

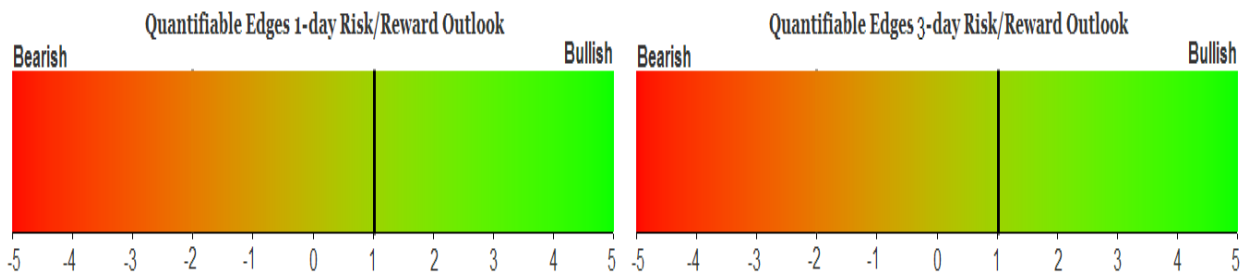
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 15, 2025

Volume 18 Issue 71

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	1

## Tonight's Research Points

- Tax Day and the day after have historically shown positive returns.
- SPX entered a "Death Cross". That is not great, but normally not as bad as it sounds.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish. But the Differential Pivot is inverted. I'm neutral.

