

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 1, 2025

Volume 18 Issue 61

## Market Overview



## Signals Overview

| Aggregator | CBI Reading |
|------------|-------------|
| Flat       | 0           |

## Tonight's Research Points

- Early April is seasonally bullish.
- The gap to a new short-term low and strong reversal up suggest selling on Tuesday.
- SPY's large dip and long-term intraday low suggest a 1-day bearish edge.
- When both the VIX and SPX close higher on a Monday that often suggests a bearish edge.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. We are seeing mostly bearish evidence. But with the market oversold, reward/risk appears poor.

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

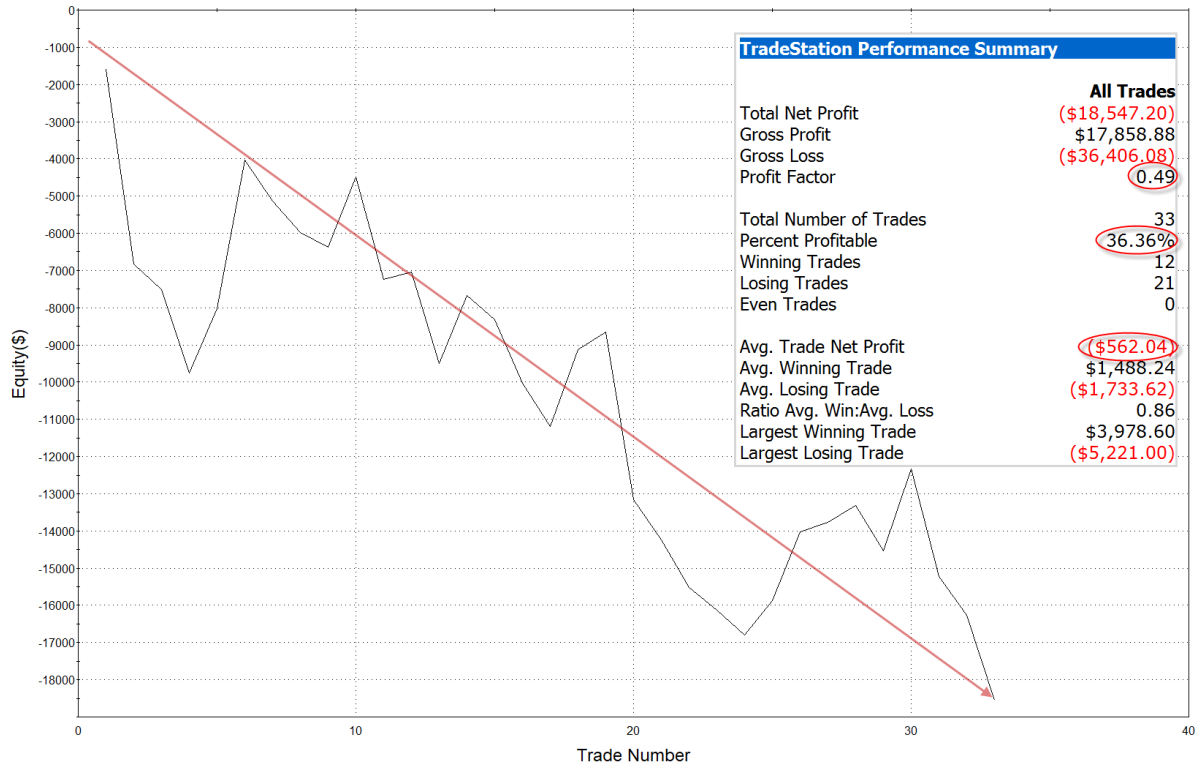
| Study Date                 | Description                                  | Time span   | Bias    | Avg Run-up | Avg DrawDn | Avg DrawDn - 1 Std Dev |
|----------------------------|--|-------------|---------|------------|------------|------------------------|
| <b>Active - Short Term</b> |  |             |         |            |            |                        |
| April 1, 2025              | VIX up SPX up Monday < 200ma                 | 1-4 days    | Bearish | -3.40%     | 2.00%      | 3.80%                  |
| April 1, 2025              | 1.5% dip & 100-day low then close up         | 1 day       | Bearish |            |            |                        |
| April 1, 2025              | Gap dn. 10-low. Reverse up                   | 1 day       | Bearish |            |            |                        |
| April 1, 2025              | Early April bullish                          | 1-4 days    | Bullish |            |            |                        |
| March 31, 2025             | 1st 5-low in 10 days < 200                   | 1-3 days    | Bullish | 2.40%      | -1.40%     | -3.20%                 |
| March 31, 2025             | Week after 4th Fri in March bullish          | 1-5 days    | Bullish | 2.10%      | -1.00%     | -2.20%                 |
| <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**

