185.62		(\$5,978.70)
8/12/2011	Buy	\$1,178.81	14.52%	\$14,463.96
2/8/2012	Sell	\$1,349.96		(\$8,739.36)
9/22/2014	Buy	\$1,994.29	3.83%	\$4,259.00
12/19/2014	Sell	\$2,070.65		(\$8,681.50)
9/2/2015	Buy	\$1,948.86	7.25%	\$8,548.62
5/26/2016	Sell	\$2,090.10		(\$7,076.76)
11/14/2018	Buy	\$2,701.58	6.75%	\$9,344.35
5/7/2019	Sell	\$2,884.05		(\$13,135.00)
10/3/2019	Buy	\$2,910.63	6.23%	\$6,527.32
11/12/2019	Sell	\$3,091.84		(\$610.98)
3/19/2020	Buy	\$2,409.39	39.99%	\$40,118.50
8/14/2020	Sell	\$3,372.85		(\$8,918.73)
1/19/2022	Buy	\$4,532.76	-11.40%	\$2,299.88
1/25/2023	Sell	\$4,016.22		(\$22,905.96)
4/21/2023	Buy	\$4,133.52	7.40%	\$7,799.04
7/11/2023	Sell	\$4,439.26		(\$2,045.76)
10/13/2023	Buy	\$4,327.78	9.59%	\$10,706.96
1/2/2024	Sell	\$4,742.83		(\$5,152.00)

Twenty-three winners. Only four losers. So 85% of the “predictions” were wrong. The biggest winner of the group came in 2020. The most recent instance, from late 2023, saw a nice rally to close out that year. Here is a look at the summary stats and a profit curve for this setup.



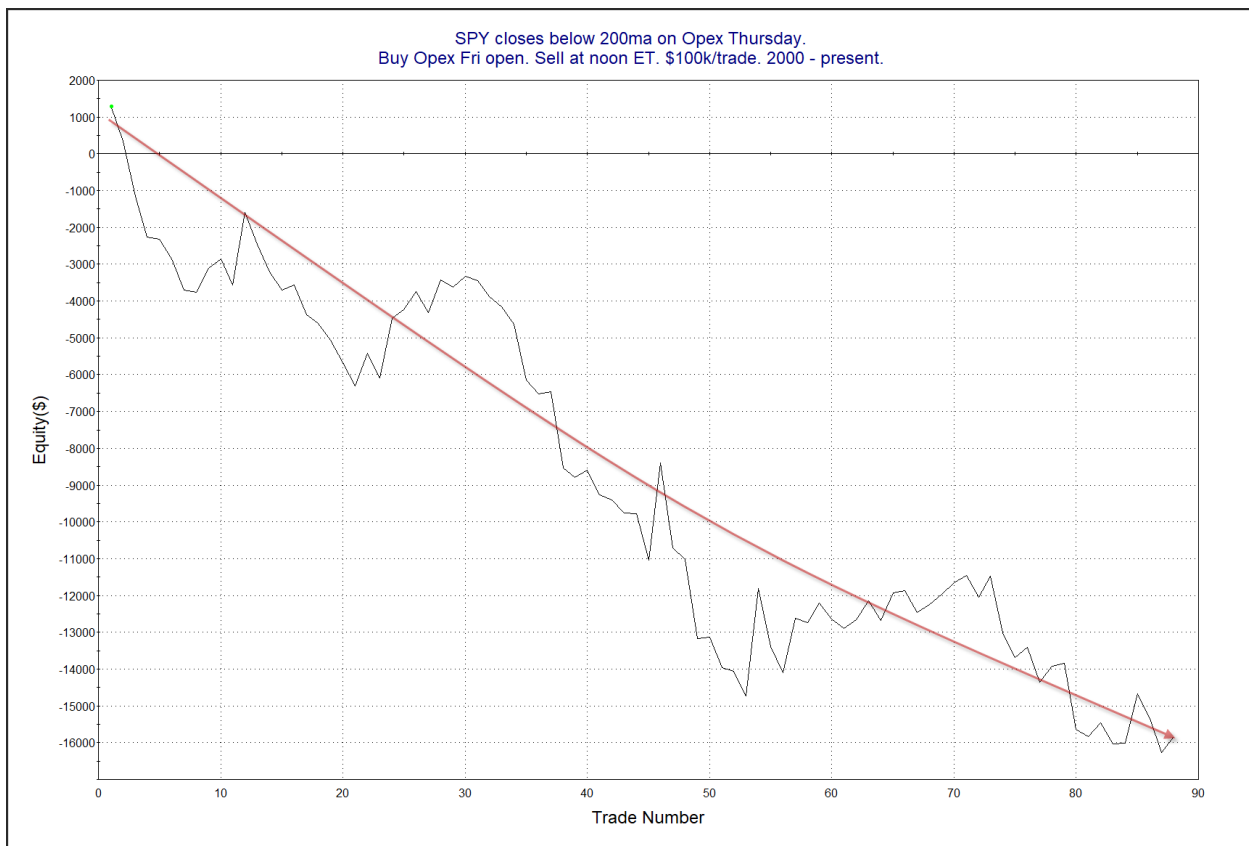
I am having a hard time seeing the Russell 2000 Death Cross as a bearish indication. You would have a much easier time convincing me this is a bullish indication for the intermediate-term. (I don't really view it as bullish though. Drawdowns were generally sizable, even for a good portion of the “winners”.)