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

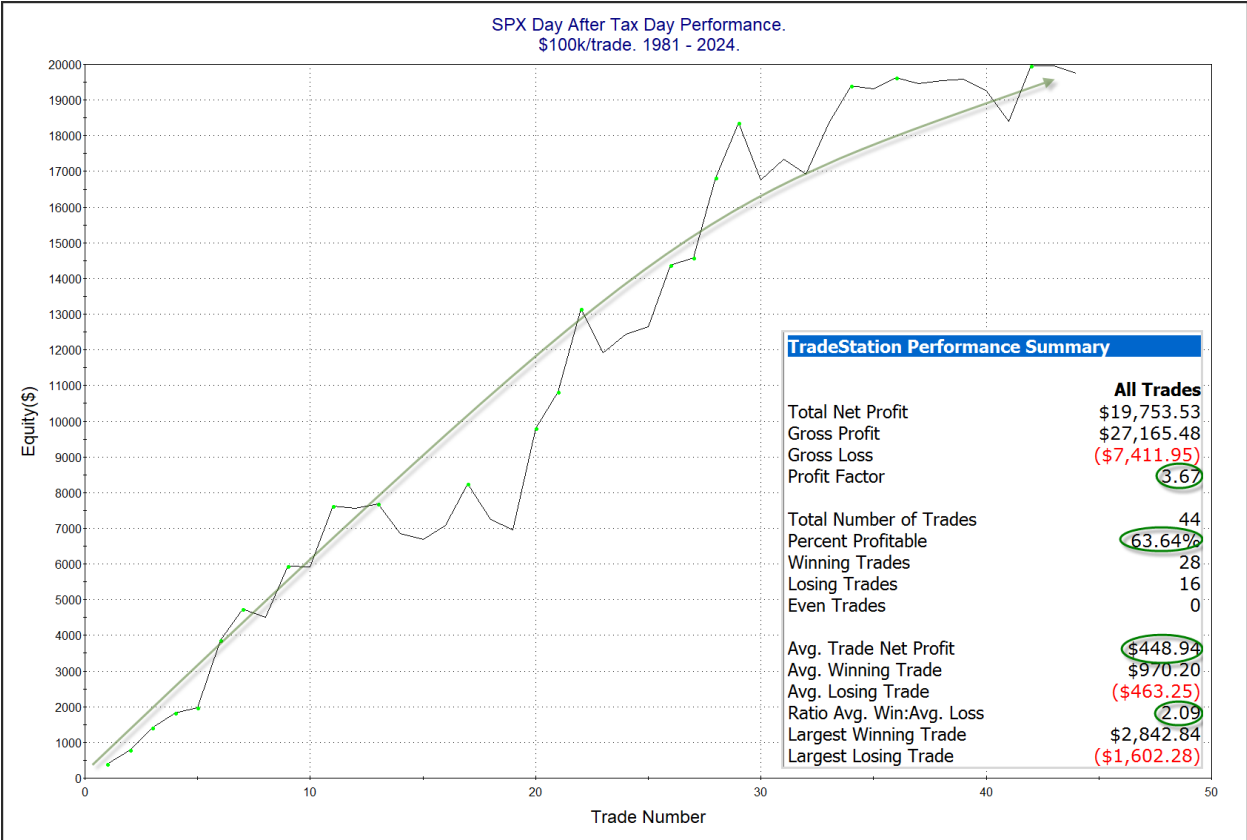
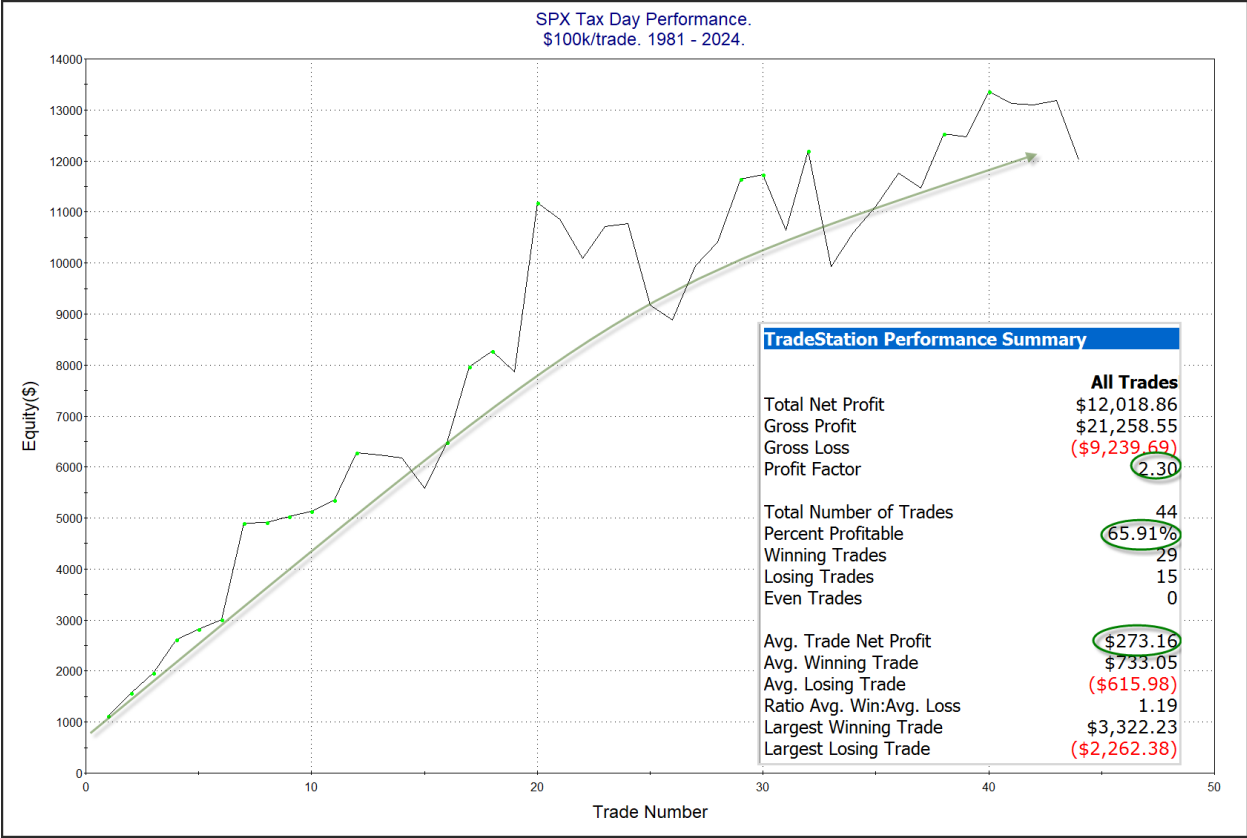
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
April 15, 2025	Tax Days bullish	1-2 days	Bullish			
April 14, 2025	Gap down, sell more, then reverse < 200	1-2 days	Bearish			
April 14, 2025	April opex bullish	1-2 days	Bullish			
April 11, 2025	20-low the up close then inside day down	1-3 days	Bullish			
<b>Active - Long Term</b>						
April 11, 2025	20-low the up close then inside day down	1-10 days	Bullish	4.50%	-2.40%	-5.90%
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			

