

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 29, 2025

Volume 18 Issue 80

Market Overview



Signals Overview

Aggregator	CBI Reading
Short	0

Tonight's Research Points

- Rising SPY prices and dropping SPY volume over the last few days suggest a short-term 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 bearish. While there appears to be a short-term downside edge, upward momentum is strong and I am not inclined to fight it following the recent breadth thrusts.

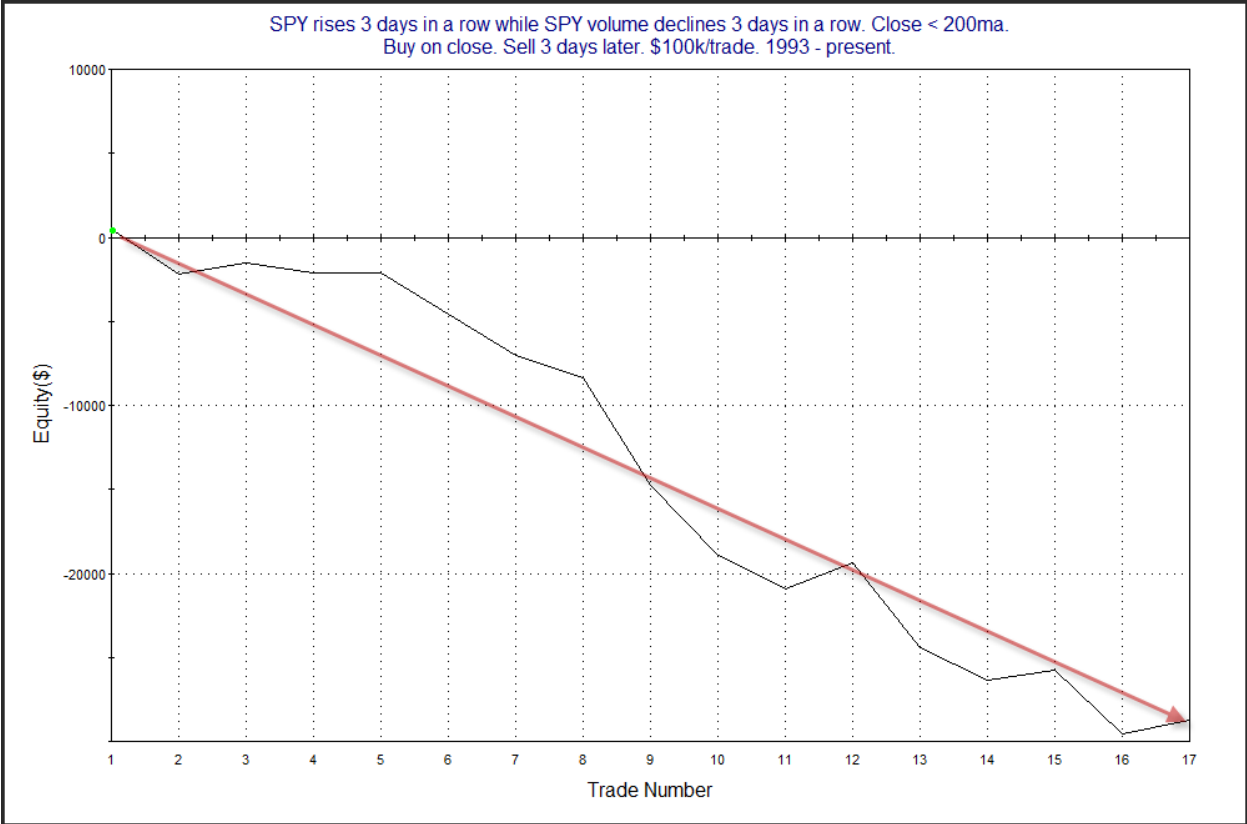
The Evidence

Back and forth action saw the market finish mixed on Monday. The SPX gained 0.1%, the NASDAQ declined 0.1%, and the Russell 2000 rose 0.4%. Breadth was positive as the NYSE Up Issues % closed at 63% and the NYSE Up Volume % posted a 70% reading. NYSE total volume rose some from Friday's level.