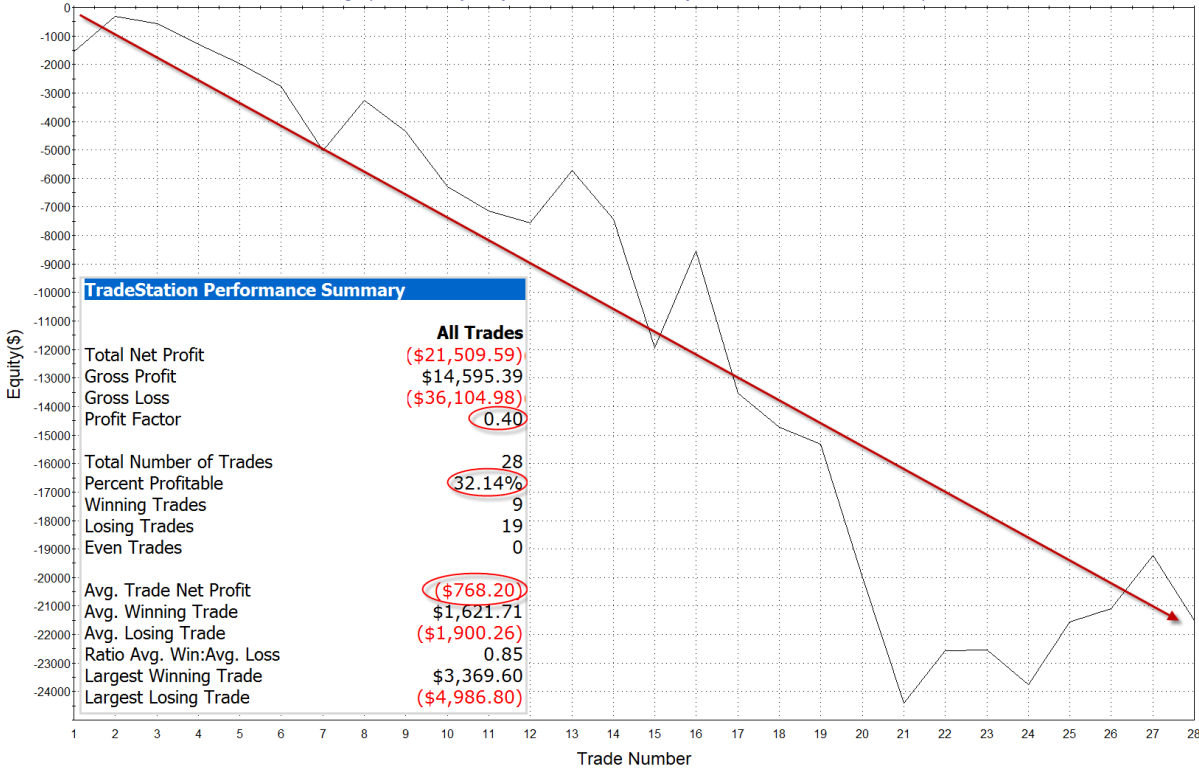
Monday started with a huge gap down, but the market rebounded and finished mixed. SPX closed up 0.55%, the NASDAQ dropped 0.1%, and the Russell 2000 lost 0.6%. Breadth was also mixed as the NYSE Up Issues % closed at 49% and the NYSE Up Volume % posted a 61% reading. NYSE total volume rose for the 3<sup>rd</sup> day in a row.

The gap down and reversal triggered some studies in the Quantifinder. I found the two below to be especially compelling. The 1<sup>st</sup> is from the 5/15/20 letter and the 2<sup>nd</sup> is from the 12/11/18 letter. Results have been updated for both.

SPY gaps down at least 0.25% and makes a 10-day low. It closes positive and at least 0.5% above the open. Close < 200ma. Buy on close. Sell next day's close. \$100k/trade. 1993 - present.



SPY makes a low more than 1.5% below yesterday's close and a 100-day intraday low before reversing higher and closing up on the day. Buy on close. Sell next day's close. \$100k/trade. 1993 - present.

