

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 24, 2025

Volume 18 Issue 77

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Some overbought price studies are suggesting a downside edge.
- Breadth thrusts are suggesting an upside edge

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Same with me. The market action is certainly interesting, though.

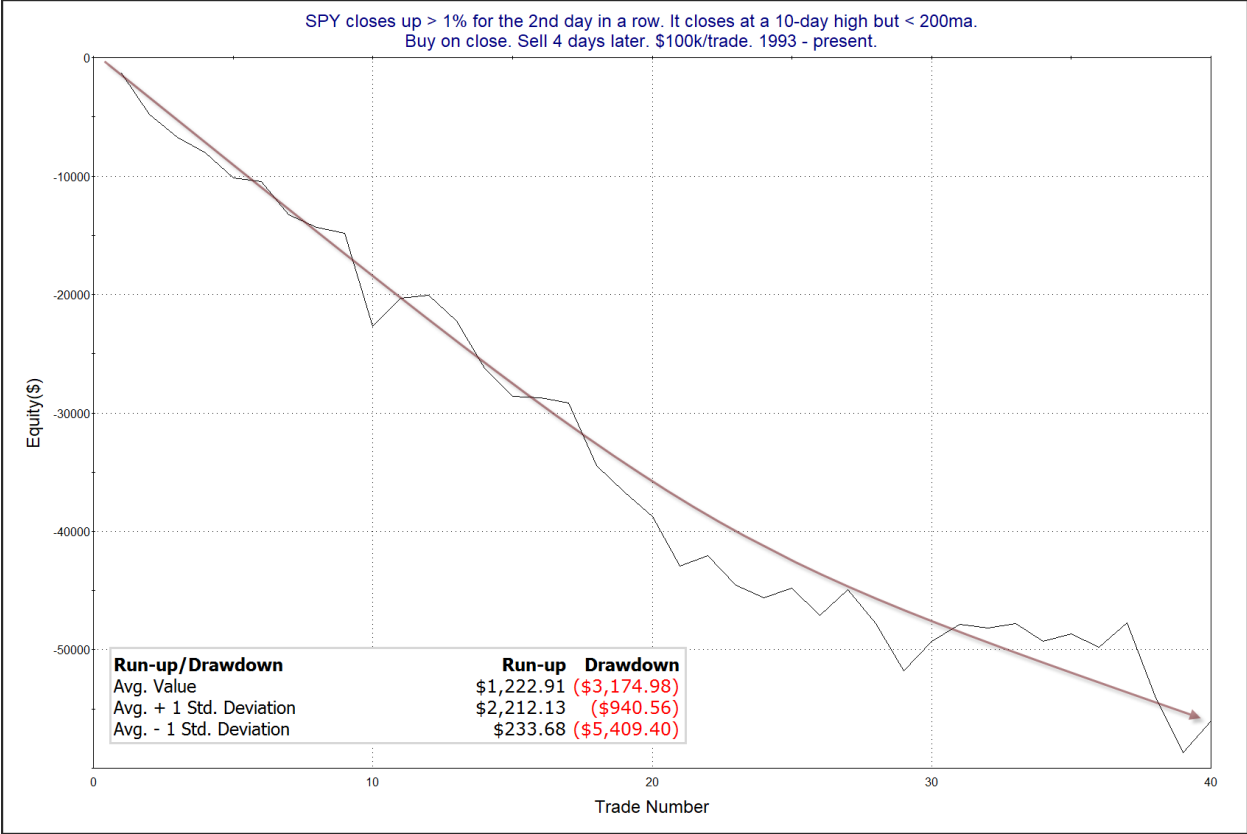
The Evidence

Thursday saw a strong move up. The SPX gained 2.0%, the NASDAQ rallied 2.7%, and the Russell 2000 rose 2.0%. Breadth was again strong as the NYSE Up Issues % closed at 84% and the NYSE Up Volume % posted an 82% reading. NYSE total volume declined a bit from Wednesday's level.

There were several studies worth some discussion tonight. This first study looks at strong multi-day moves below the 200ma. It requires 2 days of 1% gains and a 10-day high. It was last seen in the 10/25/22 letter. All stats are updated.

