

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 16, 2025

Volume 18 Issue 133

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	0

## Tonight's Research Points

- Weak closes at 5-day lows above the 200ma are often followed by a bounce.
- SPX made a 20-day intraday high and closed in the bottom 10% of its intraday range. This has historically been a bullish setup.
- The 1<sup>st</sup> dip below the 10ma in a while is often buyable.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish. Tuesday's selling triggered a few interesting studies, and there appears to be a long-side 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>						
July 16, 2025	SPX btm 10% range and 5-day low NOT Mon	1-5 days	Bullish	1.60%	-1.30%	-2.70%
July 16, 2025	20-day intraday high & close btm 10% rng	1-2 days	Bullish			
July 16, 2025	SPX < 10ma 1st time in > 15 days.	1-3 days	Bullish	1.05%	-0.80%	-1.60%
<b>Active - Long Term</b>						
July 16, 2025	20-day intraday high & close btm 10% rng	1-10 days	Bullish	2.00%	-1.40%	-2.80%
July 1, 2025	RSI(2) crosses over 99	1-15 days	Bullish	2.20%	-1.60%	-3.10%
June 30, 2025	SPX Golden Cross (7/1/25)	int term	Bullish			
May 19, 2025	DeGraaf Thrust (55% SPX 20-day high)	1-12 months	Bullish			
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 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			