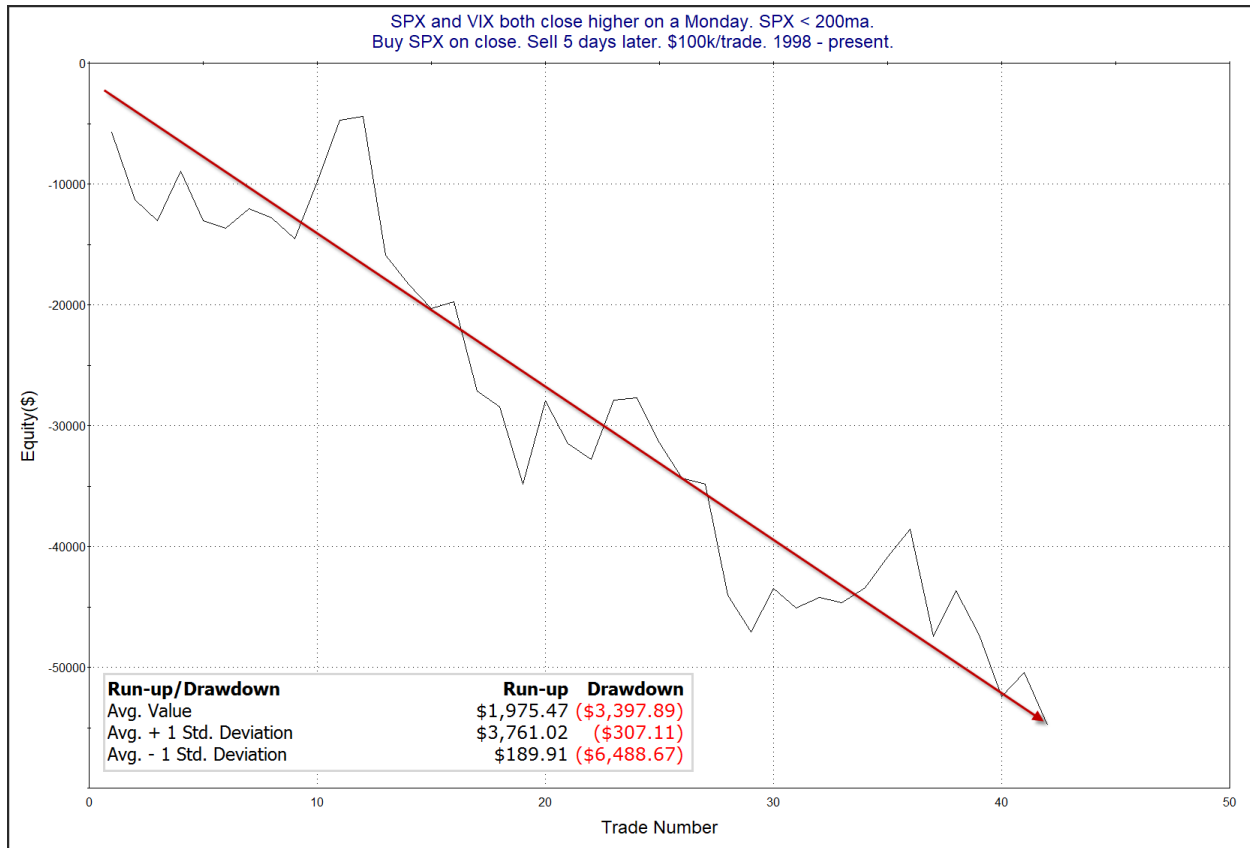


While they describe Monday's reversal in different ways, they both suggest a downside edge. The stats and profit curves are bearish, and I have added these studies to the active list tonight.

In addition to the rise in the SPX on Monday we also saw a rise in the VIX. As a reminder, the VIX has a natural tendency to rise on Mondays, so while SPX and VIX will typically move in opposite directions, Monday is the most frequent day of the week to see them both close higher. The VIX's tendency to decline Friday afternoons and rise Monday mornings is the reason I typically break out VIX studies by day of week. I will either filter on Mondays, Fridays, or mid-week. Anyway, the action on Monday triggered the following study from the 11/6/18 subscriber letter. I have updated the results.