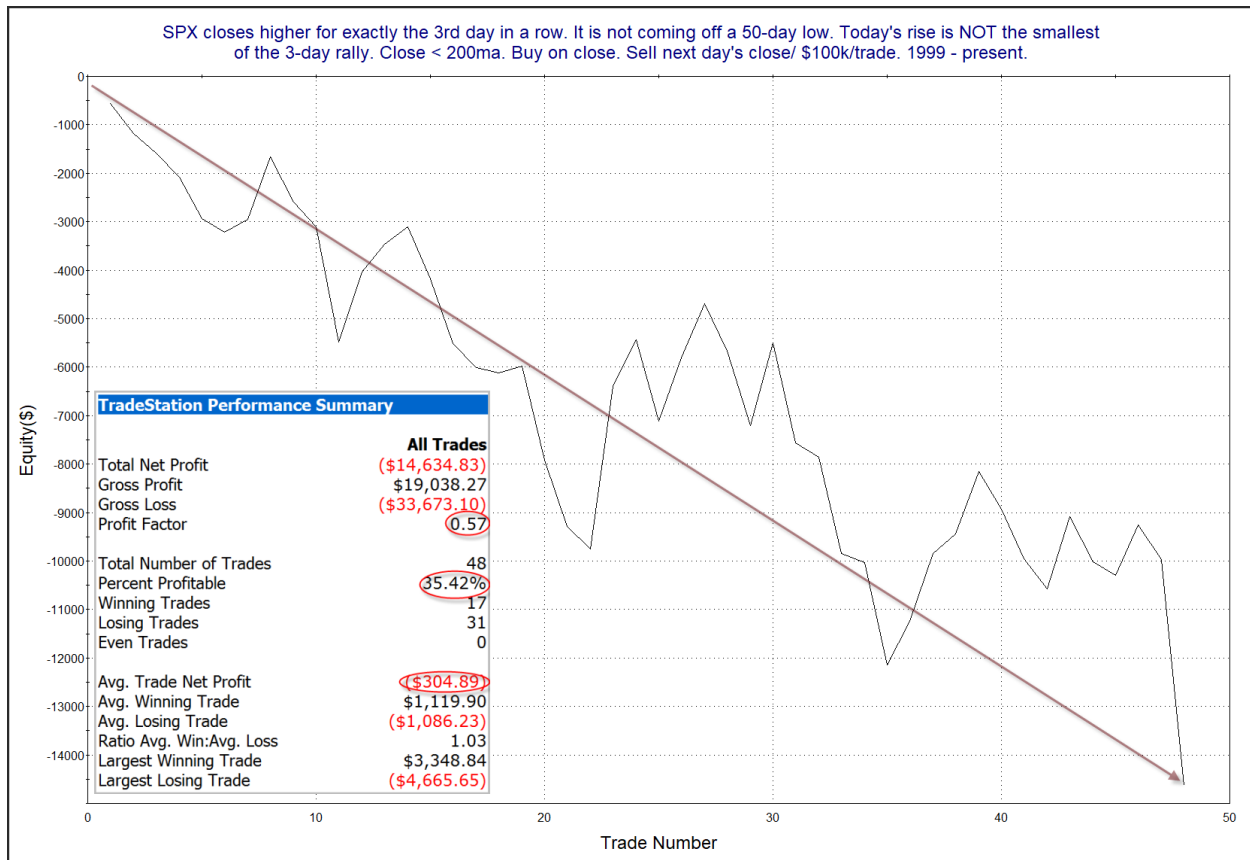
SPY closes up > 1% for the 2nd day in a row. It closes at a 10-day high but < 200ma. Buy on close. Sell X days later. \$100k/trade. 1993 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	-42,576.46	39	16	23	41.03	3,399.42	-7,053.11	1,632.10	-2,986.53	0.55	0.38	-1,091.70
4	-55,992.35	40	11	29	27.50	2,669.45	-7,879.83	1,454.02	-2,482.29	0.59	0.22	-1,399.81
3	-43,800.75	40	13	27	32.50	2,864.79	-5,502.64	1,163.16	-2,182.29	0.53	0.26	-1,095.02
2	-36,276.24	40	15	25	37.50	2,505.60	-5,350.20	1,037.96	-2,073.83	0.50	0.30	-906.91
1	-26,103.01	43	15	28	34.88	2,052.00	-8,857.80	728.16	-1,322.34	0.55	0.29	-607.05

The numbers here all suggest a downside edge. The equity curve is below.