**The Evidence**

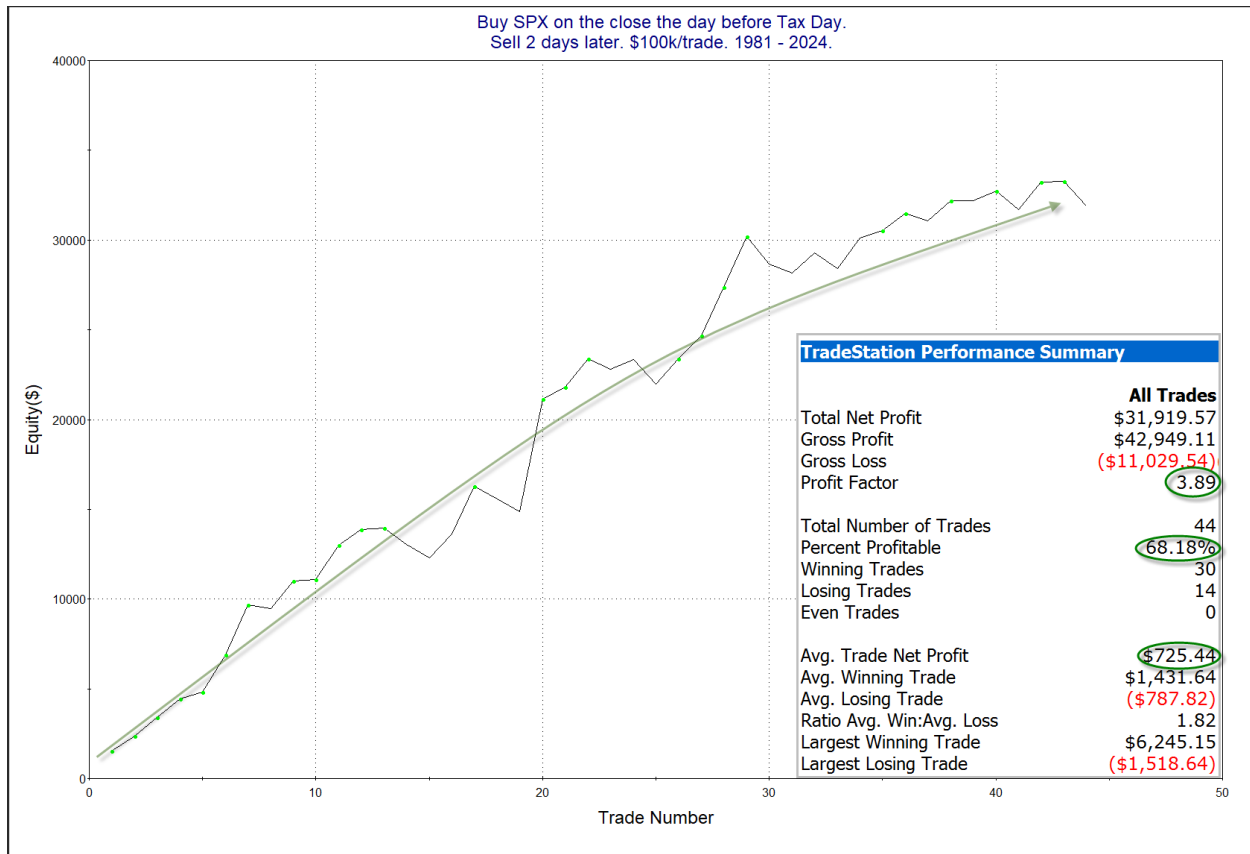
Monday started strong, turned negative during the day, and then finished squarely higher. The SPX end up 0.8%, the NASDAQ rose 0.6%, and the Russell 2000 rallied 1.1%. Breadth was strong as the NYSE Up Issues % closed at 79% and the NYSE Up Volume % posted a 80% reading. NYSE total volume declined for the 3<sup>rd</sup> day in a row.

There were a few studies that triggered in the Quantifinder that looked at the sizable drop in the VIX. Actually, several of them looked at the VXO, which no longer exists. So these days, we use VIX. Some suggested a 15% drop in the VIX might indicate a tendency for the market to pull back over the next day or two. But others showed that the 15% - 20% range really showed no edge. It was days after there was at least a 20% VIX decline when the SPX was under the 200ma that a bearish edge was apparent. So the VIX studies did not make the cut tonight. The things that did trigger were 1) the SPX “Death Cross”, which I talked about in the weekend letter, and then posted that discussion to the blog on Monday, and also 2) the “tax day” studies, which I have copied below from Sunday’s letter.