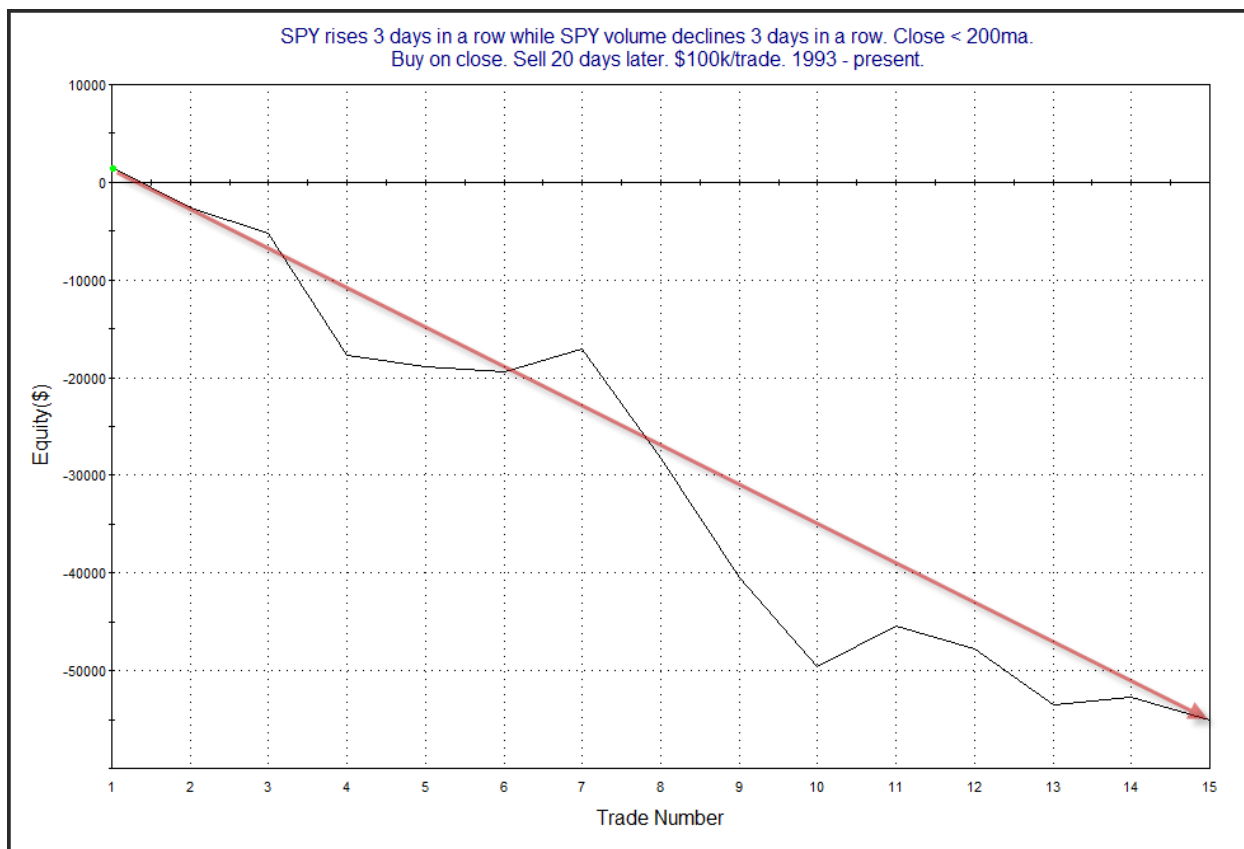
There were several studies that triggered in the Quantifinder on Wednesday. I will cover a couple of the most relevant and compelling ones. A few studies appeared in the Quantifinder related to SPY volume. The one below I found to be especially appealing, and worth showing again because it seems to suggest not just a short-term edge, but perhaps an intermediate-term one as well. It is updated from the 12/13/18 letter.