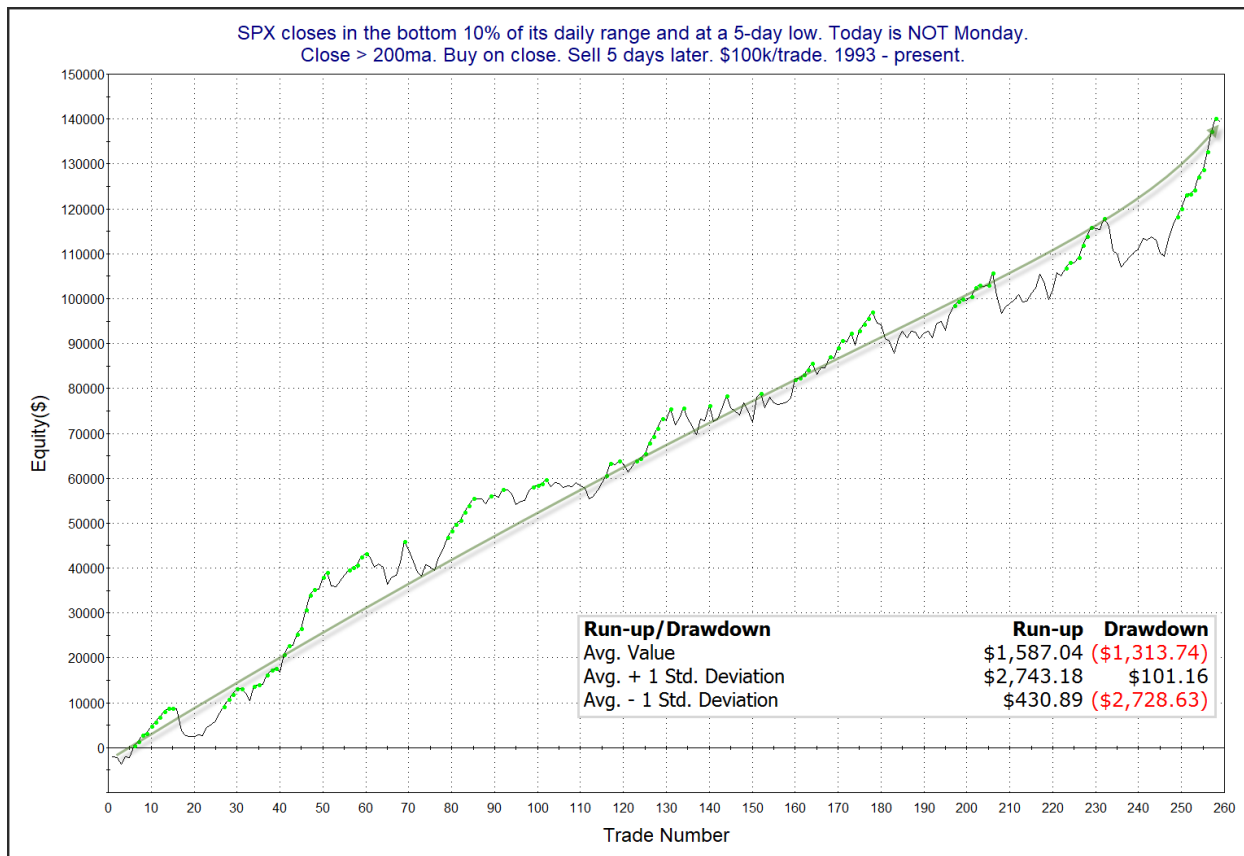
**The Evidence**

After gapping higher, the market finished mixed on Tuesday. SPX finished down 0.4%, the NASDAQ rose 0.2%, and the Russell 2000 tumbled 2.0%. Breadth was weak as the NYSE Up Issues % closed at 18% and the NYSE Up Volume % posted a 22% reading. NYSE total volume rose some from Monday’s level.

Action triggered a few interesting studies worth consideration. The study below looks at times since 1993 that SPX 1) closed in the bottom 10% of its daily range, 2) at a 5-day low, 3) above the 200ma, and 4) it was not Monday. The “not Monday” requirement seems like an odd one. But it is included because when it happens on a Monday it is even more powerful – containing Turnaround Tuesday potential. Results are all updated.

SPX closes in the bottom 10% of its daily range and at a 5-day low. Today is NOT Monday. 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
5	139,228.80	259	165	94	63.71	5,555.16	-5,482.89	1,645.47	-1,407.16	1.17	2.05	537.56
4	105,892.42	270	164	106	60.74	5,290.00	-6,520.68	1,491.72	-1,308.96	1.14	1.76	392.19
3	82,474.16	278	175	103	62.95	4,895.50	-5,393.69	1,206.30	-1,248.83	0.97	1.64	296.67
2	63,149.02	297	174	122	58.59	4,424.50	-7,559.56	1,062.71	-998.05	1.06	1.52	212.62
1	33,296.54	327	196	131	59.94	2,671.02	-5,829.81	690.75	-779.31	0.89	1.33	101.82

The stats table shows moderate odds of a move higher over the next few days. Below is a look at the 5-day profit curve.



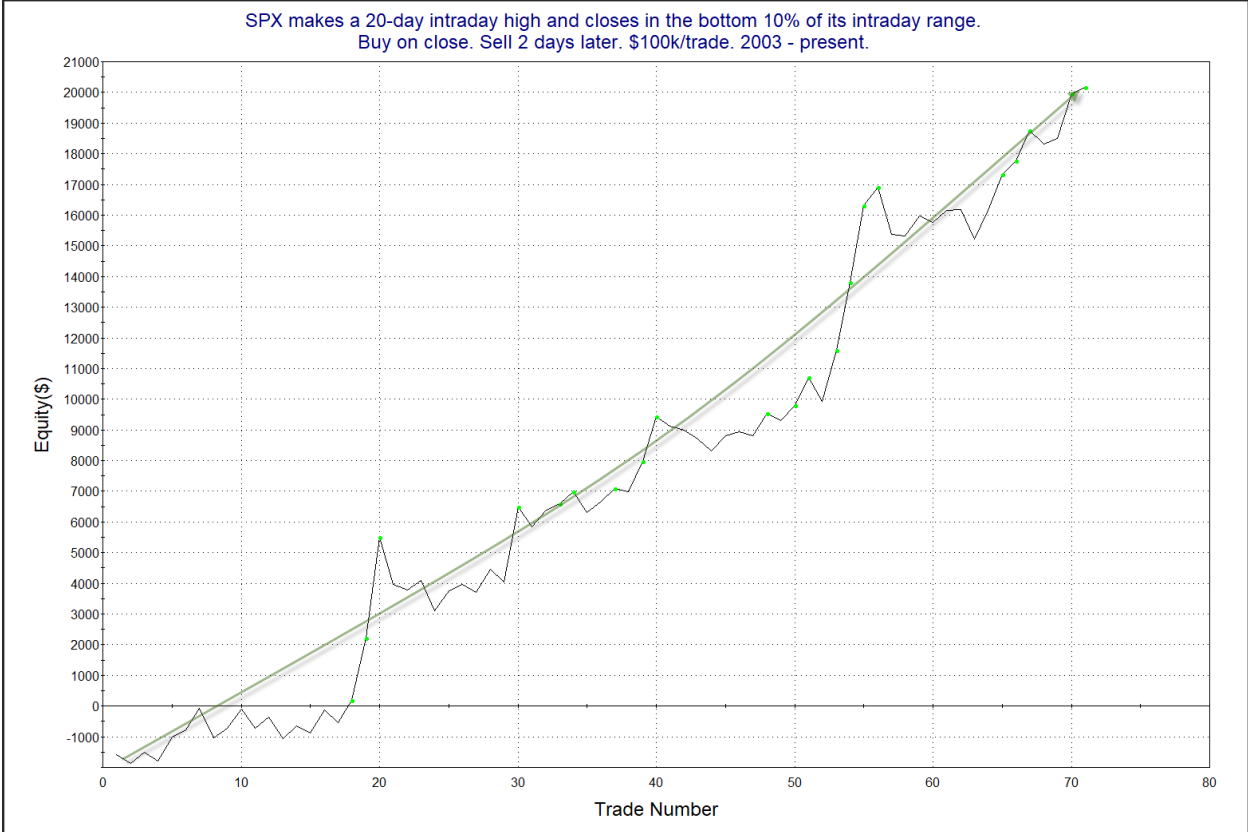
The stats were not overwhelming, but I do like the profit curve. It shows a very persistent move higher. Overall, the study appears to suggest an upside edge.

