

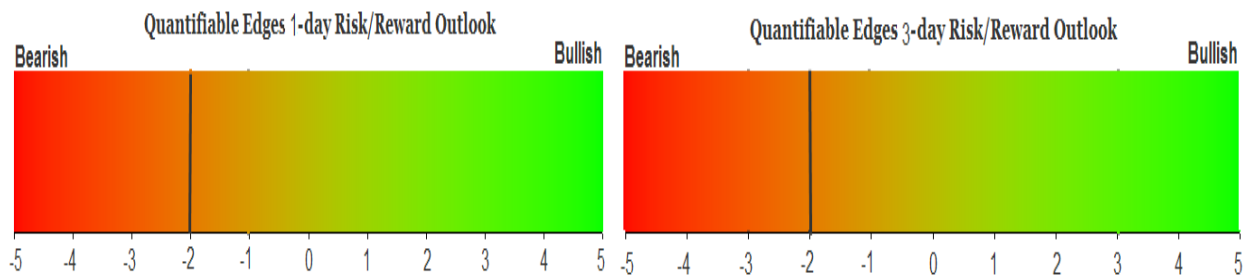
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 10, 2025

Volume 18 Issue 109

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Short	0

## Tonight's Research Points

- A rising VIX at a 50-day SPX high (on the first day of the week) suggests a pullback.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bearish. I believe there is a downside edge.

**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>						
June 10, 2025	VIX up. SPX 50-high. Monday.	1-2 dasy	Bearish			
<b>Active - Long Term</b>						
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			

