

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 30, 2025

Volume 18 Issue 102

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- A weak close on Friday could set up favorable odds for the 1<sup>st</sup> trading day of June.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. I am as well.

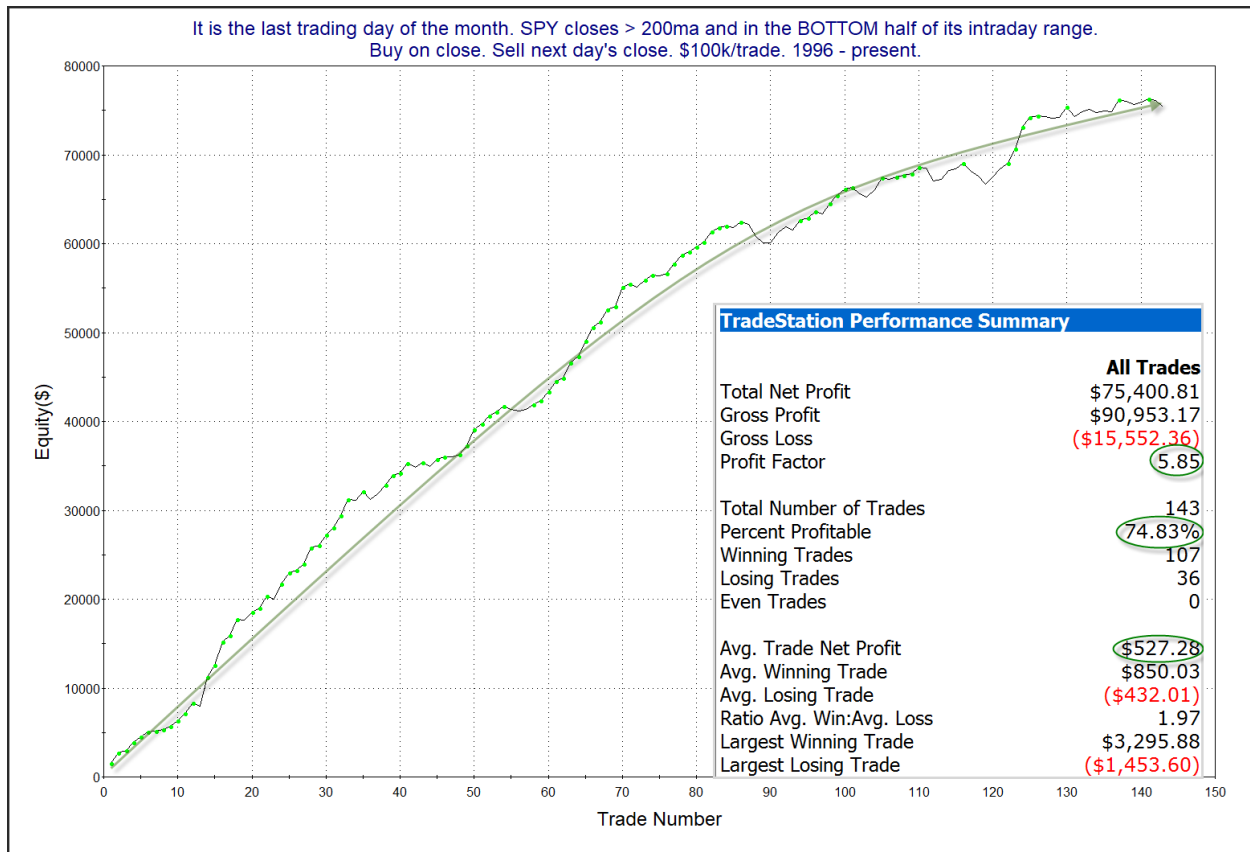
**Summary of Recent Active Studies (see Letters from listed dates for details)**

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
	None					
<b>Active - Long Term</b>						
May 21, 2025	5 up to a 50-high then down	1-10 days	Bullish	1.80%	-1.10%	-2.30%
May 19, 2025	DeGraaf Thrust (55% SPX 20-day high)	1-12 months	Bullish			
May 19, 2025	RSI(2) crosses 99	5-15 days	Bullish	2.20%	-1.60%	-3.00%
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			
<b>Dropped Tonight (expired, target hit, or avg drawdown + 1 std dev exceeded)</b>						
May 29, 2025	Thurs after Memorial Day bullish	1 day	Bullish			
May 21, 2025	5 up to a 50-high then down	1-6 days	Bullish	1.40%	-1.00%	-1.90%