I've shown many times that during *uptrends* there tends to be a strong tendency for the market to sell off after the open on opex Friday. In the study below, I examine opex Friday intraday action when SPY is in a long-term *downtrend* (below its 200ma).

SPY closes below 200ma on Opex Thursday.  
Buy Opex Fri open. Sell at time shown on left. \$100k/trade. 2000 - present.

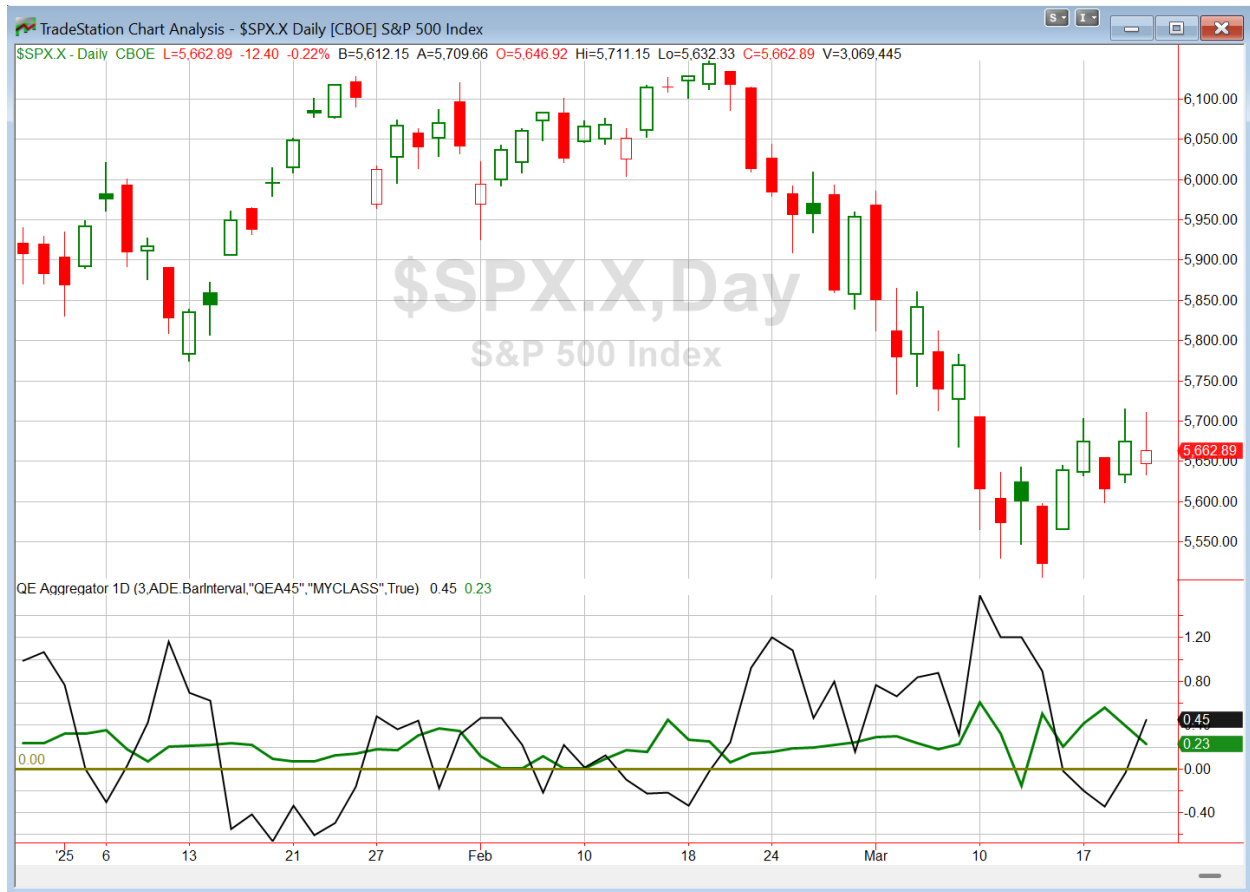
OE Op-Ex Fri Intra Short: timeofday	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
1,600	-5,510.64	88	42	46	47.73	3,825.10	-5,638.68	883.29	-926.28	0.95	0.87	-62.62
1,500	-13,707.89	88	37	51	42.05	4,553.70	-4,243.50	802.61	-851.07	0.94	0.68	-155.77
1,400	-12,457.04	88	34	54	38.64	5,951.58	-3,310.69	901.77	-798.47	1.13	0.71	-141.56
1,300	-14,514.30	88	35	53	39.77	4,913.76	-2,631.68	760.27	-775.92	0.98	0.65	-164.94
1,200	-15,837.96	88	34	54	38.64	2,917.06	-2,295.06	666.40	-712.88	0.93	0.59	-179.98
1,100	-7,082.35	88	38	50	43.18	2,944.02	-3,033.70	606.97	-602.94	1.01	0.77	-80.48
1,000	-4,733.98	88	39	48	44.32	2,298.03	-1,815.51	403.07	-426.12	0.95	0.77	-53.80