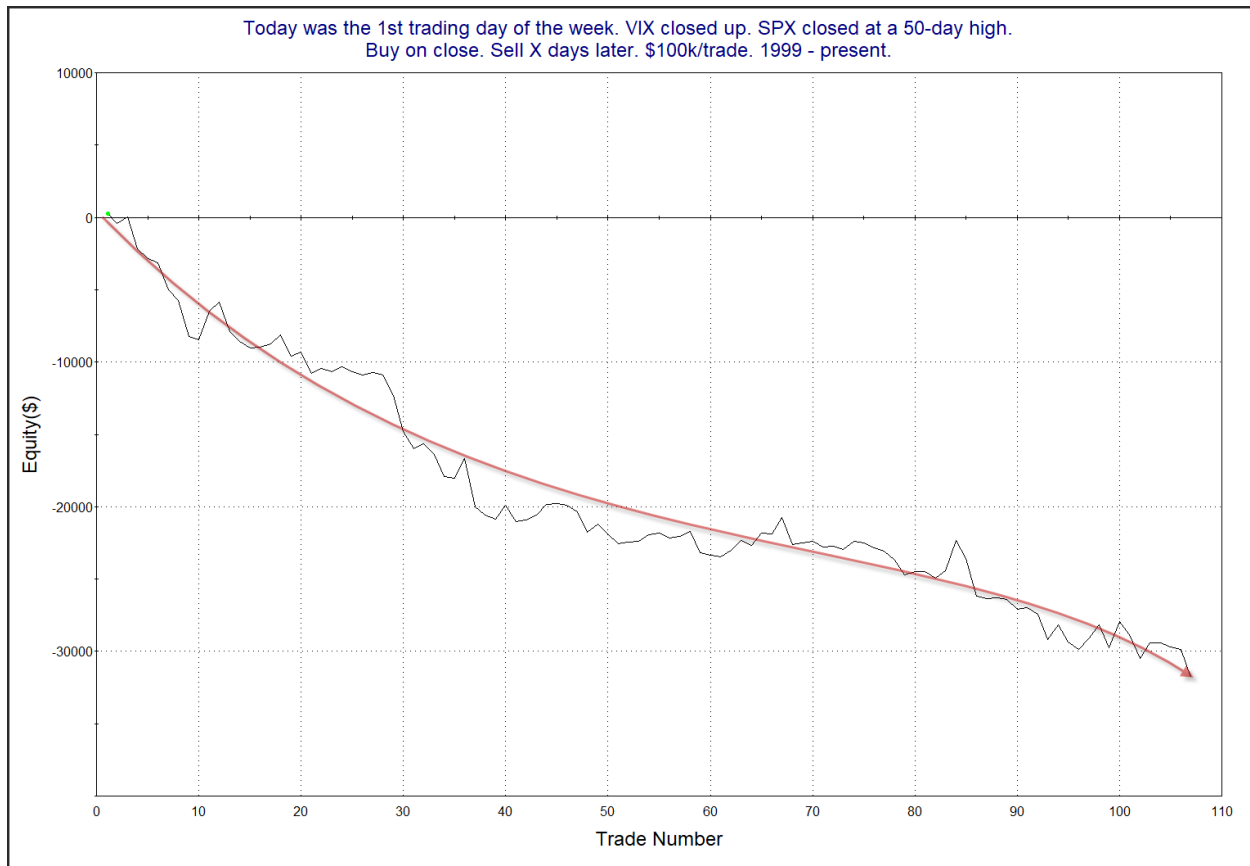
**The Evidence**

There was not a lot of movement on Monday. SPX finished up 0.1%, the NASDAQ rose 0.3%, and the Russell 2000 gained 0.6%. Breadth was strong as the NYSE Up Issues % closed at 63% and the NYSE Up Volume % posted a 60% reading. NYSE total volume rose some from Friday’s low level.

While the SPX closed up the VIX also rose. Most often they trade opposite each other, so this kind of action is somewhat unusual. But VIX has a tendency to decline going into the weekend (Friday afternoons), and then rise when it returns from the weekend. So to see this action on the first trading day of the week is less unusual than at any other time. Still, combined with the SPX 50-day high, it has been often followed by a dip in the next few days. This can be seen in the study below, which I discussed last in the 5/20/25 letter. Results are all updated.