The strong, fairly steady downslope serves as some confirmation of the bearish edge. I have added this study to the active list.

This next study is from the 5/12/20 letter, and has been updated.



Like the previous study, this suggests that “overbought in a downtrend” is typically followed by a dip.

But the move has been so strong and so broad lately that some breadth-thrust studies triggered on Thursday.

The strong breadth we have seen recently has caused the 10-day exponential moving average of the Up Issues % to rise up to 63.15%. A move through 61.5% after being below 40% within the last 2 weeks is considered a Zweig Breadth Thrust trigger. This is a signal created by Martin Zweig. I last discussed it in the 11/6/23 letter. Over the long haul Zweig Breadth Thrusts have been rare but powerful. Below is a stats table showing results of all signals since 1957 and summarizing them.

SPX Performance Following Zweig Breadth Thrusts																				
Forward Returns Shown (21 days is about 1 month) 1957 - present.																				
Ticker	Date/Time	SPX Close	Next Day % Chg	2-Day % Chg	3-Day % Chg	4-Day % Chg	5-Day % Chg	6-Day % Chg	7-Day % Chg	8-Day % Chg	9-Day % Chg	10-Day % Chg	21-Day % Chg	42-Day % Chg	63-Day % Chg	126-Day % Chg	252-Day % Chg	20-Day Drawdown	20-Day Run-up	
SSPX	7/11/1962	57.73	0.52	0.17	0.17	-1.65	-2.65	-2.27	-1.59	-1.61	-2.37	-2.2	-0.28	1.25	-0.92	12.09	20.84	-3.38%	1.63%	
SSPX	11/5/1962	58.35	0.62	-0.05	0.74	2.13	1.9	3.1	2.78	3.1	2.52	3.6	7.85	10.95	13.8	19.98	24.78	-1.01%	8.83%	
SSPX	12/3/1971	97.06	-0.57	-0.2	-0.14	-0.1	0.65	0.94	0.63	1.52	2.76	3.3	5.18	7.85	11.21	13.05	20.94	-1.71%	5.97%	
SSPX	10/10/1974	69.79	1.93	4.23	2.36	0.77	1.98	3.57	5.32	4.79	1.78	0.62	7.34	-3.6	4.04	20.62	26.62	-1.42%	10.92%	
SSPX	1/3/1975	70.71	0.51	0.44	-0.95	0.65	2.69	2.26	1.37	2.02	1.9	0.35	10.06	18.65	14.38	33.45	28.55	-2.36%	11.29%	
SSPX	8/20/1982	113.02	2.73	2.06	4.03	4.89	3.62	4.11	5.74	4.63	6.43	8.55	10.49	23.19	22.4	30.45	44.71	-0.33%	10.49%	
SSPX	8/3/1984	162.35	0.15	0.23	-0.37	1.96	1.89	1.9	1.28	0.28	0.87	1.1	1.56	0.06	3.17	10.03	17.94	-0.95%	3.97%	
SSPX	3/18/2009	794.35	-1.3	-3.25	3.6	1.48	2.46	4.85	2.72	-0.86	0.44	2.11	9.47	14.52	14.65	34.55	46.77	-3.54%	9.57%	
SSPX	10/14/2011	1224.58	-1.94	0.07	-1.2	-0.75	1.12	2.42	0.37	1.42	4.9	4.94	2.22	-1.04	5.64	13.57	17.6	-2.70%	5.56%	
SSPX	10/18/2013	1744.5	0.01	0.58	0.11	0.43	0.88	1.01	1.57	1.08	0.69	0.98	2.7	3.79	5.69	7.74	9.14	-0.23%	3.08%	
SSPX	10/8/2015	2013.43	0.07	0.2	-0.48	-0.95	0.52	0.98	1	0.86	0.27	1.94	4.26	2.49	-4.54	1.42	6.97	-1.13%	5.12%	
SSPX	1/7/2019	2549.69	0.97	1.38	1.84	1.83	1.29	2.38	2.6	3.38	4.75	3.26	7.13	7.58	13.57	16.86	26.96	-0.08%	7.42%	
SSPX	11/3/2023	4358.34	0.18	0.46	0.56	-0.25	1.31	1.22	3.15	3.32	3.44	-3.57	4.79	7.78	13.67	19.03	32.68	-0.33%	5.53%	
SSPX	4/24/2025	5484.77	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
			Average	0.30	0.49	0.79	0.80	1.36	2.04	2.07	1.84	2.18	2.47	5.60	7.19	8.98	17.91	24.96	-1.47%	6.88%
			Median	0.18	0.23	0.17	0.65	1.31	2.26	1.57	1.52	1.9	2.11	5.18	7.58	11.21	16.86	24.78		
			Win %	76.92%	76.92%	61.54%	61.54%	92.31%	92.31%	92.31%	84.62%	92.31%	92.31%	92.31%	84.62%	84.62%	100.00%	100.00%		

