

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 1, 2025

Volume 18 Issue 145

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	2

Tonight's Research Points

- Numbered Method 11111 triggered for SPY.
- Some turn-of-month studies suggest Friday could see a bounce.

Short-term Outlook

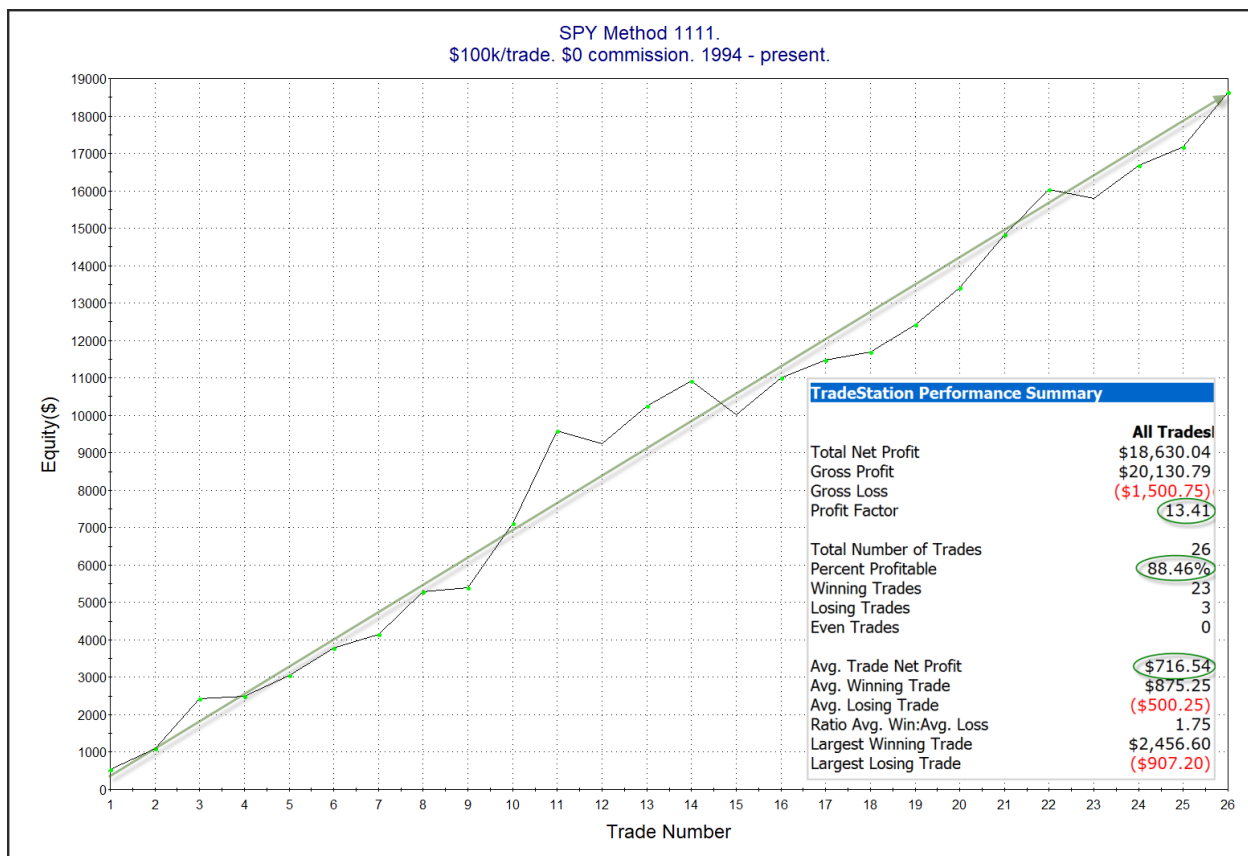
The Bottom Line