***The Evidence***

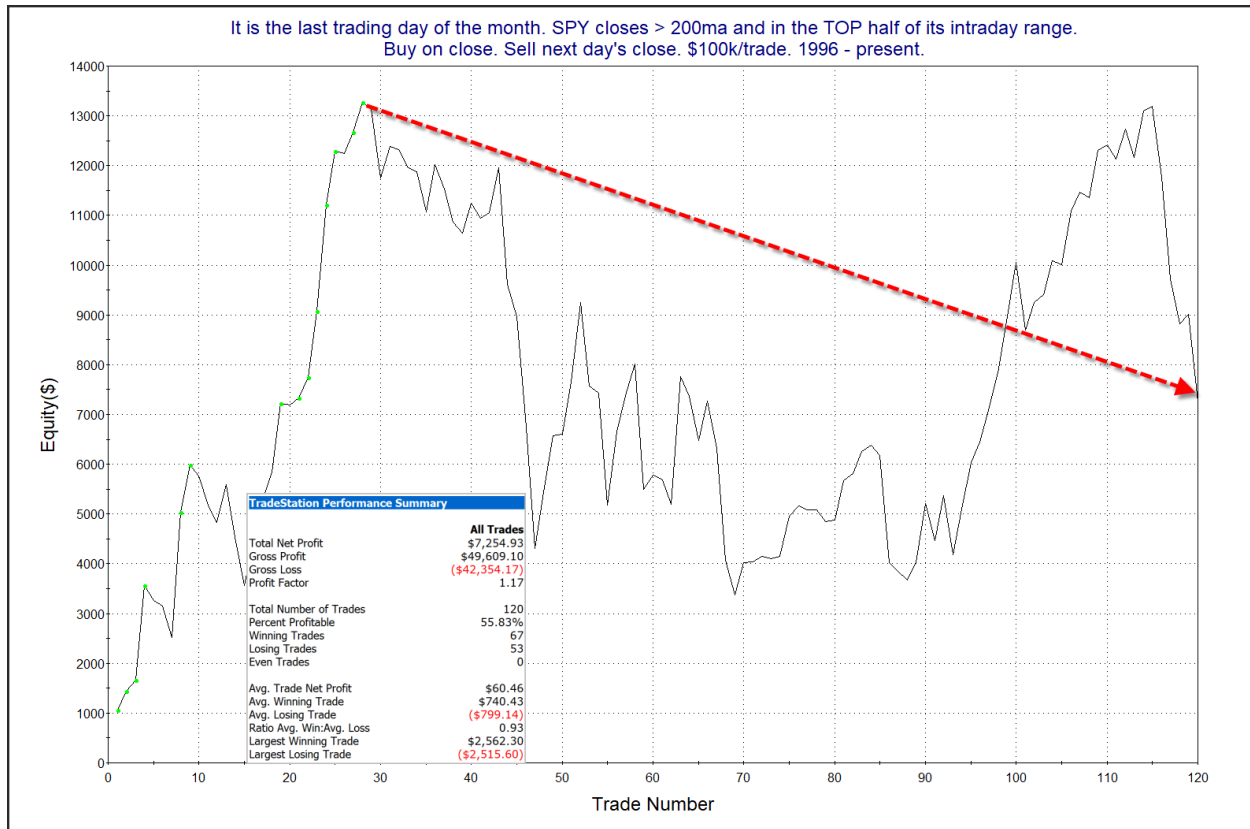
A big morning gap higher was sold and filled, but prices rallied in the afternoon and the indices finished positive.. SPX closed up 0.4%, the NASDAQ gained 0.4%, and the Russell 2000 rose 0.3%. Breadth was positive as the NYSE Up Issues % closed at 68% and the NYSE Up Volume % posted a 63% reading. NYSE total volume rose some from Wednesday's level.

The 1<sup>st</sup> day of a new month (Monday upcoming) is often a bullish day. But over the years I have found the bullish tendency to be more consistent and powerful when SPY closes poorly on the last trade day of the month. The two studies below delineate between times SPY closed in the top half of its intraday range, and the bottom half. They also utilize a long-term trend filter. First, let's look at times SPY closed in the bottom half.



