

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 31, 2025

Volume 18 Issue 144

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	2

## Tonight's Research Points

- When a Fed Day posts a lower close for at least the 2<sup>nd</sup> day in a row, there is often a bounce in the following days.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish. Odds of a short-term bounce appear favorable.

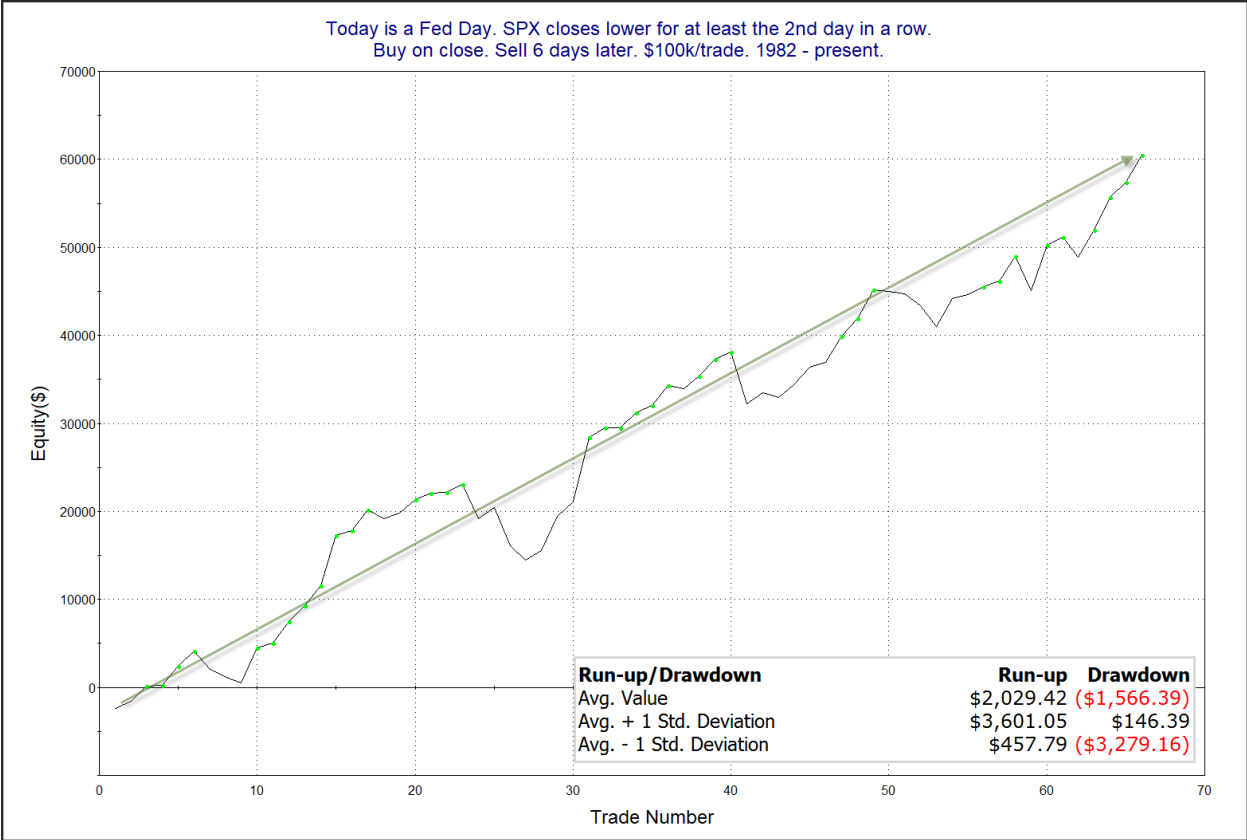
## The Evidence

Wednesday saw a back and forth reaction to the Fed, and the indices finished mixed. SPX closed down 0.1%, the NASDAQ rose 0.15%, and the Russell 2000 lost 0.5%. Breadth was weak as the NYSE Up Issues % closed at 31% and the NYSE Up Volume % posted a 29% reading. NYSE total volume rose a little from Tuesday's level.

So the Fed Day failed to deliver a bounce. The study below is one I have shown many times over the years, most recently in the 6/20/25 letter. I have updated the results tonight.