| SPX and VIX both close higher on a Monday. SPX < 200ma.<br>Buy SPX on close. Sell X days later. \$100k/trade. 1998 - 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 |
| 5   | -54,777.66      | 42                | 16                  | 26                 | 38.10             | 6,877.04               | -11,533.34            | 2,791.40               | -3,824.62             | 0.73                | 0.45              | -1,304.23      |
| 4   | -31,383.24      | 43                | 18                  | 25                 | 41.86             | 5,607.06               | -9,828.00             | 2,625.64               | -3,145.79             | 0.83                | 0.60              | -729.84        |
| 3   | -32,419.50      | 43                | 17                  | 26                 | 39.53             | 4,455.68               | -6,956.04             | 1,999.50               | -2,554.27             | 0.78                | 0.51              | -753.94        |
| 2   | -16,049.16      | 43                | 20                  | 23                 | 46.51             | 3,349.32               | -5,441.80             | 1,504.33               | -2,005.91             | 0.75                | 0.65              | -373.24        |
| 1   | -10,789.09      | 43                | 22                  | 21                 | 51.16             | 4,699.94               | -4,893.07             | 1,075.43               | -1,640.41             | 0.66                | 0.69              | -250.91        |

The numbers here all appear to suggest a solidly bearish tendency. Below is a profit curve that assumes a 5-day holding period.



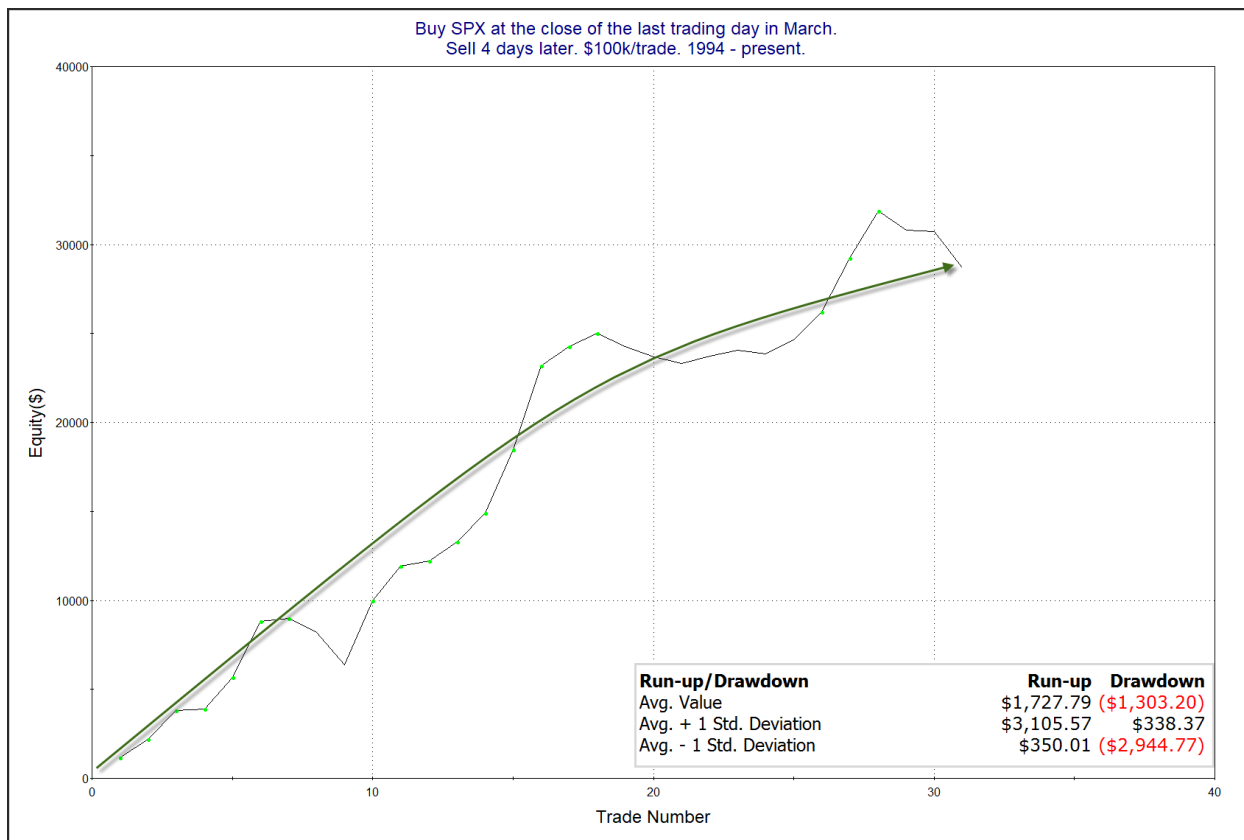
The curve supports the idea of a bearish inclination.