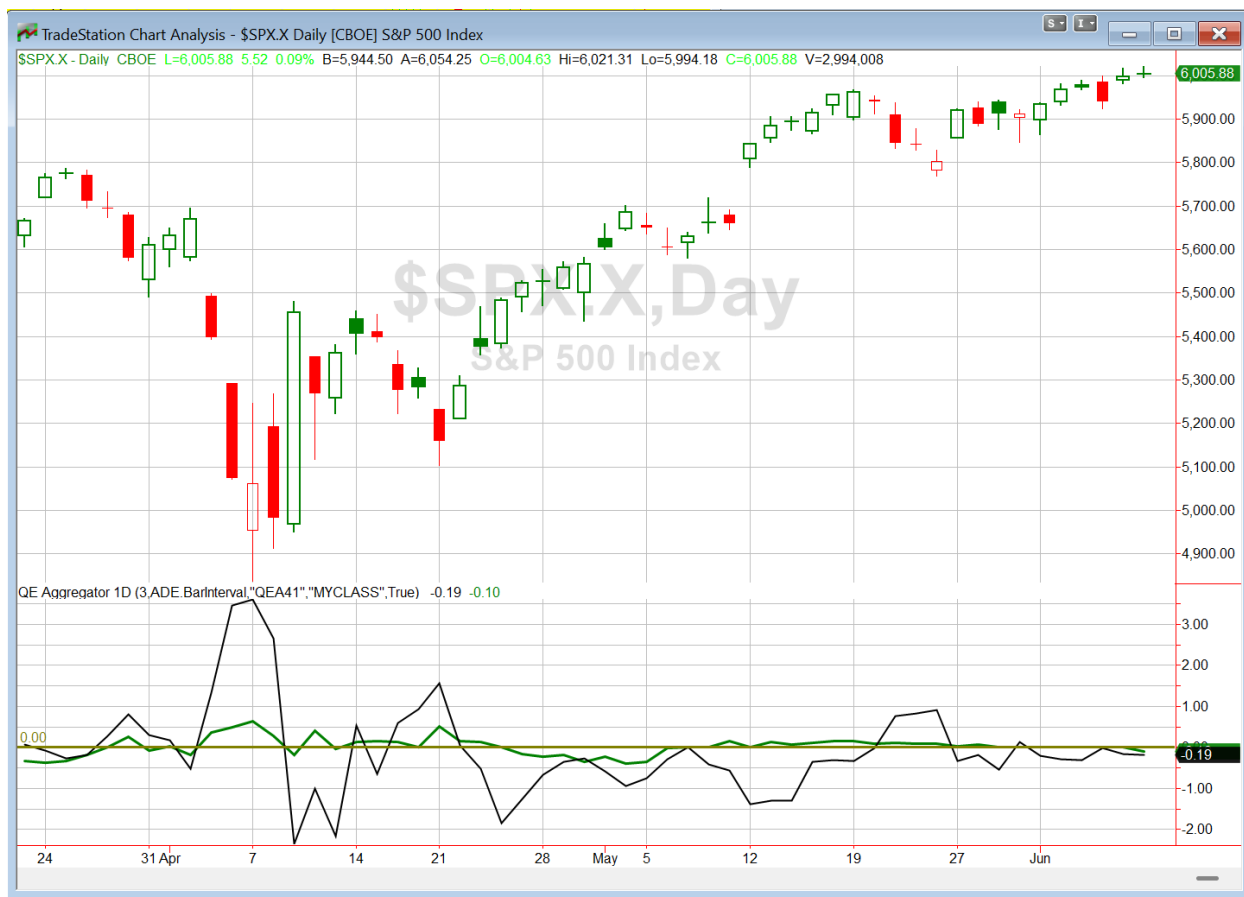
Today was the 1st trading day of the week. VIX closed up. SPX closed at a 50-day high. Buy on close. Sell X days later. \$100k/trade. 1999 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	-19,059.29	101	47	54	46.53	5,653.12	-5,048.68	1,112.02	-1,320.82	0.84	0.73	-188.71
4	-20,491.73	107	51	56	47.66	4,422.40	-5,732.40	963.85	-1,243.72	0.77	0.71	-191.51
3	-22,170.88	107	49	58	45.79	2,641.80	-6,908.70	728.69	-997.87	0.73	0.62	-207.20
2	-31,766.05	107	43	64	40.19	2,148.48	-3,372.16	552.07	-867.27	0.64	0.43	-296.88
1	-9,427.32	107	40	67	37.38	802.88	-1,580.04	328.43	-336.78	0.98	0.58	-88.11

Results here appear somewhat bearish. Below is a profit curve that assumes a 2-day exit strategy.



The profit curve has had a long decline, and is again making new lows. This study seems worthy of consideration. I have included this study on the Active List.

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



With tonight's evidence considered, the green Aggregator Line dipped below zero. Negative readings mean net expectations are for downside over the next few days. Meanwhile the black Differential Line held just 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 turned 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 new bullish evidence emerges. Meanwhile, the Differential Pivot will be 5939.69 on Monday. That is 1.1% below Monday's close. Therefore, SPX will need to close down at least 1.1% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is bearish. SPX / VIX action is suggesting a downside edge, and with the market overbought, reward/risk is decent. I am a little wary because the market has been so strong lately, but if we see a sizable gap up or a strong close on Tuesday I may look to take on a small amount of short index exposure.

*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.*

**SPY – Short ¼ index position @ \$604.75 LIMIT ON OPEN. If not filled on open, cancel order and look to short @ \$604.00 LIMIT ON CLOSE.** Based on the short-term outlook above, I will look to take on a small amount of short index exposure if there is a sizable gap up or a substantial close higher. I won't be shorting into an intraday rally until the close if I don't get filled at the open.

## **Current Open Trade Ideas**

**None.**

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