

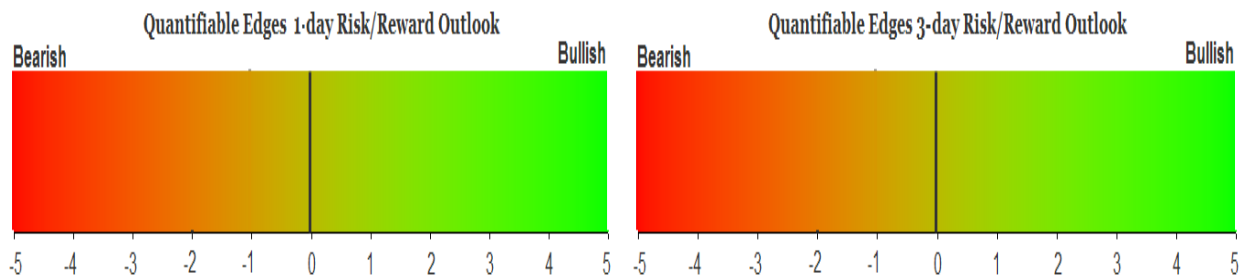
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 29, 2025

Volume 18 Issue 142

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	2

## Tonight's Research Points

- The series of higher highs, lows, and closes, suggests more upside is to come after Wednesday's down close.
- VIX up with SPX making a 50-day high on a Monday suggests a 1-2 day downside edge.
- As discussed yesterday, a poor close Tuesday could set up for a positive Fed Day on Wednesday.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. This market is still too strong to short and too overbought to buy. But a pullback Tuesday could be short-term buyable for aggressive traders.

**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 29, 2025	VIX up, SPX 50-high on Monday	1-2 days	Bearish			
July 29, 2025	3 higher hi, lo, cls. Dn cls. Higher hi & lo	1-4 days	Bullish	1.20%	-0.80%	-1.70%
July 25, 2025	Up Vol < 40%. SPX higher and > 200	1-8 days	Bullish	1.90%	-1.35%	-2.80%
<b>Active - Long Term</b>						
July 24, 2025	RSI(2) crosses over 99	1-15 days	Bullish	2.20%	-1.60%	-3.00%
July 16, 2025	20-day intraday high & close btm 10% rng	1-10 days	Bullish	2.00%	-1.40%	-2.80%
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			