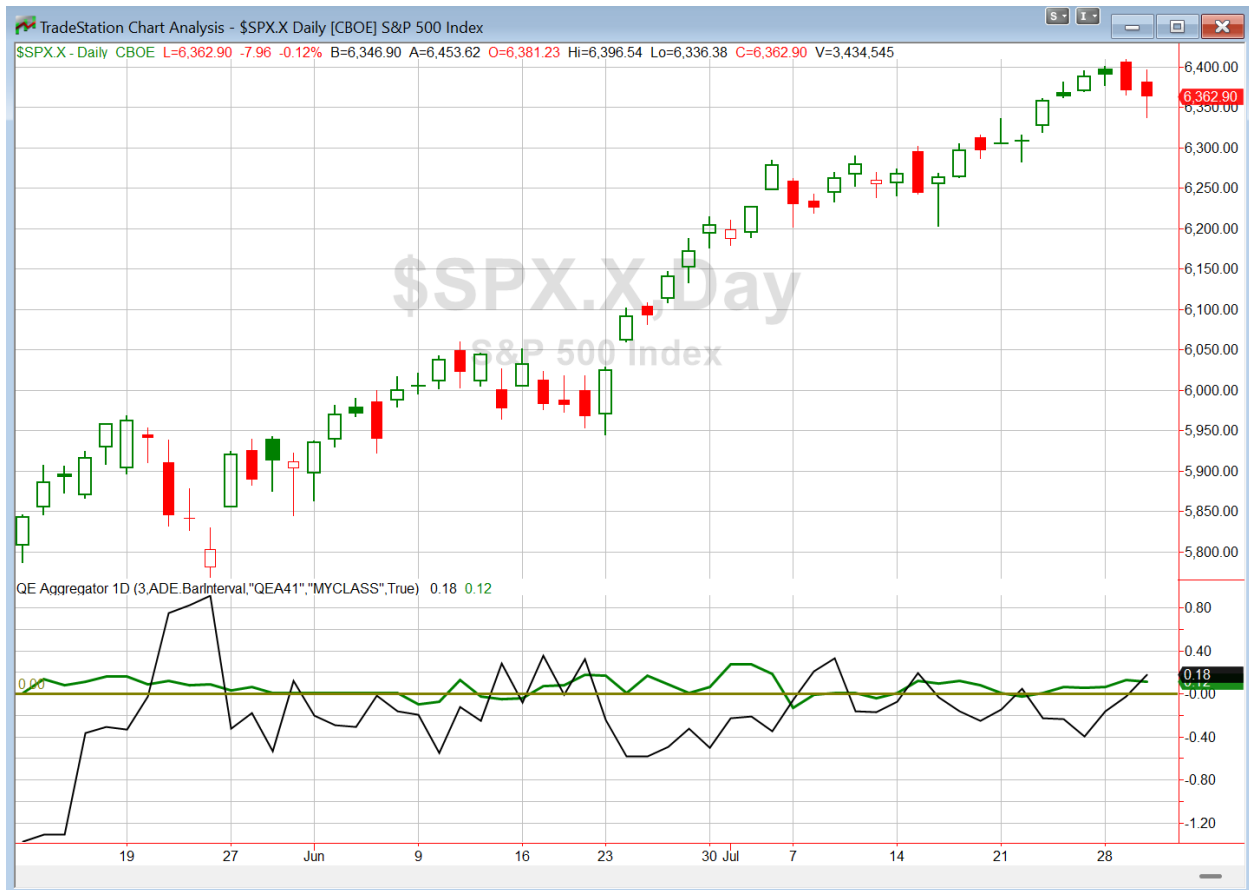
Today is a Fed Day. SPX closes lower for at least the 2nd day in a row. Buy on close. Sell X days later. \$100k/trade. 1982 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
10	66,898.38	66	44	22	66.67	9,012.33	-5,334.70	2,727.62	-2,414.41	1.13	2.26	1,013.61
9	61,303.52	66	46	20	69.70	8,967.96	-5,671.36	2,381.15	-2,411.48	0.99	2.27	928.84
8	49,279.71	66	48	18	72.73	8,456.40	-6,514.96	2,119.94	-2,915.41	0.73	1.94	746.66
7	55,953.54	66	50	16	75.76	8,869.37	-6,757.80	1,984.55	-2,704.63	0.73	2.29	847.78
6	60,447.88	66	49	17	74.24	7,361.95	-5,884.97	1,927.98	-2,001.38	0.96	2.78	915.88
5	46,405.89	66	46	20	69.70	6,013.86	-5,581.03	1,746.27	-1,696.12	1.03	2.37	703.12
4	32,616.65	66	42	24	63.64	7,513.37	-4,622.80	1,644.70	-1,519.20	1.08	1.89	494.19
3	17,406.30	66	41	25	62.12	5,035.28	-4,476.12	1,226.21	-1,314.73	0.93	1.53	263.73
2	11,578.11	66	38	28	57.58	5,202.52	-4,613.73	1,139.22	-1,132.58	1.01	1.37	175.43
1	3,863.88	66	38	28	57.58	4,001.33	-5,829.24	874.69	-1,049.08	0.83	1.13	58.54

When Fed Days fail to produce a bounce, you normally see a rally shortly after. Below is a profit curve assuming a 6-day exit strategy.



That is an impressive looking curve, and it has made new highs the last few instances. I have added this study to the active list again 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 moved 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 studies, expectations are slated to remain positive on Thursday. This is unlikely to change. Meanwhile, the Differential Pivot will be 6401.98. That is 0.6% above Wednesday's close. Therefore, SPX will need to close up over 0.6% on Thursday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. There appears to be a good chance of a bounce in the next couple of days. (And that bounce seems to have a nice head start in the overnight futures market.) The trade idea from last night was filled at the close. I will keep that open through Thursday, and the re-evaluate again tomorrow night.

*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	\$189.52	1.76%	Catapult
SPY(1/4)	7/30/2025	\$634.46	\$634.46	0.00%	Aggregator

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