*Several times over the years I have shown that there has been a strong historical tendency on tax day (normally April 15th) and the day immediately after. The reason tax day may be important is that it is the last day that people can make IRA contributions to count for the previous tax year. This can create a last-minute rush and you will often have an inflow of funds heading into the market right around and on April 15th. Fund managers will often put this money to work immediately and it creates a positive bias for the market. Below are some updated studies that demonstrate this.*

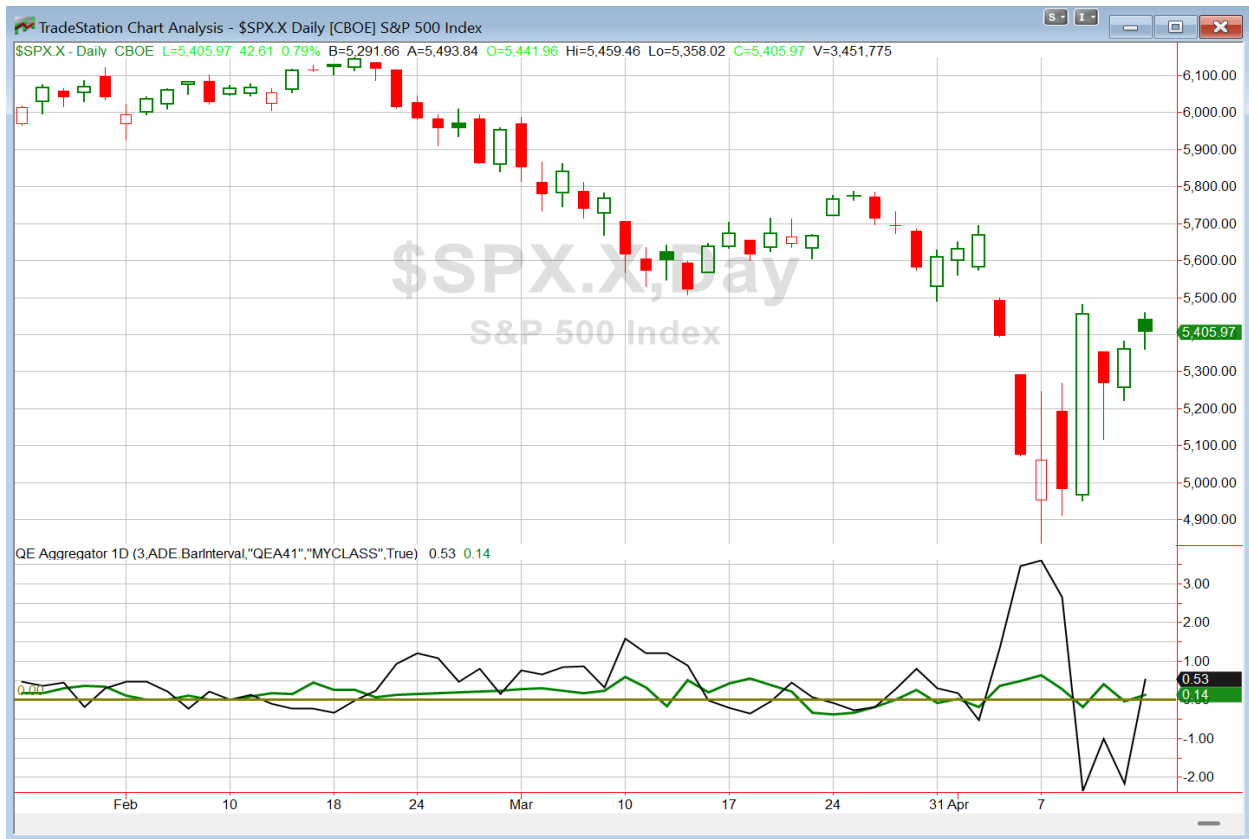


As you can see, both of these days seem to contain very solid upside edges. The study below looks at what happens if you hold for both days instead of just one.



As you would expect, the numbers and the profit curve are impressive. This study will be added to the active list on Monday evening.

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



With tonight's evidence considered, the green Aggregator Line moved above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line also rose 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.

Based on the current list of active studies, expectations are set to remain positive on Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted* at 5292.34. That is 2.1% *below* Monday'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 down a sizable 2.1% in order to remain oversold. Anything less than that and it will flip to overbought versus expectations as of Tuesday's close.

So the Aggregator is bullish. But I still don't consider this an appealing setup. Inverted pivots tend to be times when I would look to take profits on existing positions – not a time when I would look to initiate new positions. This is because while the Aggregator is bullish, it won't be tomorrow unless the market goes against the expected direction by at least 2%. So profit potential is really limited to just one day. Hence, no interest on my part, especially in a market this volatile with a neutral intermediate-term outlook.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 4/14 – neutral*

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

### ***Open Catapult Triggers***

TMO – 1/3 @\$419.31 (bought @ limit)

### ***Broad Market Large Cap CBI – 1(TMO)***

#### **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
TMO(1/3)	4/9/2025	\$414.63	\$449.33	8.37%	Catapult

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