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

The Evidence

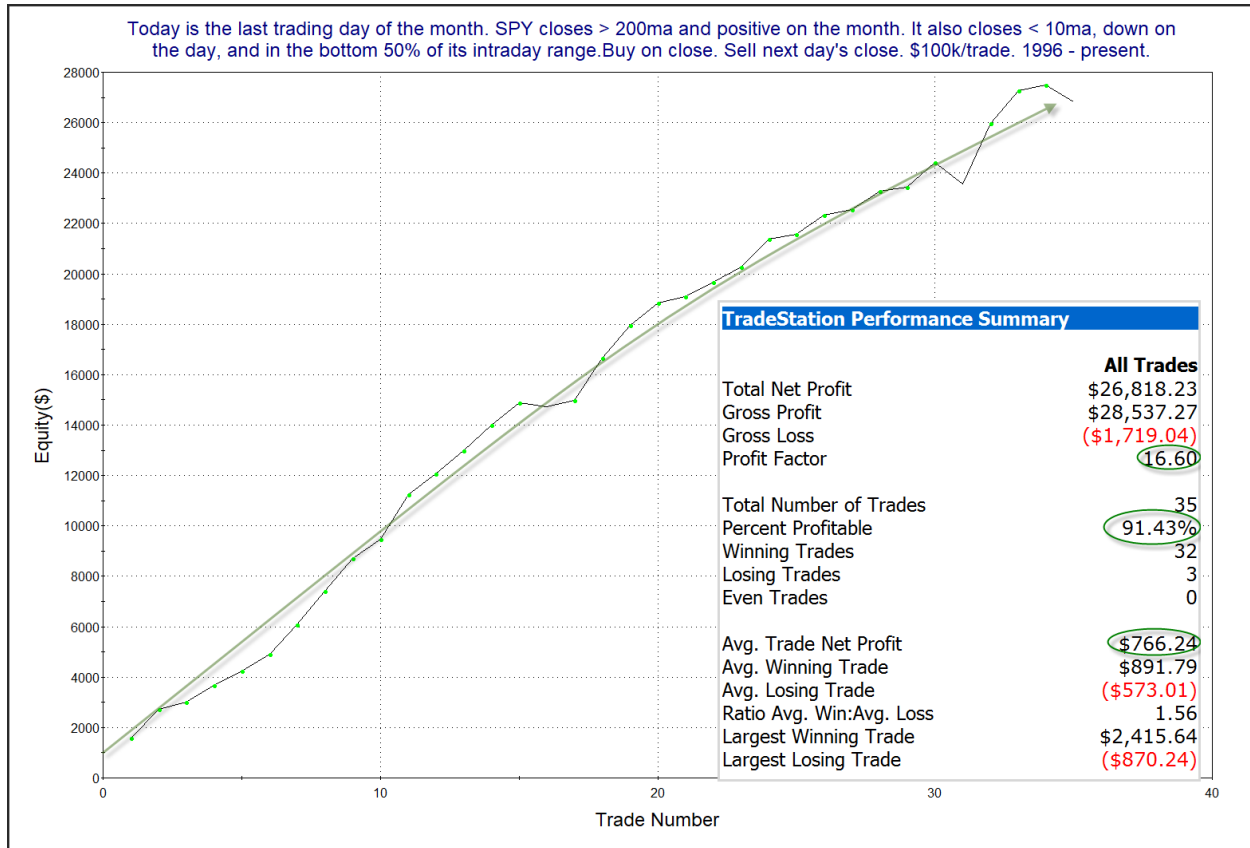
Thursday started strong but finished poorly. SPX closed down 0.4%, the NASDAQ dipped 0.03%, and the Russell 2000 lost 0.9%. Breadth was weak as the NYSE Up Issues % closed at 40% and the NYSE Up Volume % posted a 32% reading. NYSE total volume rose a little from Wednesday's level.

