

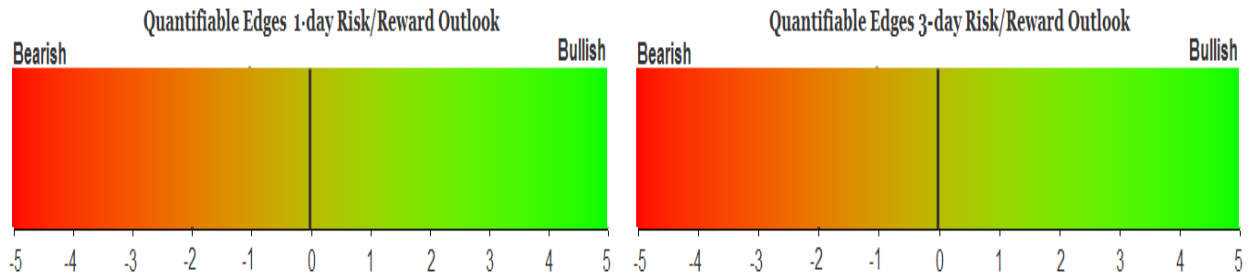
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 18, 2025

Volume 18 Issue 135

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Opex Friday has often seen selling after the opening bell.

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						
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	SPX < 10ma 1st time in > 15 days.	1-3 days	Bullish	1.05%	-0.80%	-1.60%
Active - Long Term						
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			

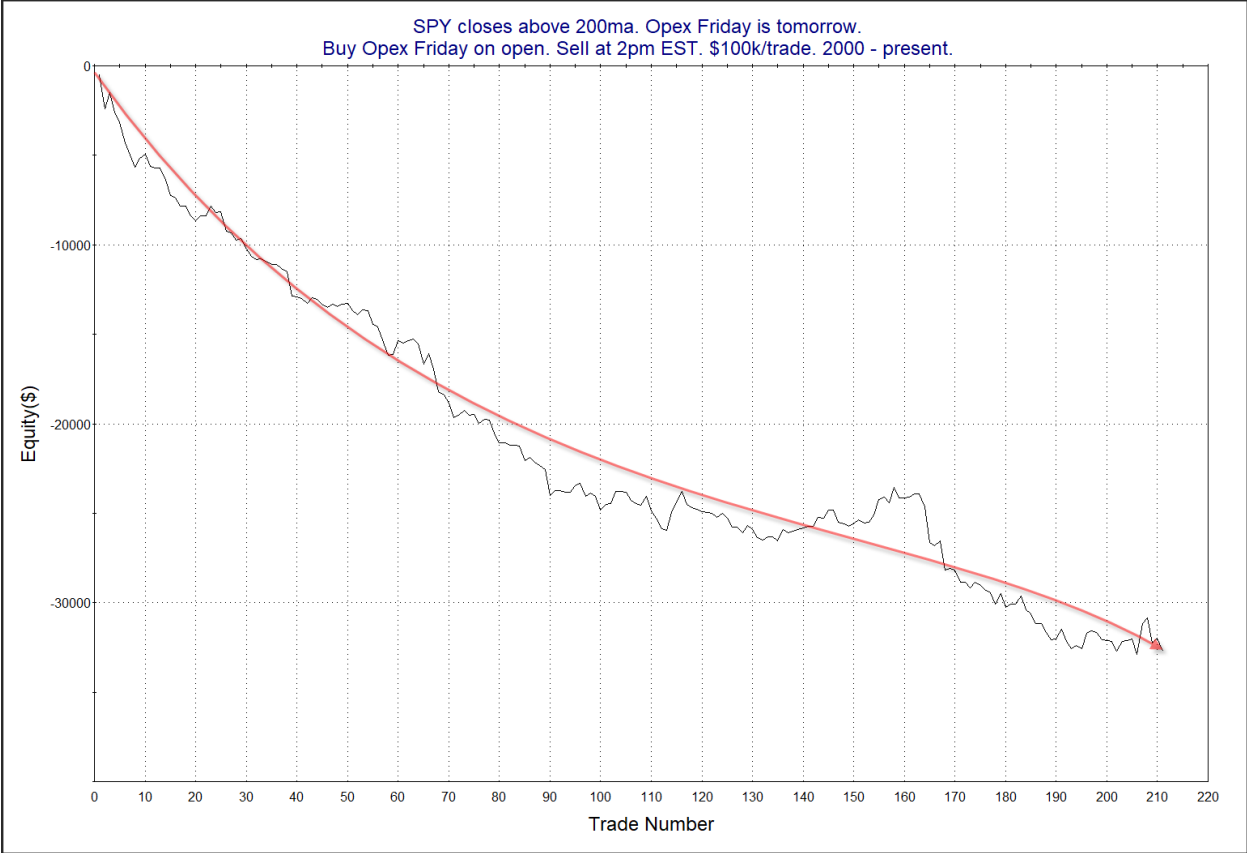
The Evidence

Thursday saw the market rally to new all-time highs. SPX finished up 0.5%, the NASDAQ rose 0.75%, and the Russell 2000 rallied 1.2%. Breadth was strong as the NYSE Up Issues % closed at 68% and the NYSE Up Volume % posted a 70% reading. NYSE total volume rose some from Wednesday's level.