Over the short, intermediate, and long-term there have been strong gains on a consistent basis. The AVG run-up over the next 20 days has been 6.79%. This is double the MAX drawdown, and over triple the average drawdown. Average gains over the next 7 days are 2.1%, 21-days average 5.6%, and the average gain over the next year has been 25%. Those are impressive moves. So yes, the market is overbought. But this implies the move has been so strong and so broad that strength is likely to beget more strength.

Another breadth thrust study is the one below, which was last seen in the 9/17/24 letter. It looks at other times that breadth came in strong for 3 days in a row. I have shown this study many times over the years. I often refer to it as a Triple-70 Thrust, because it requires the NYSE Up Issues % to close at 70% or greater for 3 days in a row. Stats are updated.

**NYSE Up Issues % closes > 70% for the third day in a row.
Buy SPX on close. Sell 80 days later. \$100k/trade. 1957 - present.**

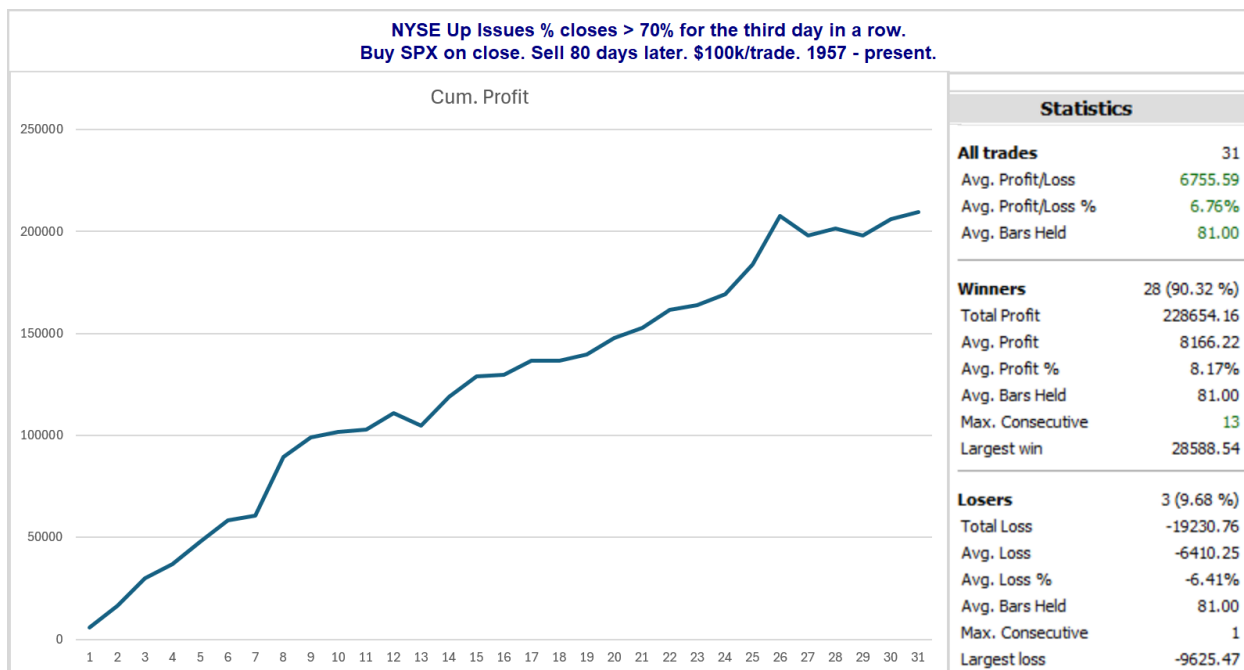
Days In	# Trades	# of winners	# of losers	% of Winners	W. Avg % Profit	L. Avg % Loss	Profit Factor	Avg Profit/Loss
100	29	24	5	82.76	10.28	-6.89	7.16	\$7,320.80
95	29	24	5	82.76	9.37	-6.93	6.5	\$6,563.41
90	30	27	3	90	8.7	-5.36	14.6	\$7,294.89
85	30	26	4	86.67	8.56	-4.5	12.35	\$6,818.54
80	31	28	3	90.32	8.17	-6.41	11.89	\$6,755.59
75	32	28	4	87.5	7.99	-7.02	7.97	\$6,114.37
70	32	28	4	87.5	7.17	-4.87	10.3	\$5,663.60
65	32	26	6	81.25	7.41	-4.36	7.38	\$5,207.29
60	33	27	6	81.82	7.65	-4.93	6.98	\$5,361.68
55	34	28	6	82.35	7.27	-4.65	7.3	\$5,164.64
50	35	28	7	80	7.53	-5.25	5.74	\$4,977.51
45	38	30	8	78.95	6.72	-5.04	5	\$4,243.85
40	40	29	11	72.5	6.34	-5.36	3.12	\$3,121.16
35	42	34	8	80.95	4.68	-4.48	4.44	\$2,932.03
30	42	30	12	71.43	5.34	-3.26	4.09	\$2,880.30
25	42	30	12	71.43	4.76	-2.85	4.18	\$2,589.79
20	43	32	11	74.42	4.29	-3.25	3.84	\$2,363.75
15	43	33	10	76.74	3.56	-3.76	3.12	\$1,854.93
10	46	33	13	71.74	2.87	-3.54	2.06	\$1,056.01
5	48	32	16	66.67	1.81	-2.34	1.54	\$424.08

There are a lot of positive numbers and the edge generally appears to be to the upside. Results between 70 and 90 days appear especially strong and consistent. Below is the full list with an 80-day exit. (Overlapping instances removed.)

**NYSE Up Issues % closes > 70% for the third day in a row.
Buy SPX on close. Sell 80 days later. \$100k/trade. 1957 - present.**