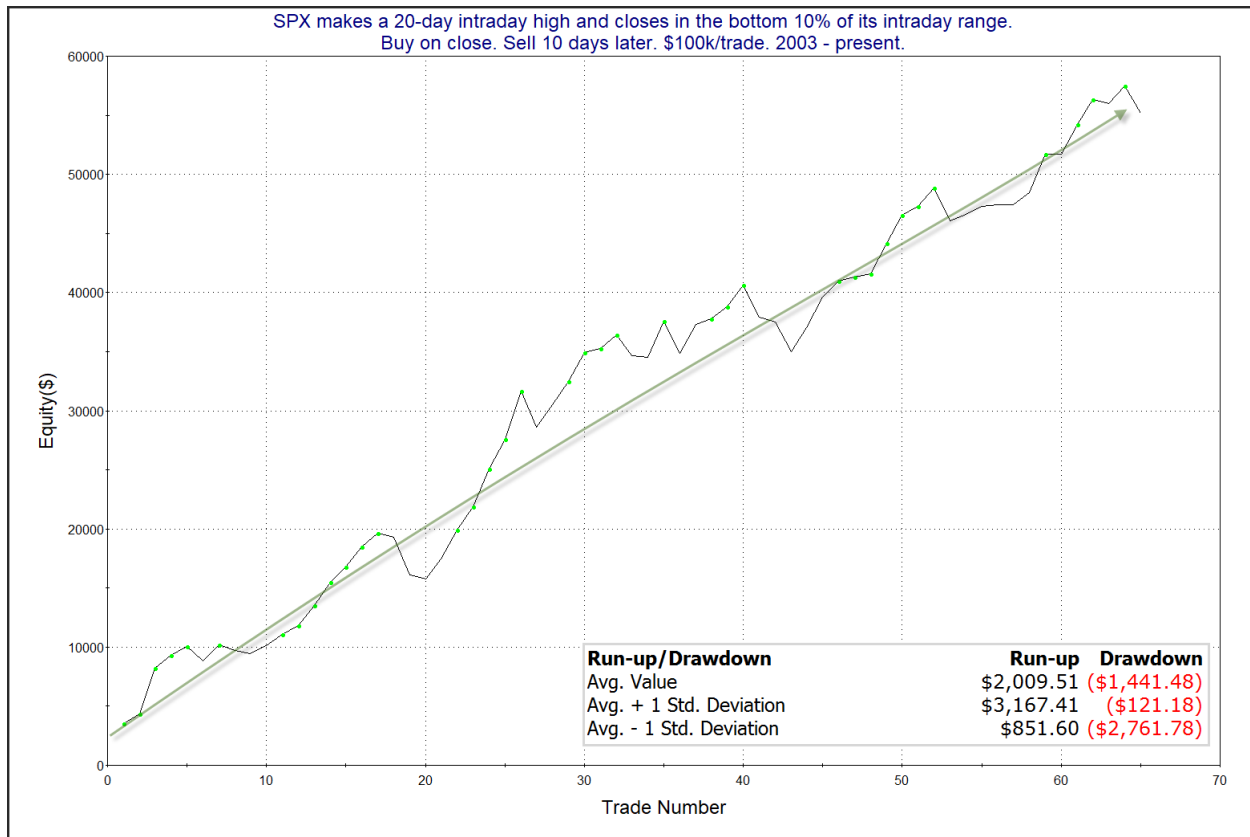
Early in the day the SPX managed to make a new intraday high. The new high followed by a poor and close triggered the study below, which was last seen in the 10/18/24 subscriber letter. Results are updated.