SPY rises 3 days in a row while SPY volume declines 3 days in a row. Close < 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
20	-55,118.56	15	4	11	26.67	4,102.18	-12,586.76	2,166.56	-5,798.62	0.37	0.14	-3,674.57
19	-49,589.85	15	5	10	33.33	4,528.14	-15,435.00	1,842.16	-5,880.06	0.31	0.16	-3,305.99
18	-41,778.20	17	7	10	41.18	5,855.31	-11,688.04	2,161.88	-5,691.14	0.38	0.27	-2,457.54
17	-37,422.29	17	5	12	29.41	5,169.81	-8,411.13	2,387.13	-4,113.16	0.58	0.24	-2,201.31
16	-31,479.51	17	5	12	29.41	5,119.24	-11,782.05	3,293.62	-3,995.63	0.82	0.34	-1,851.74
15	-38,908.13	17	5	12	29.41	6,220.11	-12,430.32	2,914.85	-4,456.86	0.65	0.27	-2,288.71
14	-46,931.65	17	5	12	29.41	7,258.74	-18,100.11	2,713.21	-5,041.48	0.54	0.22	-2,760.69
13	-41,058.26	17	7	10	41.18	2,719.11	-22,288.14	1,462.52	-5,129.59	0.29	0.20	-2,415.19
12	-24,837.61	17	9	8	52.94	3,886.11	-16,062.69	1,671.30	-4,984.91	0.34	0.38	-1,461.04
11	-16,653.39	17	9	8	52.94	3,333.60	-10,320.87	1,799.58	-4,106.20	0.44	0.49	-979.61
10	-18,905.97	17	8	9	47.06	5,193.15	-11,977.56	2,159.36	-4,020.10	0.54	0.48	-1,112.12
9	-20,482.27	17	8	9	47.06	4,481.28	-10,794.21	2,084.70	-4,128.88	0.50	0.45	-1,204.84
8	-23,900.84	17	6	11	35.29	6,231.78	-11,701.12	2,866.23	-3,736.20	0.77	0.42	-1,405.93
7	-24,815.69	17	8	9	47.06	2,649.09	-11,617.41	1,324.29	-3,934.44	0.34	0.30	-1,459.75
6	-22,835.24	17	6	11	35.29	1,720.62	-7,552.86	1,441.06	-2,861.96	0.50	0.27	-1,343.25
5	-23,506.60	17	6	10	35.29	2,551.35	-6,540.81	1,311.16	-3,137.35	0.42	0.25	-1,382.74
4	-26,130.91	17	4	13	23.53	2,737.50	-6,615.42	1,308.52	-2,412.69	0.54	0.17	-1,537.11
3	-28,726.50	17	5	12	29.41	1,564.94	-6,431.25	836.92	-2,742.59	0.31	0.13	-1,689.79
2	-12,000.31	18	6	12	33.33	5,169.81	-5,350.20	1,454.85	-1,727.45	0.84	0.42	-666.68
1	2,311.47	21	11	10	52.38	3,862.77	-8,857.80	1,513.29	-1,433.47	1.06	1.16	110.07

Here we see what appears to be a strong downside inclination. Below is the 3-day profit curve.



The persistent downslope is impressive. I also ran the 20-day curve.



