

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 13, 2025

Volume 18 Issue 90

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Despite the 3% rally and cross of the 200ma, no compelling short-term evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am as well.

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
Active - Short Term						
None						
Active - Long Term						
May 5, 2025	Sell in May when 5% drop prior	1-6 months	Bearish			
April 28, 2025	NASDAQ Leading	int term	Bullish			
April 25, 2025	Zweig Breadth Thrust	1-12 months	Bullish	29.50%	-2.90%	-6.55%
April 25, 2025	Triple 70 Breadth Thrust	1-80 days	Bullish	9.46%	-4.59%	-9.50%
April 23, 2025	Up Issue % & Up Vol % > 86% 2x in 9 days	1-12 months	Bullish			
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			

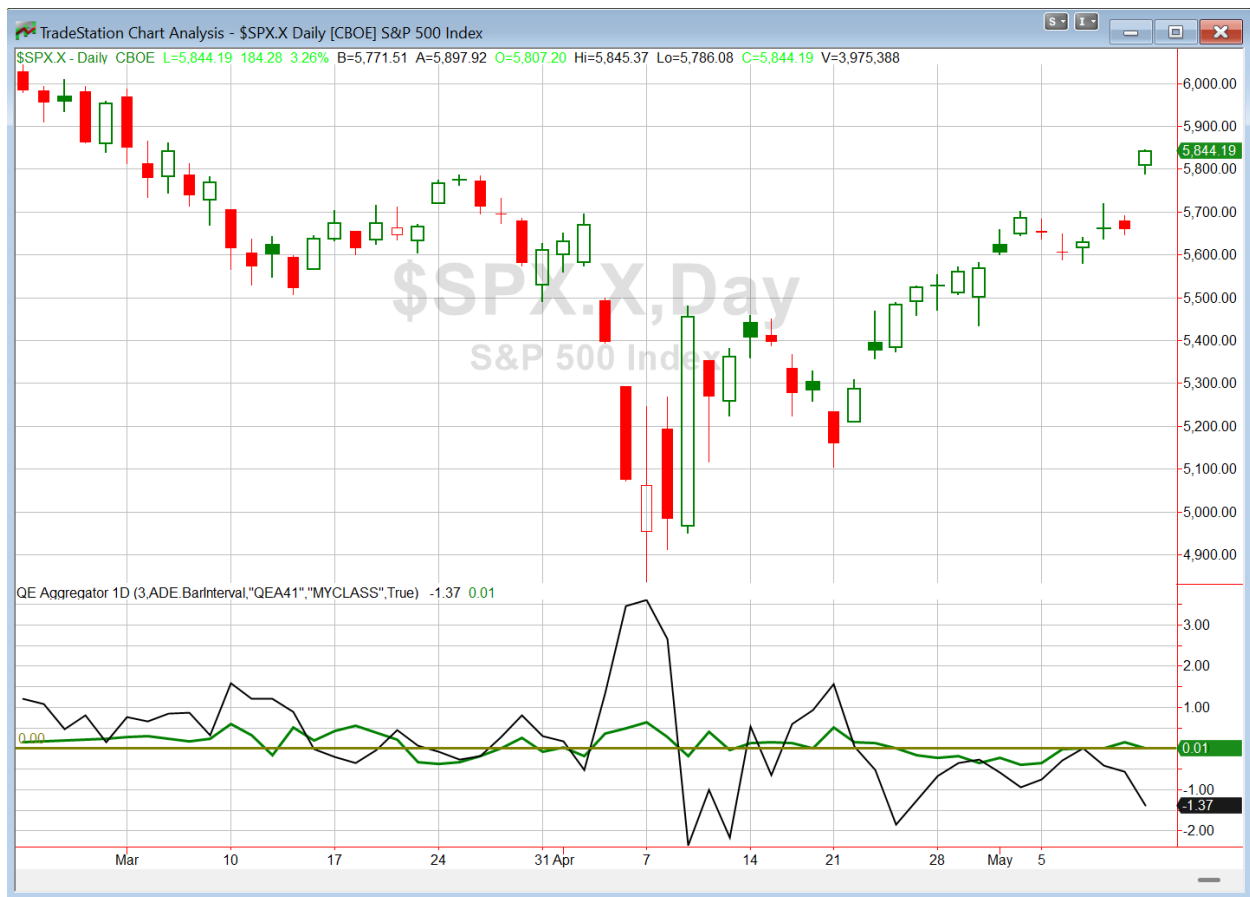
The Evidence

A trade truce with China sparked a huge rally on Monday. SPX gained 3.3%, the NASDAQ rallied 4.35%, and the Russell 2000 rose 3.4%. Breadth was strong as the NYSE Up Issues % closed at 75% and the NYSE Up Volume % posted an 80% reading. NYSE total volume rose some from Friday's level.

There were some old studies that looked at 3% rally days for SPX and broke them down by volume. One showed a possible upside edge when NYSE volume came in at the highest level in 5 days. The other showed a downside edge if volume did not reach a 10-day high. Monday we did get a 5-day high, but not a 10-day high in volume. So I ran the test to see results when that happened. As you might suspect, returns were choppy and inconsistent, showing no compelling edge.

SPX and NADSAQ did manage to move through their 200ma. So there are more signs now pointing to an uptrend. Still, no compelling new evidence emerged based on Monday's action. And the bullish study from the weekend letter has now quickly reached its profit target. So that has been removed from the active list, leaving the short-term section now bare.

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



With short-term evidence now lacking, the green Aggregator Line remained just barely above zero. 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 remain bullish on Tuesday. Of course this could easily change if new bearish evidence emerges. Meanwhile, the Differential Pivot will be 5657.54 on Tuesday. That is a very large 3.2% below Monday's close. Therefore, SPX will need to close down at least 3.2% on Tuesday in order to flip from overbought to oversold versus recent expectations. More likely it will take a multi-day decline or consolidation to work off the current overbought condition.

So the Aggregator is neutral. Short-term evidence is lacking. Intermediate-term evidence is pointing higher. But with the market so overbought in the short-term reward/risk is weak. I don't view the current setup as compelling and will remain patient until a more favorable opportunity arrives.

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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