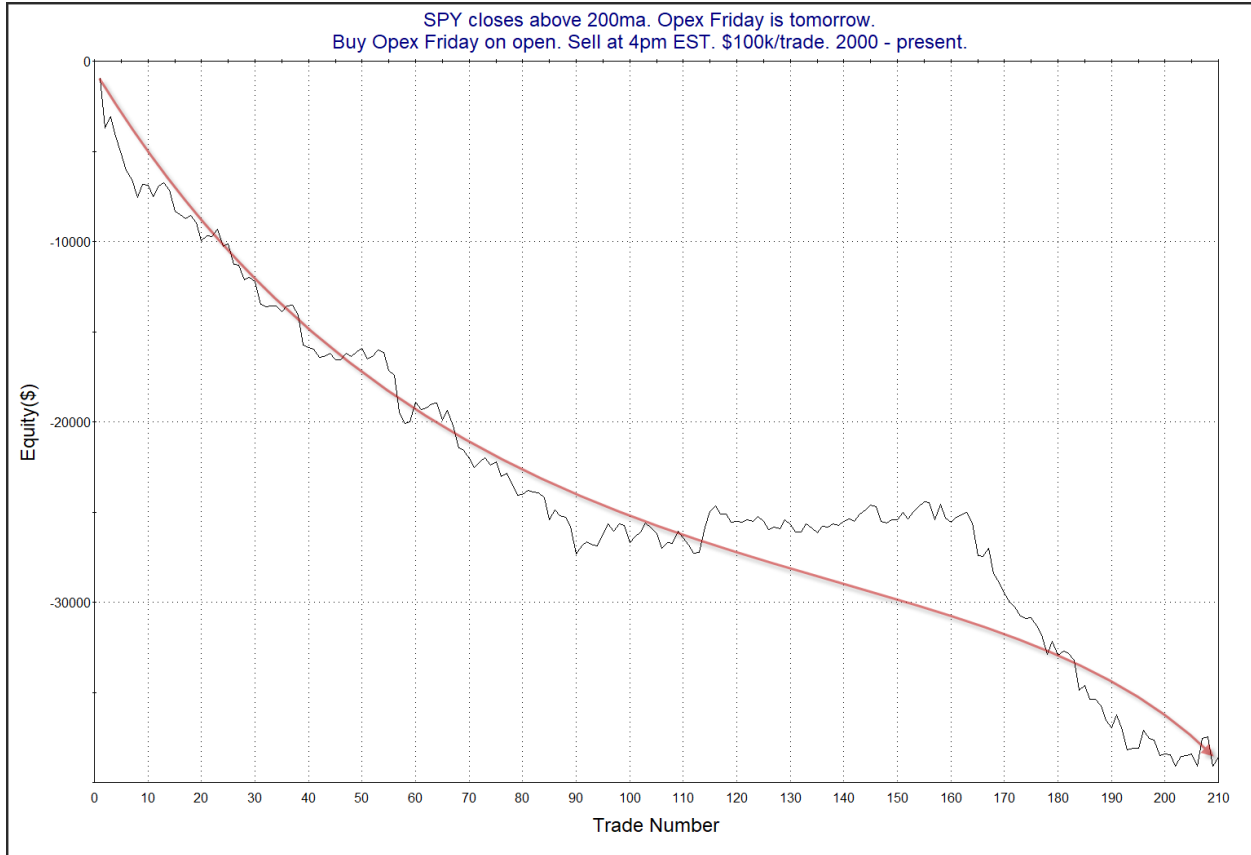
Friday is options expiration (opex). Options expiration has long been a day that has seen weakness after the opening bell. The studies below are some that I have shown several times over the years, most recently in the 6/20/25 letter. This first study shows results of purchasing SPY at the open and then exiting at different times during the day.