SPX makes a 20-day intraday high and closes in the bottom 10% of its intraday range.  
Buy on close. Sell X days later. \$100k/trade. 2003 - 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
10	55,200.00	65	48	17	73.85	4,119.18	-3,210.80	1,664.54	-1,452.81	1.15	3.24	849.23
9	50,348.05	66	47	19	71.21	3,613.36	-3,775.10	1,624.28	-1,368.05	1.19	2.94	762.85
8	50,246.56	67	49	18	73.13	4,483.84	-3,803.24	1,587.08	-1,528.90	1.04	2.83	749.95
7	41,279.66	68	49	19	72.06	3,761.94	-4,159.32	1,431.96	-1,520.34	0.94	2.43	607.05
6	38,276.03	69	50	19	72.46	3,703.30	-3,567.90	1,249.08	-1,272.52	0.98	2.58	554.73
5	21,957.98	69	42	27	60.87	4,377.84	-3,566.84	1,095.32	-890.57	1.23	1.91	318.23
4	18,729.11	71	46	25	64.79	5,024.25	-2,435.84	978.65	-1,051.55	0.93	1.71	263.79
3	16,898.31	71	44	27	61.97	3,368.93	-3,384.50	896.01	-834.30	1.07	1.75	238.00
2	20,157.83	71	43	28	60.56	3,288.48	-1,575.22	826.30	-549.04	1.50	2.31	283.91
1	14,985.74	72	48	24	66.67	2,588.08	-2,471.25	571.88	-519.35	1.10	2.20	208.14

Results here seem to suggest an upside edge. Below are looks at both the 2-day and 10-day curves.