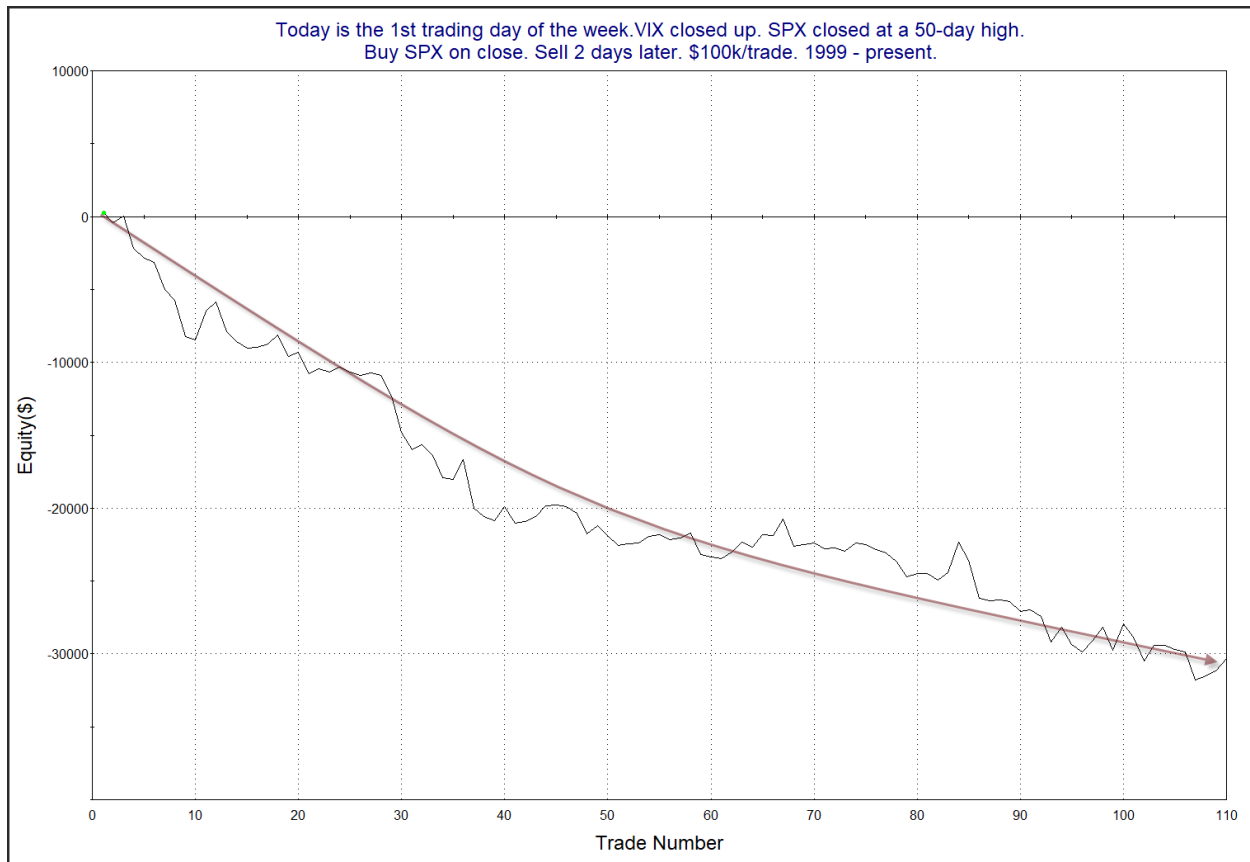
**The Evidence**

Monday saw mixed and mild results. SPX closed up 0.02%, the NASDAQ rose 0.33%, and the Russell 2000 lost 0.19%. Breadth was poor as the NYSE Up Issues % closed at 35% and the NYSE Up Volume % posted a 31% reading. NYSE total volume rose a little from Friday’s 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 7/22/25 letter just last week. Results are all updated.

Today is the 1st trading day of the week.VIX closed up. SPX closed at a 50-day high. Buy SPX 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	-18,294.49	103	49	54	47.57	5,653.12	-5,048.68	1,082.24	-1,320.82	0.82	0.74	-177.62
4	-19,308.21	110	53	57	48.18	4,422.40	-5,732.40	958.54	-1,230.02	0.78	0.72	-175.53
3	-19,484.16	110	52	58	47.27	2,641.80	-6,908.70	738.32	-997.87	0.74	0.66	-177.13
2	-30,345.12	110	46	64	41.82	2,148.48	-3,372.16	546.96	-867.27	0.63	0.45	-275.86
1	-8,951.18	110	42	68	38.18	802.88	-1,580.04	326.77	-333.46	0.98	0.61	-81.37