SPY closes above 200ma. Opex Friday is tomorrow. Buy Opex Friday on open. Sell at time shown on left. \$100k/trade. 2000 - present.												
OE Op-Ex Fri Intra Short: timeofday	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
1,600	-39,288.41	211	86	125	40.76	1,547.00	-2,746.58	334.10	-544.17	0.61	0.42	-186.20
1,500	-33,419.04	211	86	124	40.76	1,824.10	-2,315.18	317.17	-489.48	0.65	0.45	-158.38
1,400	-32,693.54	211	74	137	35.07	1,751.00	-2,000.00	311.26	-406.77	0.77	0.41	-154.95
1,300	-28,400.50	211	77	133	36.49	2,172.60	-1,324.62	297.61	-385.84	0.77	0.45	-134.60
1,200	-26,688.94	211	74	137	35.07	2,150.50	-1,318.40	285.89	-349.23	0.82	0.44	-126.49
1,100	-22,397.43	211	79	131	37.44	1,103.30	-968.50	226.17	-307.37	0.74	0.44	-106.15
1,000	-18,742.59	211	61	150	28.91	365.47	-629.00	130.95	-178.21	0.73	0.30	-88.83

As you can see, the bearish implications primarily play themselves out by early afternoon. (1000 = 10am EST, 1200 = noon EST, 1400 = 2pm EST, etc.) Most of the downside would have been achieved by exiting at 2pm. Below is a look at a profit curve the 2pm exit.



The strong move from upper left to lower right supports the bearish case. Next is the 4pm exit.