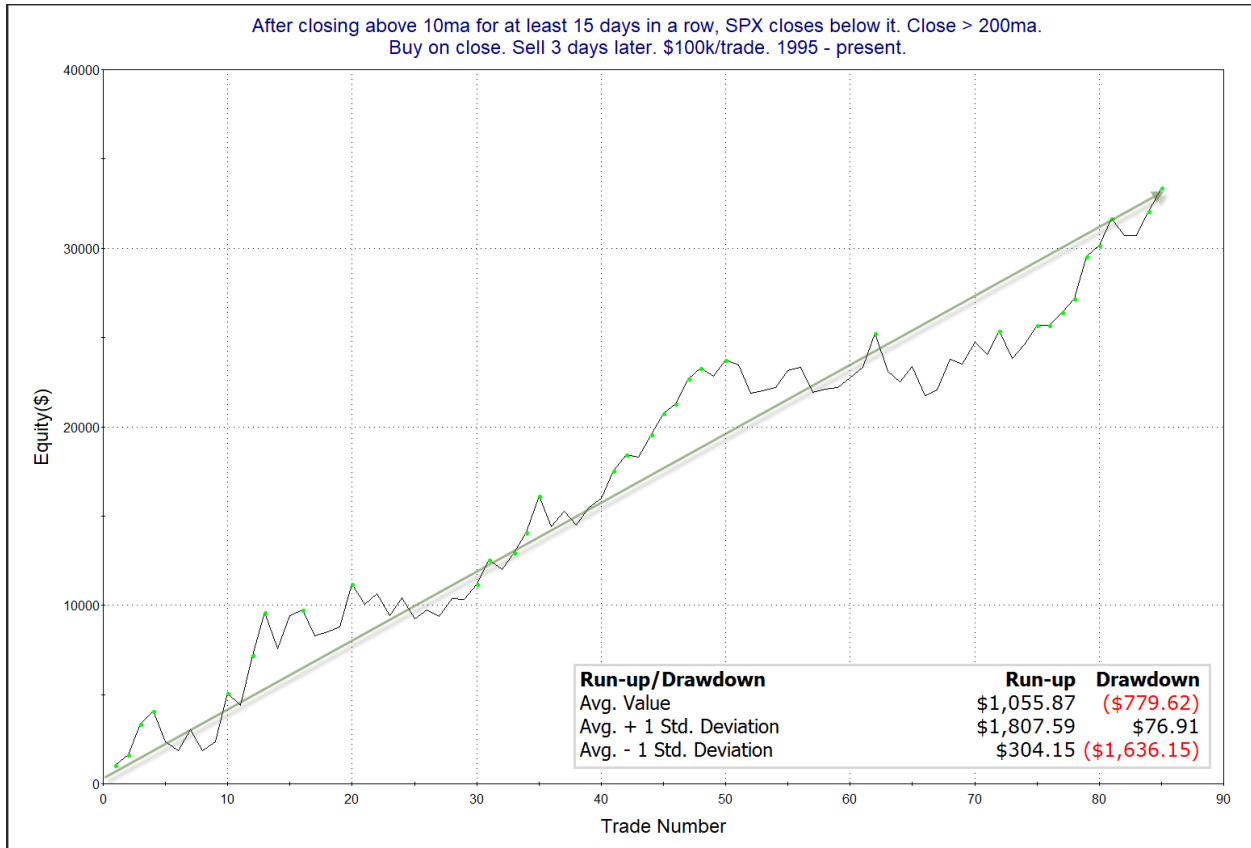
The persistent upslopes appear to confirm the upside edge suggested by the statistics. I have included this study on the short and intermediate-term active lists.

The lack of pullbacks lately had kept SPX above its short-term moving averages for an extended period. Tuesday, after 15 consecutive closes above the 10ma, SPX dipped down and closed below it. In the 5/22/25 letter I looked at performance following other instances where SPX closed below its 10ma for the first time in over 15 days. Results are updated below.

After closing above 10ma for at least 15 days in a row, SPX closes below it. Close > 200ma.  
Buy on close. Sell X days later. \$100k/trade. 1995 - present.