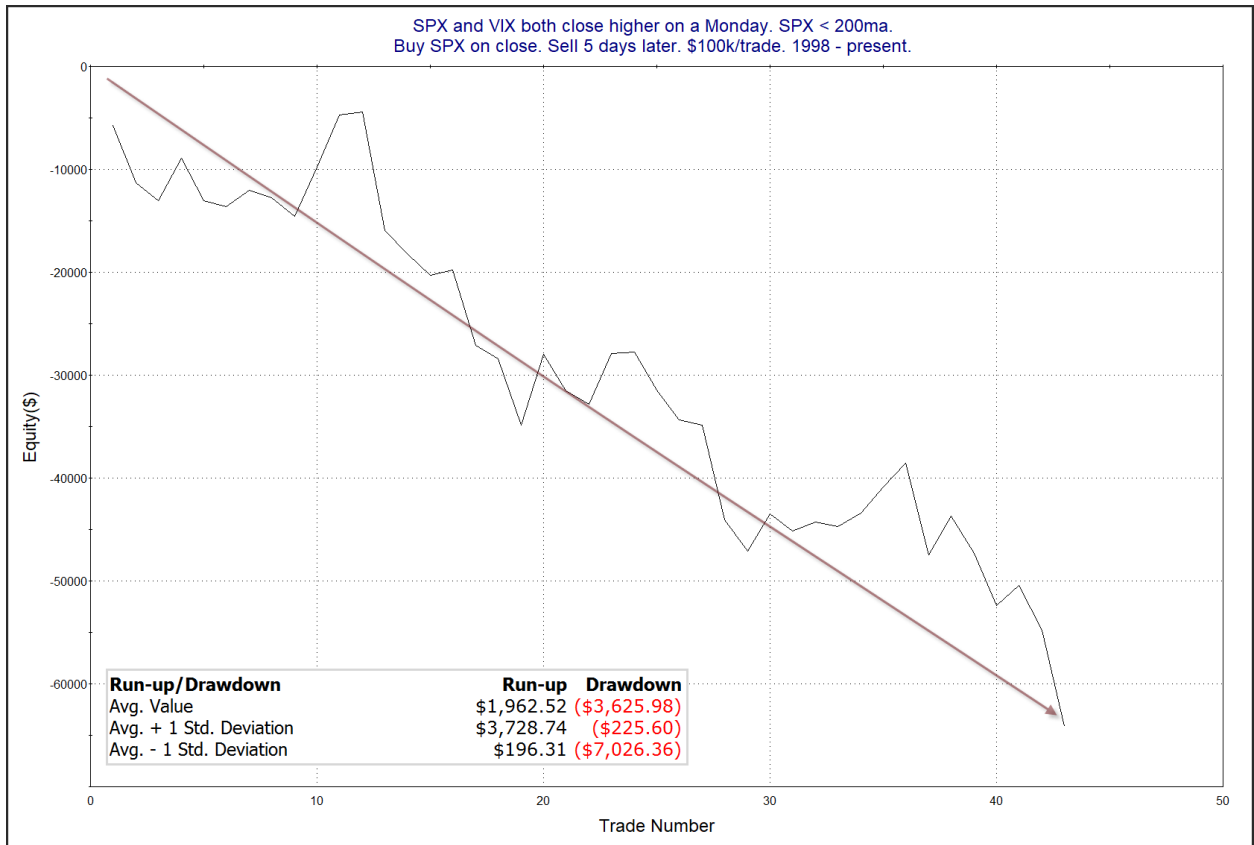
That is a steady move from upper left to lower right. I have included this study on the short and intermediate-term Active Lists tonight.

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 4/1/25 subscriber letter. I have updated the results.

SPX and VIX both close higher on a Monday. SPX < 200ma.
Buy SPX on close. Sell X days later. \$100k/trade. 1998 - present.