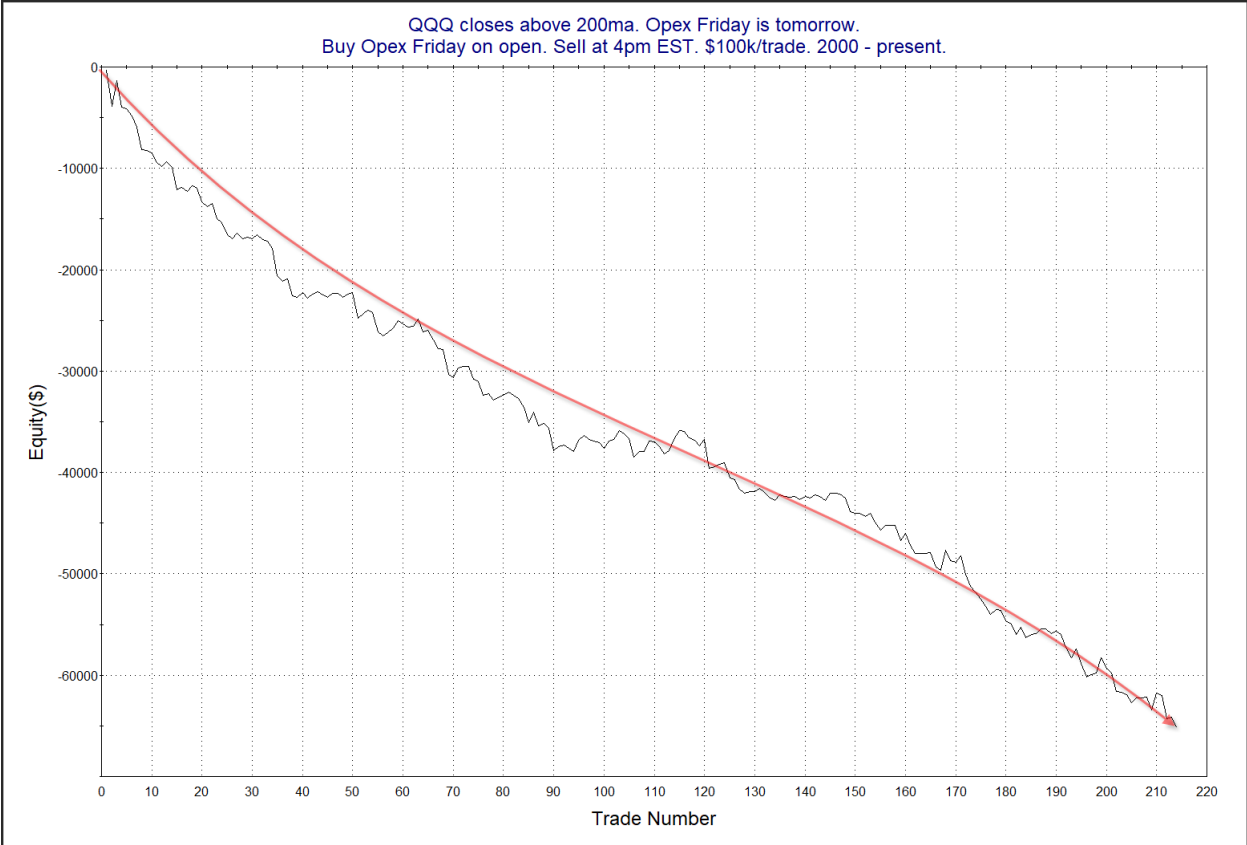
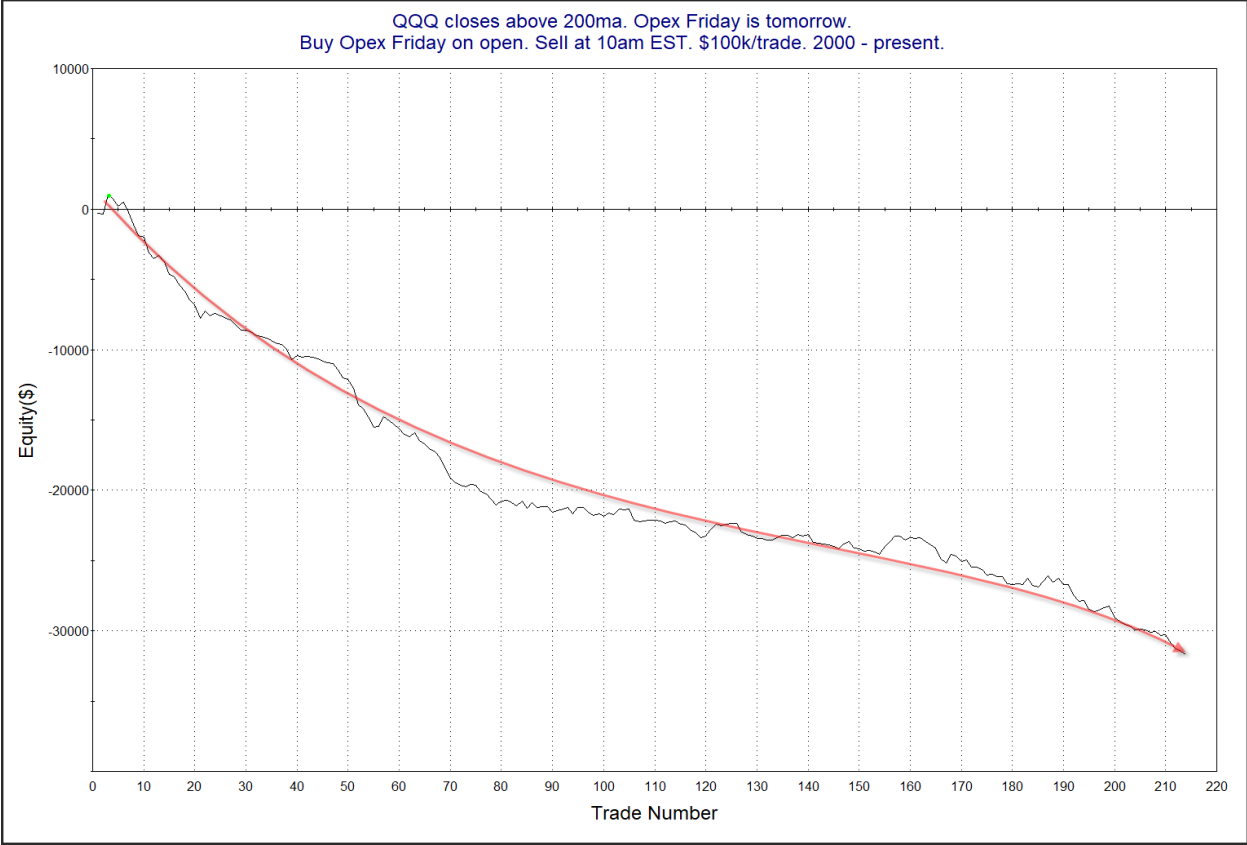
This is also impressive.

QQQ has seen an even stronger tendency to sell off. This can be seen in the table below.

QQQ closes above 200ma. Opex Friday is tomorrow.
Buy Opex Friday on open. Sell at time shown on left. \$100k/trade. 2000 - present.