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



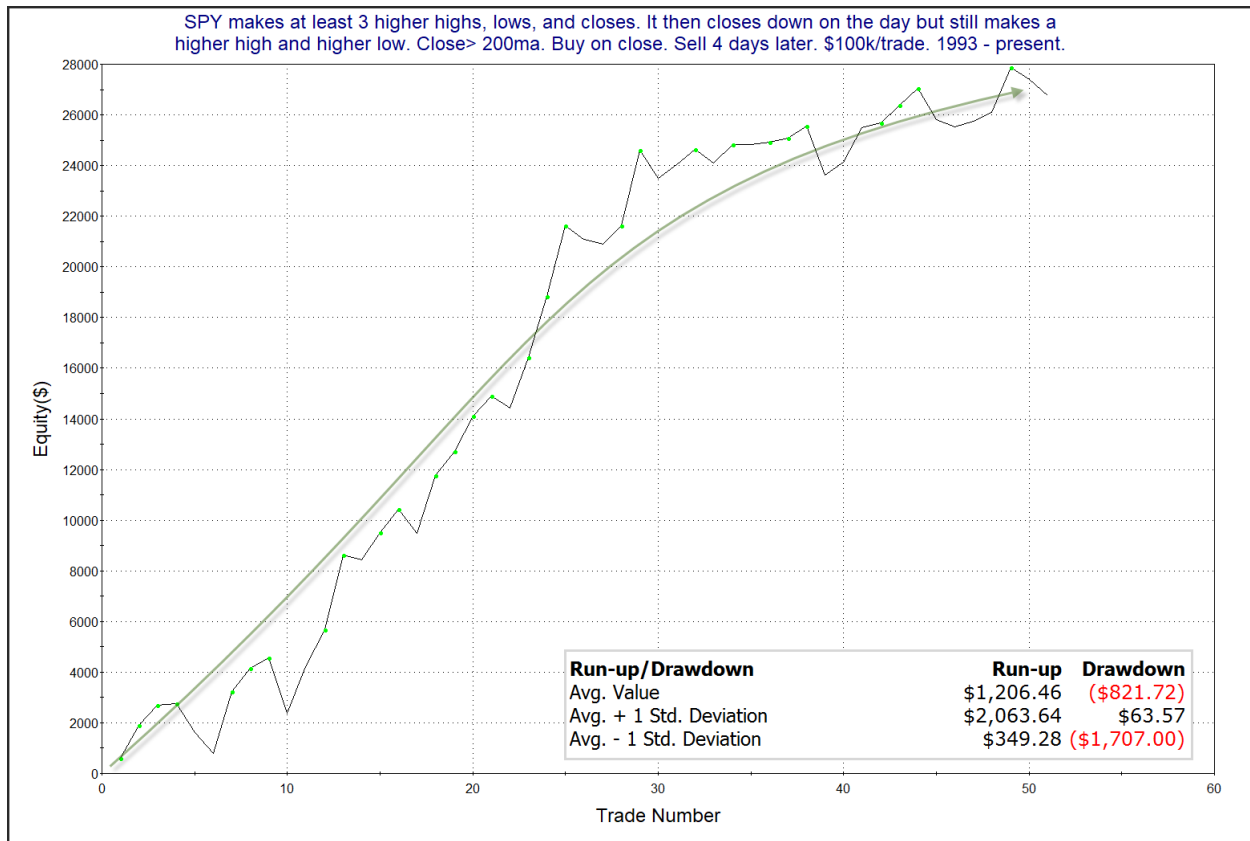
The profit curve has had a long decline. This study seems worthy of consideration. I have included this study on the Active List.

While SPX rose slightly, SPY finished lower, but it did manage to register a higher high and a higher low. The study below was last seen in the 1/27/25 letter and it examines other times a pullback of this sort followed a series of higher highs, lows, and closes. I've updated the results.

SPY makes at least 3 higher highs, lows, and closes. It then closes down on the day but still makes a higher high and higher low. 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	18,988.36	51	31	20	60.78	3,602.64	-4,604.60	1,242.38	-976.27	1.27	1.97	372.32
4	26,758.89	51	35	16	68.63	2,962.96	-2,191.22	1,126.89	-792.65	1.42	3.11	524.68
3	19,738.06	51	34	17	66.67	2,762.41	-2,640.33	914.00	-666.93	1.37	2.74	387.02
2	13,614.77	51	34	16	66.67	2,399.54	-2,291.63	735.10	-711.17	1.03	2.20	266.96
1	8,412.82	51	33	18	64.71	1,705.24	-1,576.28	513.28	-473.63	1.08	1.99	164.96

There appears to be a strong propensity for the move up to resume. Below is a profit curve assuming a 4-day holding period.



The persistent move higher is impressive. This study seems worth consideration. I have added it to the Active List tonight. Of course there is a bit of a caveat since SPX closed up slightly while SPY was down slightly. But really, whether I included it on the active list or not won't make much difference when looking at net expectations over the next few days.

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 studies, expectations are slated to remain positive on Tuesday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6365.33. That is 0.4% below Monday's close. Therefore, SPX will need to close down at least 0.4% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. Tonight's evidence is mixed. With the Aggregator neutral, I won't be listing any official trade ideas for Tuesday. Afternoon selling on Tuesday could trigger a nice Fed Day edge for Wednesday, as I discussed in the Sunday letter. So if Tuesday is a down day with a weak close, aggressive traders could consider taking a position. If doing so, you might consider exiting at least part of it on Wednesday ahead of the announcement.

**Intermediate-term Outlook (2 weeks – 2 months) – updated 7/28 – *bullish***

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

### ***Open Catapult Triggers***

TXN @ \$186.25 (bought 1/3 @ limit)

TXN @ \$184.99 (buy 1/3 @ limit) – *not filled - cancel for now*

### ***Broad Market Large Cap CBI – 2 (TXN-2)***

### **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
TXN(1/3)	7/24/2025	\$186.25	\$189.25	1.61%	Catapult

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