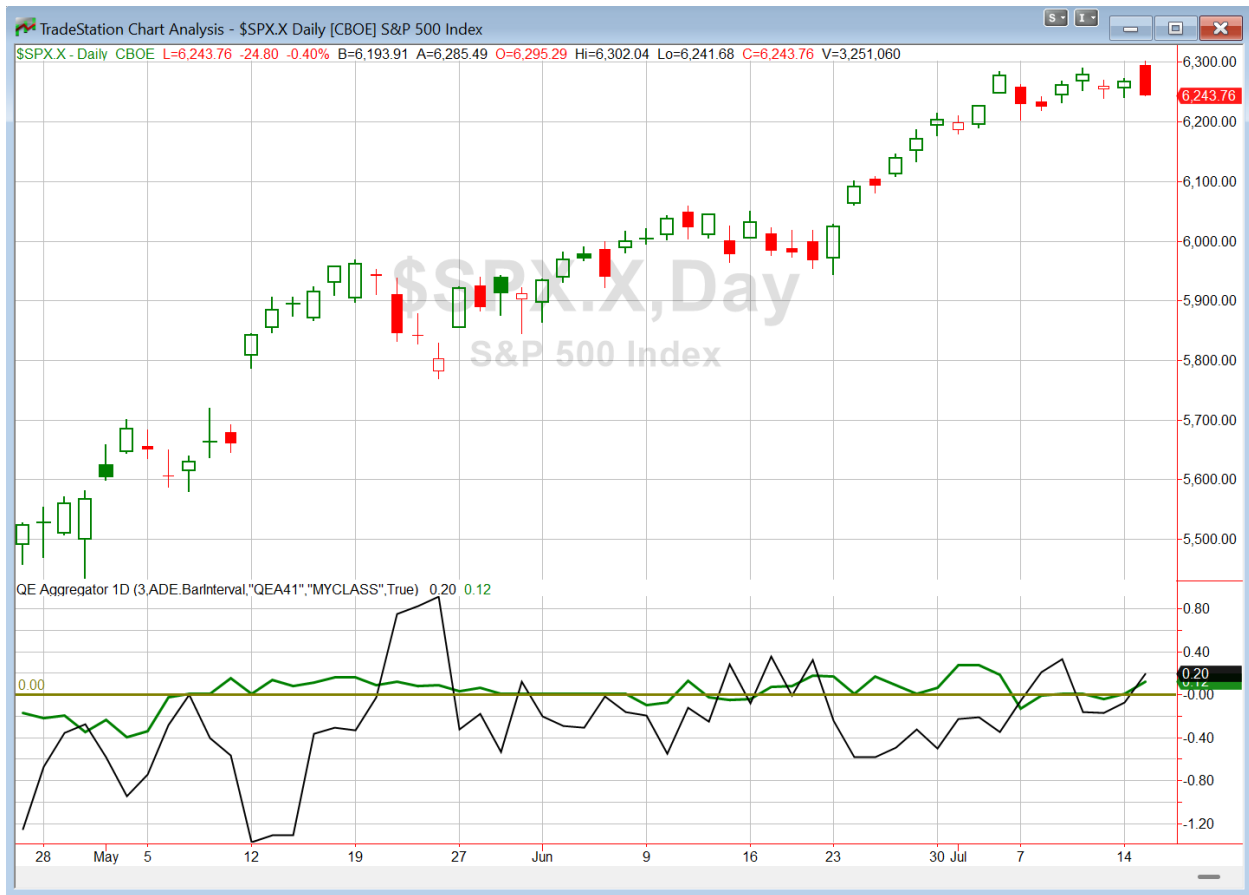
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	46,121.41	85	55	30	64.71	3,505.74	-4,455.15	1,442.91	-1,107.95	1.30	2.39	542.60
4	40,336.92	85	57	28	67.06	3,206.40	-6,072.15	1,307.72	-1,221.53	1.07	2.18	474.55
3	33,397.62	85	58	27	68.24	2,805.12	-2,110.50	1,025.05	-965.00	1.06	2.28	392.91
2	19,028.60	85	54	31	63.53	2,682.72	-3,450.16	884.76	-927.38	0.95	1.66	223.87
1	14,312.72	85	52	33	61.18	2,097.92	-1,579.41	603.13	-516.67	1.17	1.84	168.38

The numbers suggest a good chance of a bounce in the next few days. Below is a look at the 3-day profit curve.



The move up has been somewhat choppy, but it has persisted higher for a long time and is again at a new high. The curve seems to offer some confirmation of the upside tendency suggested by the stats table. I have included this study on the active list tonight.

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



With tonight's evidence considered, the green Aggregator Line remained above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line rose above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator formation turned long at the close.

Based on the current active studies, expectations are set remain slightly positive on Wednesday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6258.14. That is 0.2% above Tuesday's close. Therefore, SPX will only need to close up about 0.2% in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. We saw some compelling evidence tonight a bounce is likely in the next few days. SPX is oversold...but it won't take much to flip it back to overbought versus expectations. This somewhat limits potential reward. So I don't love the setup. But I do think it is good enough to take on a small amount of index exposure if I can get a favorable fill on Wednesday. And that is what I intend to do.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 7/14 – **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 – Buy ¼ index position @ \$622.14 LIMIT.** Based on the short-term outlook above, I will look to take on a small index position if I can get filled at Tuesday's closing price (or below).

## **Current Open Trade Ideas**

**None.**

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