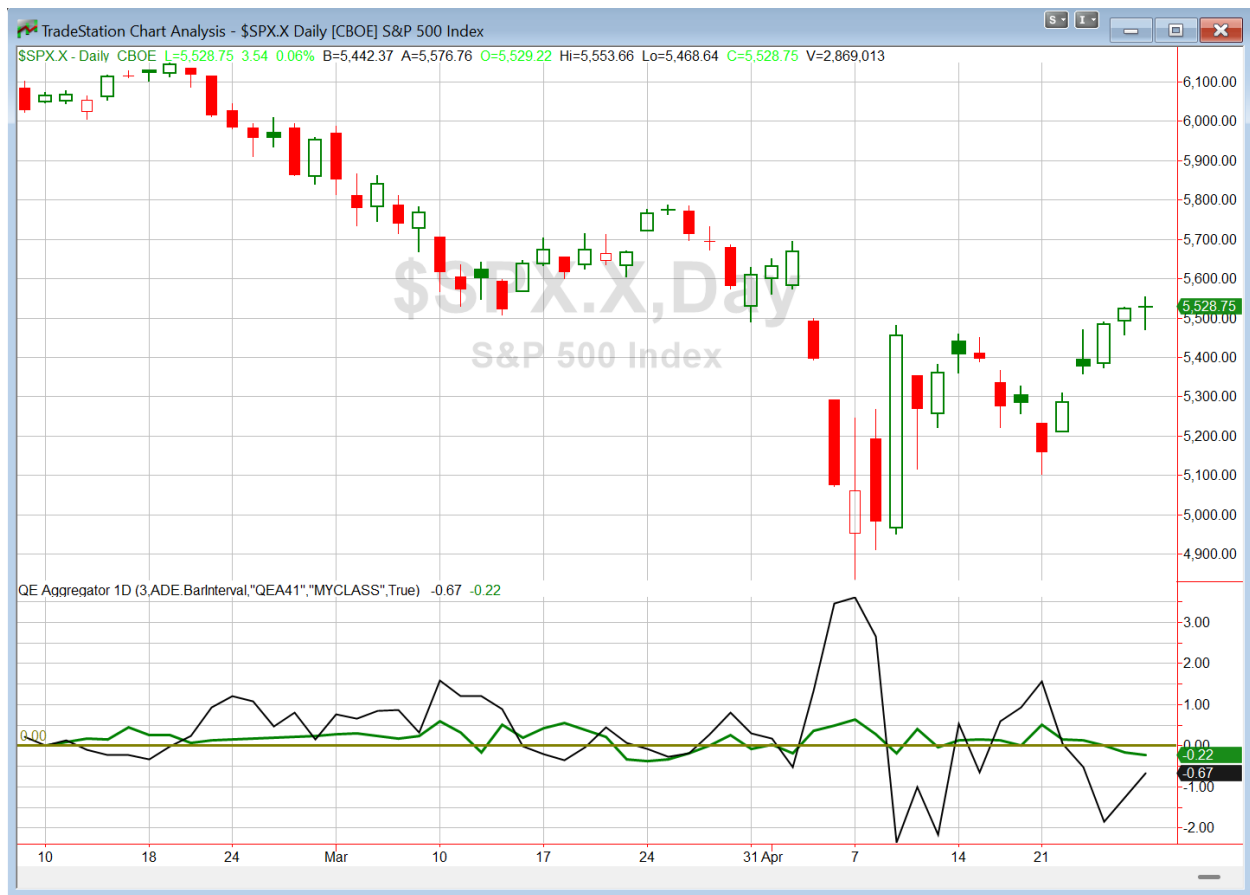
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	-64,120.86	43	16	27	37.21	6,877.04	-11,533.34	2,791.40	-4,029.01	0.69	0.41	-1,491.18
4	-40,525.33	44	18	26	40.91	5,607.06	-9,828.00	2,625.64	-3,376.42	0.78	0.54	-921.03
3	-36,080.11	44	17	27	38.64	4,455.68	-6,956.04	1,999.50	-2,595.25	0.77	0.49	-820.00
2	-15,044.12	44	21	23	47.73	3,349.32	-5,441.80	1,480.56	-2,005.91	0.74	0.67	-341.91
1	-10,428.35	44	23	21	52.27	4,699.94	-4,893.07	1,044.36	-1,640.41	0.64	0.70	-237.01

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.

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



With tonight's evidence considered the green Aggregator Line remained below zero. Negative readings mean net expectations are for downside 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 negative and SPX is overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close below zero. Therefore, the Aggregator formation stayed short at the close.

Based on the current list of active studies, expectations are set to remain negative on Tuesday. Of course this could change if additional bullish evidence emerges. Meanwhile, the Differential Pivot will be 5501.80 on Monday. That is 0.5% below Monday's close. So SPX will need to close down about 0.5% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is bearish. SPX is overbought, and bearish evidence is building. There appears to be a downside edge. I'm still a bit wary based on the intermediate-term outlook and the recent breadth thrust signals. So I will remain sidelined, but more aggressive traders could certainly look to take advantage of the current bearish setup with a short position.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/28 – somewhat bullish

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

None

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