In Sunday's letter I showed how the week after the 4<sup>th</sup> Friday in March has been strong historically. Below is a similar seasonal edge showing that since the mid-90s the beginning of April has generally provided market gains. The study below was last seen in the 4/1/24 letter. Stats are updated.

Buy SPX at the close of the last trading day in March.  
Sell X days later. \$100k/trade. 1994 - 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 |
|--------|-----------------|-------------------|---------------------|--------------------|-------------------|------------------------|-----------------------|------------------------|-----------------------|---------------------|-------------------|----------------|
| 5      | 19,112.16       | 31                | 19                  | 12                 | 61.29             | 4,435.97               | -2,745.12             | 1,716.23               | -1,124.69             | 1.53                | 2.42              | 616.52         |
| 4      | 28,680.24       | 31                | 22                  | 9                  | 70.97             | 4,701.25               | -2,035.66             | 1,654.96               | -858.76               | 1.93                | 4.71              | 925.17         |
| 3      | 17,112.24       | 31                | 20                  | 11                 | 64.52             | 5,578.75               | -4,909.74             | 1,630.77               | -1,409.38             | 1.16                | 2.10              | 552.01         |
| 2      | 19,566.79       | 31                | 20                  | 11                 | 64.52             | 4,563.75               | -4,638.84             | 1,556.88               | -1,051.89             | 1.48                | 2.69              | 631.19         |
| 1      | 5,978.04        | 31                | 21                  | 10                 | 67.74             | 3,559.50               | -4,335.42             | 818.61                 | -1,121.27             | 0.73                | 1.53              | 192.84         |

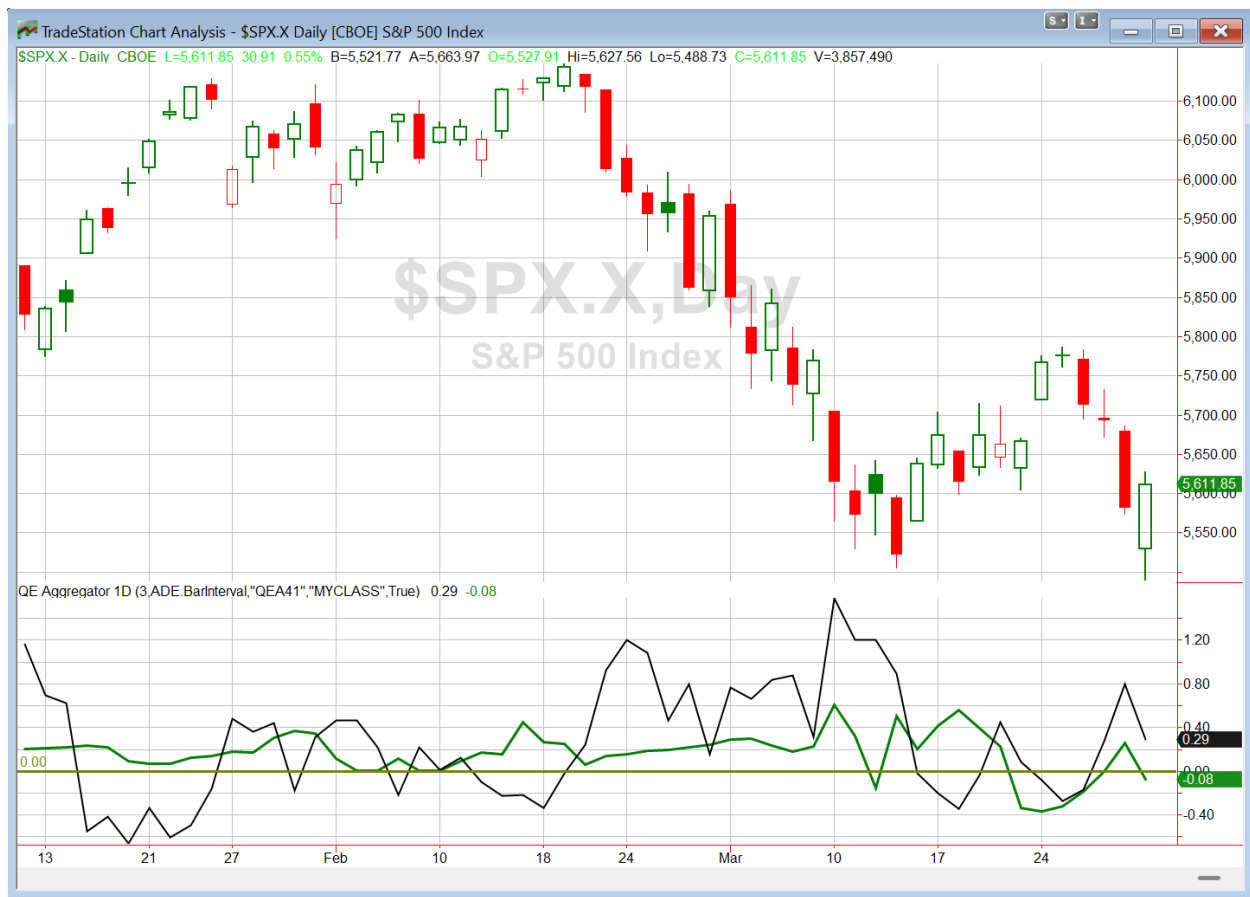
The numbers look compelling. Let's look at the 4-day profit curve to see how the edge has played out over time.