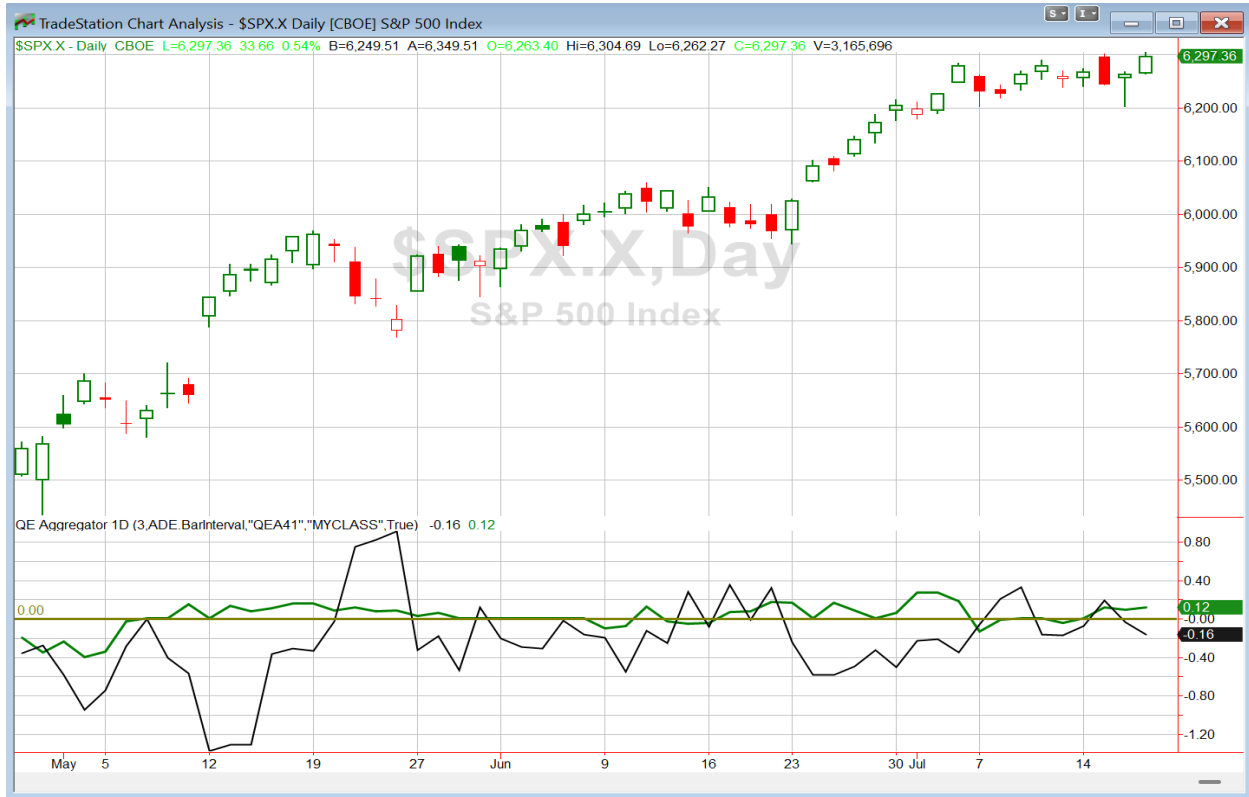
OE Op-Ex Fri Intra Short: timeofday	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
1,600	-65,176.18	214	82	132	38.32	2,516.00	-3,525.88	456.56	-777.38	0.59	0.36	-304.56
1,500	-58,465.34	214	77	135	35.98	2,246.52	-2,590.84	439.46	-683.73	0.64	0.37	-273.20
1,400	-57,355.83	214	68	143	31.78	2,104.90	-2,431.68	428.13	-604.68	0.71	0.34	-268.02
1,300	-49,280.00	214	72	141	33.64	2,541.40	-2,382.80	400.96	-554.25	0.72	0.37	-230.28
1,200	-47,912.98	214	76	137	35.51	2,518.12	-1,843.43	364.95	-552.18	0.66	0.37	-223.89
1,100	-40,940.07	214	71	142	33.18	1,998.00	-1,936.40	368.24	-472.43	0.78	0.39	-191.31
1,000	-31,708.78	214	66	147	30.84	1,332.00	-1,198.29	211.52	-310.67	0.68	0.31	-148.17

Also notable is that nearly half the downside edge has occurred in the 1st half hour of trading. So Below are profit curves for 10am and 4pm.



The bearish edge appears alive and well here. It is something traders may want to consider on Friday morning.

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 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 active studies, expectations are set remain positive on Friday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6249.15. That is 0.8% below Thursday's close. Therefore, SPX will need to close down at least 0.8% on Friday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. SPX is overbought and at new all-time highs, but most evidence suggests a short-term move higher is more likely than lower. This is not a favorable reward/risk

setup. I took profits on my index position on Thursday. I will stay sidelined over the weekend. Of course more nimble traders could consider an intraday opex day trade based on the studies shown tonight.

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.

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
<i>SPY(1/4)</i>	<i>7/16/2025</i>	<i>\$622.14</i>	<i>\$624.58</i>	<i>0.39%</i>	<i>sold @ limit</i>

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