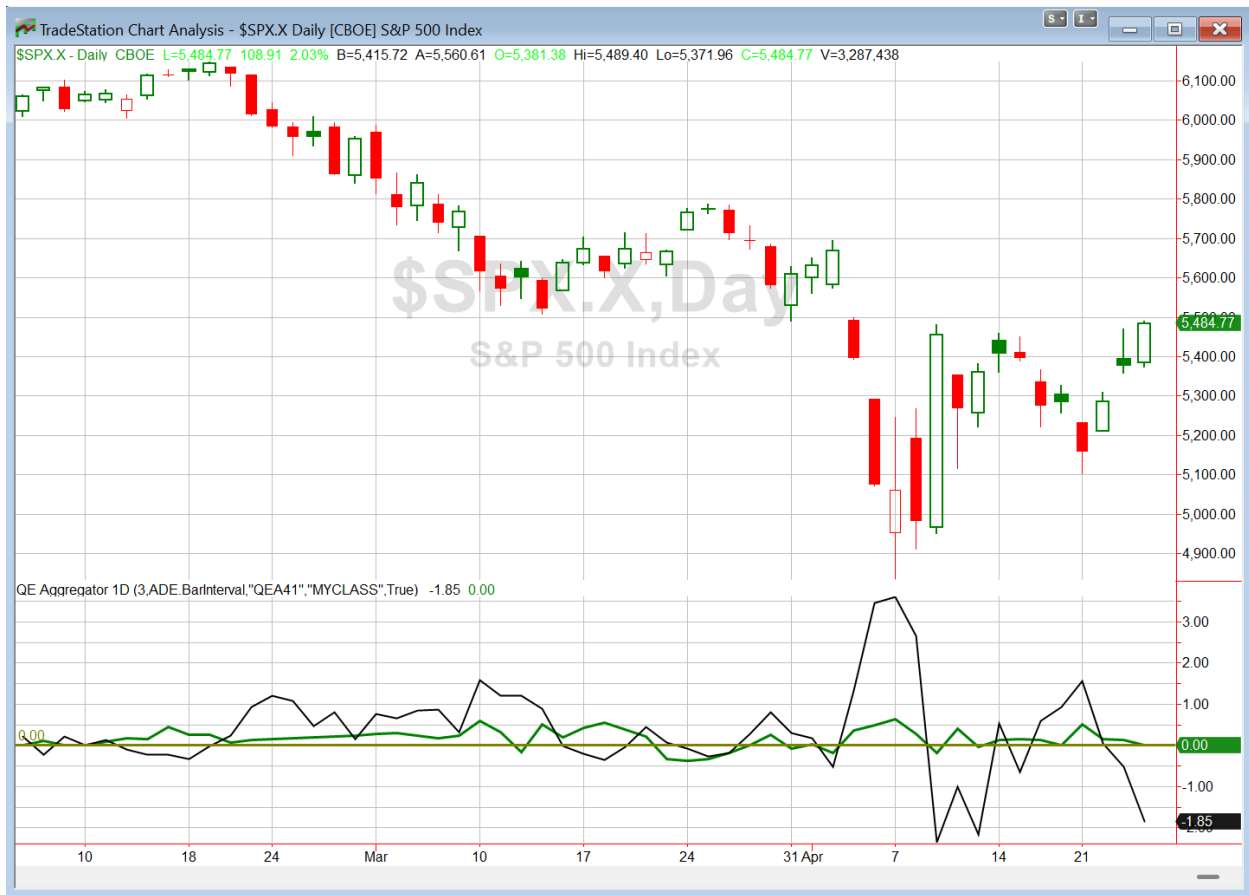
Symbol	Entry Date	Entry Price	Exit Date	Exit Price	Profit	% Profit	Cum. Profit	Drawdown	Runup
\$\$PX	1/3/1958	40.87	4/28/1958	43.22	5749.94	5.75%	5749.94	-1.22%	6.09%
\$\$PX	11/5/1962	58.35	3/4/1963	64.72	10916.88	10.92%	16666.82	-1.13%	14.76%
\$\$PX	1/9/1967	82.81	5/3/1967	93.91	13404.18	13.40%	30071	-1.74%	14.44%
\$\$PX	5/29/1970	76.55	9/22/1970	81.86	6936.64	6.94%	37007.64	-7.66%	9.44%
\$\$PX	10/11/1974	71.14	2/5/1975	78.95	10978.35	10.98%	47985.99	-9.85%	10.98%
\$\$PX	1/5/1976	92.58	4/28/1976	102.13	10315.4	10.32%	58301.4	-1.87%	13.02%
\$\$PX	1/5/1979	99.13	5/1/1979	101.68	2572.38	2.57%	60873.78	-3.78%	4.86%
\$\$PX	8/18/1982	108.54	12/10/1982	139.57	28588.54	28.59%	89462.31	-0.18%	33.00%
\$\$PX	3/3/1983	153.48	6/27/1983	168.46	9760.23	9.76%	99222.54	-2.84%	11.81%
\$\$PX	8/3/1984	162.35	11/27/1984	166.29	2426.86	2.43%	101649.4	-2.68%	4.96%
\$\$PX	12/26/1991	404.84	4/21/1992	410.26	1338.8	1.34%	102988.2	-3.07%	4.04%
\$\$PX	3/21/2007	1435.04	7/16/2007	1549.52	7977.48	7.98%	110965.68	-1.82%	8.37%
\$\$PX	1/2/2009	931.8	4/29/2009	873.64	-6241.68	-6.24%	104724	-28.44%	1.29%
\$\$PX	7/15/2009	932.68	11/5/2009	1066.63	14361.84	14.36%	119085.83	-2.42%	18.09%
\$\$PX	7/9/2010	1077.96	11/1/2010	1184.38	9872.35	9.87%	128958.19	-3.55%	10.96%