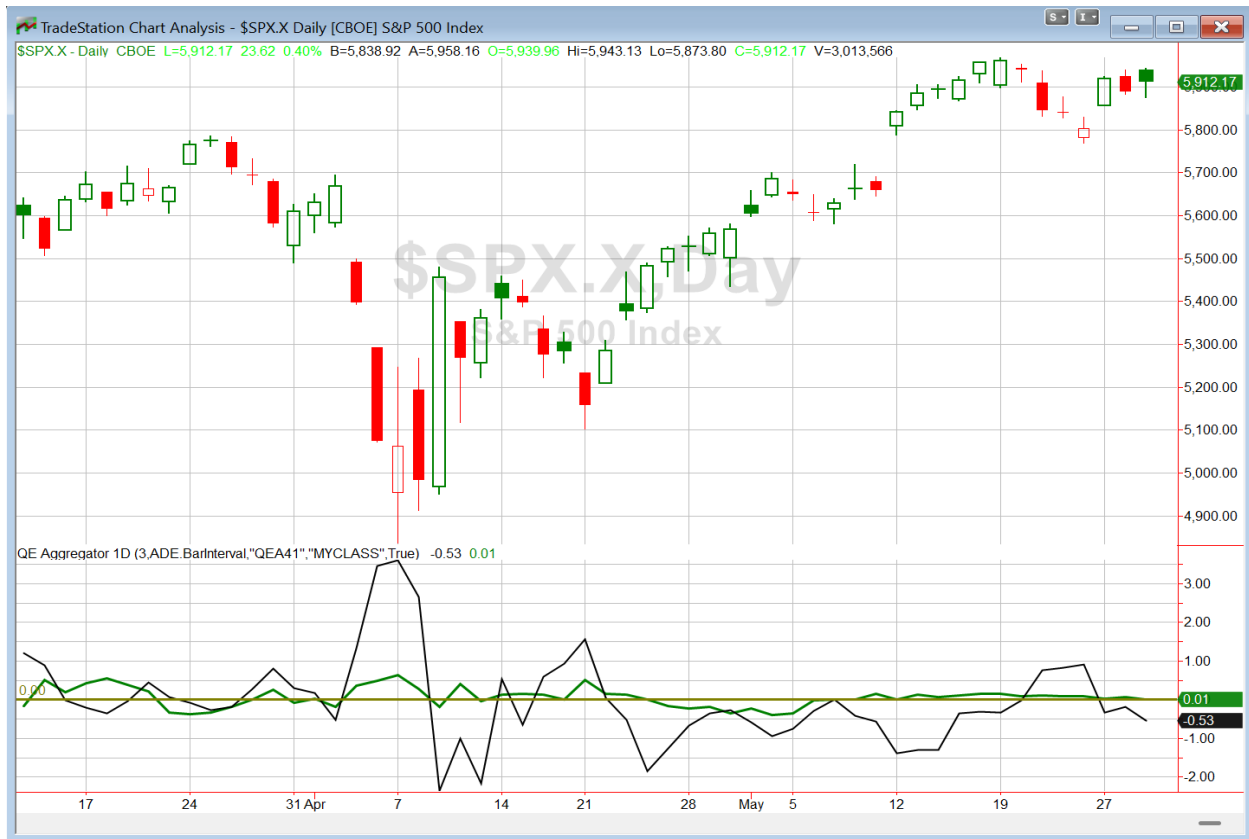
The stats here are outstanding. Gains absolutely blow away losses in every category. Gross gains are nearly 6x the size of gross losses. That's a very impressive stat when you are looking at a sample size of 143 instances. And despite a few recent failures, the curve has shown progress over a long period of time. This setup certainly appears to provide a 1-day bullish edge.

But what about times where SPY closed in the top half of its intraday range?



We see here huge inconsistency. And since 2004 there has been a net loss. The 1<sup>st</sup> day of the month has performed much better with some afternoon selling leading up to the day. So we will want to keep an eye on Friday's action to see how 1<sup>st</sup>-day-of-month odds set up for Monday.

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



With tonight's evidence considered, the green Aggregator Line remained slightly 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 finish very slightly bullish on Friday. With the short-term active list now empty, and new evidence that emerges could easily swing expectations one way or the other. Meanwhile, the Differential Pivot will be *inverted at* 5933.74 on Friday. That is 0.4% *above* Thursday'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 up at least 0.4% in order to remain overbought. Anything other than that and it will flip to "oversold" versus recent expectations as of Friday's close.

So the Aggregator is neutral. Nothing is set up just yet. But a poor close on Friday could easily trigger a bullish Aggregator formation. Between the inverted pivot and the upcoming 1<sup>st</sup> of the month there is a good chance a bad Friday would set up Monday for a bounce. So aggressive traders could consider taking some exposure over the weekend if Friday sees selling and a poor close.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 5/19 – 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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