Numbers here are mildly negative. Below is a look at how the profit curve would look using the 12 o'clock exit.



That is a persistent move from upper left to lower right. While the numbers are not nearly as strong as we've seen during uptrends, opex Friday still seems to have a bit of a downside tendency during downtrends. Traders may want to keep this in mind during the morning on Friday.

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



With tonight's evidence considered, 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 moved 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 turned long at the close.

With both active short-term studies set to expire, and the intermediate-term outlook currently neutral, expectations could be flat on Friday. This could change if new evidence emerges. Meanwhile, the Differential Pivot will be 5681.50. That is about 0.3% above Thursday's close. So SPX will need to close up at least 0.3% on Friday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. But with evidence getting light, there is no telling how much longer that will last. I have a small long position. I am not inclined to add to it on Friday. But if SPX manages to close above the Differential Pivot, then I will exit the position.

*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)

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

ACN – 1/3 @ \$324.33 (bought @ limit)

ACN – 1/3 @ \$324.33 (bought @ limit)

ABT – 1/3 @ \$126.71(bought @ limit)

***Broad Market Large Cap CBI – 5(SBUX-2, ACN-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	\$565.49	-2.45%	Aggregator
SBUX(1/3)	3/11/2025	\$101.13	\$99.28	-1.83%	Catapult
ACN(1/3)	3/13/2025	\$323.69	\$300.91	-7.04%	Catapult
ACN(1/3)	3/14/2025	\$316.41	\$300.91	-4.90%	Catapult
META(1/3)	3/14/2025	\$600.00	\$586.00	-2.33%	Catapult
META(1/3)	3/14/2025	\$600.00	\$586.00	-2.33%	Catapult
ABT(1/3)	3/17/2025	\$126.71	\$126.78	0.06%	Catapult

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