\$\$PX	3/21/2011	1298.38	7/14/2011	1308.87	807.93	0.81%	129766.12	-3.10%	5.56%
\$\$PX	9/15/2011	1209.11	1/10/2012	1292.08	6862.07	6.86%	136628.19	-11.11%	6.91%
\$\$PX	3/9/2012	1370.87	7/3/2012	1374.02	229.78	0.23%	136857.97	-7.60%	3.76%
\$\$PX	7/3/2012	1374.02	10/25/2012	1412.97	2834.75	2.83%	139692.72	-3.54%	7.31%
\$\$PX	6/27/2013	1613.2	10/21/2013	1744.66	8149.02	8.15%	147841.74	-0.75%	8.19%
\$\$PX	4/1/2014	1885.52	7/25/2014	1978.34	4922.78	4.92%	152764.52	-3.77%	5.61%
\$\$PX	2/17/2016	1926.82	6/10/2016	2096.07	8783.9	8.78%	161548.42	-1.86%	10.05%
\$\$PX	6/30/2016	2098.86	10/24/2016	2151.33	2499.93	2.50%	164048.35	-1.38%	4.52%
\$\$PX	12/7/2016	2241.35	4/4/2017	2360.16	5300.82	5.30%	169349.17	-1.45%	7.12%
\$\$PX	1/8/2019	2574.41	5/3/2019	2945.64	14420	14.42%	183769.18	-1.04%	14.75%
\$\$PX	3/26/2020	2630.07	7/21/2020	3257.3	23848.41	23.85%	207617.59	-6.94%	24.28%
\$\$PX	5/27/2022	4158.24	9/22/2022	3757.99	-9625.47	-9.63%	197992.12	-12.54%	4.02%
\$\$PX	1/12/2023	3983.17	5/9/2023	4119.17	3414.37	3.41%	201406.49	-4.38%	5.33%
\$\$PX	7/13/2023	4510.04	11/3/2023	4358.34	-3363.61	-3.36%	198042.88	-9.01%	2.15%
\$\$PX	5/6/2024	5180.74	8/29/2024	5591.96	7937.48	7.94%	205980.36	-1.19%	9.44%
\$\$PX	9/16/2024	5633.09	1/10/2025	5827.04	3443.05	3.44%	209423.41	-0.51%	8.29%
							Average	-4.59%	9.46%