While there has been a mild pullback the last few years, the curve still seems to support the idea of a bullish edge. I have incorporated these results in with the Sunday night seasonal study, since they are essentially measuring the same time period.

Often we see “bullish 1<sup>st</sup> trading day of month” studies. But this month had two things going against it: 1) SPX is below its 200ma, and 2) SPY closed strongly on Monday. When those two things occur it effectively eliminates the bullish tendency.

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



With tonight's evidence considered, the green Aggregator Line dropped below zero. Negative readings mean net expectations are for downside over the next few days. Meanwhile the black Differential Line held above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are negative but SPX is already oversold. 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 set to flip to positive on Tuesday. This could change if additional bearish evidence emerges. Meanwhile, the Differential Pivot will be 5663.05. That is 0.9% above Monday's close. So SPX will need to close up at least 0.9% in order to flip from oversold to overbought on Monday.

So the Aggregator is neutral. Evidence is leaning bearish, but with SPX already oversold, reward/risk is not strong. So I will look to exit my long index position. But since expectations are set to flip to bullish on Tuesday, I will not exit unless I can get a favorable fill. If I can't, I will give the position another day.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 3/31 – neutral*

## **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**

| <b>Symbol</b> | <b>Entry Date</b> | <b>Entry Price</b> | <b>Current Price</b> | <b>% Gain/Loss</b> | <b>Notes</b>                 |
|---------------|-------------------|--------------------|----------------------|--------------------|------------------------------|
| ABBV(1/3)     | 3/26/2025         | \$201.34           | \$205.29             | 1.96%              | <i>sell on open</i>          |
| ABBV(1/3)     | 3/27/2025         | \$201.30           | \$205.29             | 1.98%              | <i>sell on open</i>          |
| SPY(1/4)      | 3/31/2025         | \$549.83           | \$559.39             | 1.74%              | <i>sell @ \$559.40 LIMIT</i> |
|               |                   |                    |                      |                    |                              |
|               |                   |                    |                      |                    |                              |
|               |                   |                    |                      |                    |                              |

The author of Quantifiable Edges (QE), Mr. Robert Hanna, is separately affiliated with a registered investment adviser, Eastsound Capital Advisors, LLC (ECA) d.b.a. Capital Advisors 360. Advisory clients of ECA utilizing the approaches developed by Mr. Hanna will receive the QE newsletter from QE at no charge. ECA is not otherwise affiliated with QE, and neither endorses nor warrants the content of this site, the QE newsletter(s), any embedded advertisement, nor any linked resource herein.

This report has been prepared by Quantifiable Edges, LLC and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy securities. While information contained herein is believed to be accurate at the time of publication, we make no representation as to the accuracy or completeness of any data, studies, or opinions expressed and it should not be relied upon as such. Robert Hanna, Quantifiable Edges, LLC or clients of Quantifiable Edges, LLC may have positions or other interests in securities (including derivatives) directly or indirectly which are the subject of this report. This report is provided solely for the information of Quantifiable Edges, LLC clients and prospects who are expected to make their own investment decisions without reliance upon this report. Neither Quantifiable Edges, LLC nor any officer or employee of Quantifiable Edges, LLC accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Quantifiable Edges, LLC.

Copyright © 2025 Quantifiable Edges, LLC.