Lots of strong rallies seen here. Drawdowns > 10% are highlighted in red and run-ups of > 10% are highlighted in green. Next is the curve and the stats.



Impressive looking curve and stats. I've included this study on the intermediate-term active list.

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



With tonight's evidence considered the green Aggregator Line remained above zero, though it is indistinguishable on the chart. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line held 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 list of active studies, expectations are set to flip to slightly negative on Friday. Of course this could change if new bullish evidence emerges. Meanwhile, the Differential Pivot will be 5319.78 on Friday. That is 3.0% below Thursday's close. So SPX will need to close down over 3.0% on Friday in order to flip from overbought to oversold versus recent expectations. More likely it will take a multi-day pullback or consolidation to work off the overbought condition.

So the Aggregator is neutral. That is where I am at as well. Evidence is mixed. I have no interest in getting involved here. And if the Aggregator turns bearish on Friday, it is unlikely I'll look to take advantage of that. I've been burned before when shorting the market after Zweig Thrust signals. I will be quite cautious with shorts for a while.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/21 – 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

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
<i>TMO(1/3)</i>	<i>4/9/2025</i>	<i>\$414.63</i>	<i>\$430.00</i>	<i>3.71%</i>	<i>sold on open</i>
<i>CRM(1/3)</i>	<i>4/22/2025</i>	<i>\$236.26</i>	<i>\$258.20</i>	<i>9.29%</i>	<i>sold on open</i>

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