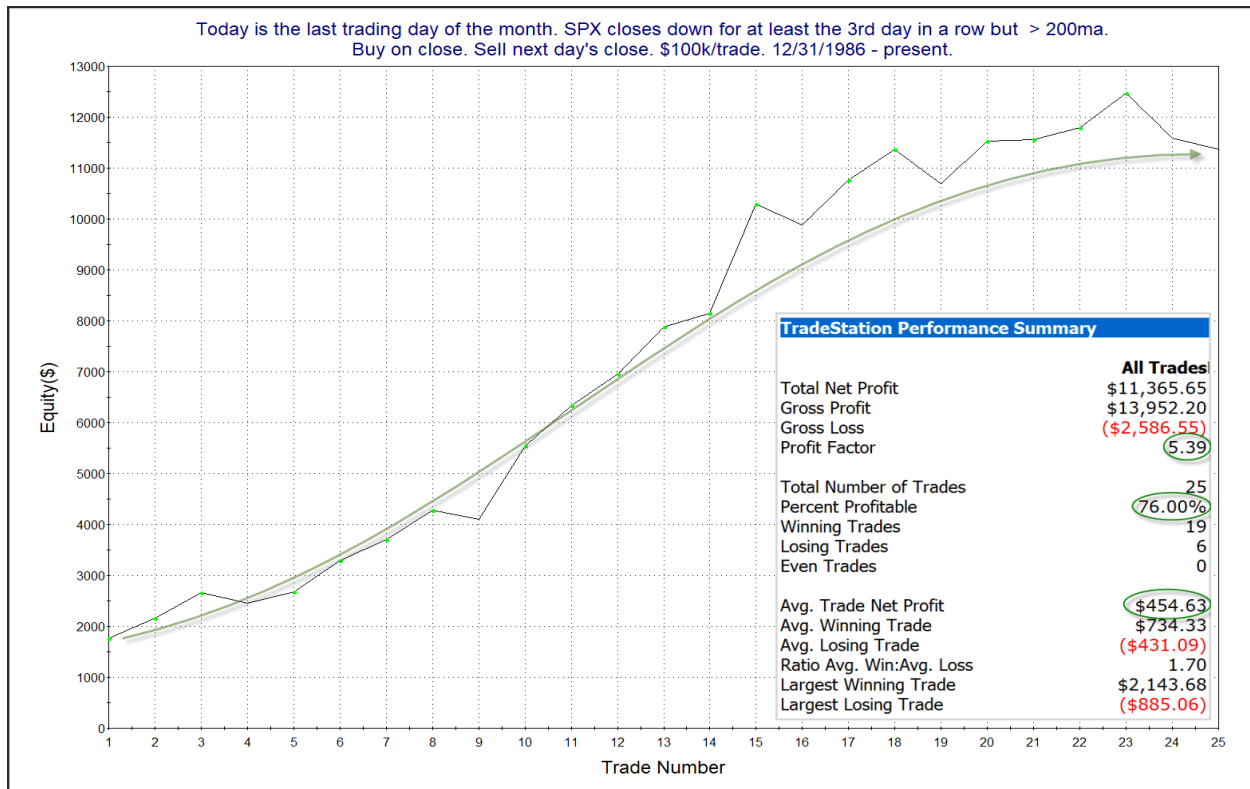
I'll note that with the pullback, SPY is now set up to trigger QE numbered method 11111 on Friday. A trade at or below SPY's closing price would mean an entry on Friday. Method 11111 has done fairly well over the years. With SPY, it has done very well. Below are the updated stats.



The stats are extremely lopsided in favor of the bulls. And the profit curve is impressive as well. Also notable (but not shown) is that the average trade only lasted a little over 3 days. The short time in these trades and the high percent that end up profitable speaks to the probability of a quick bounce here. I have incorporated this setup into the Aggregator today. Subscribers may find a link to the method 11111 page below:

There were also several notable “last day of month” studies that triggered tonight. Typically, the 1st day of a new month has been substantially more bullish when there is a pullback into month end. This can be seen in the two studies below.





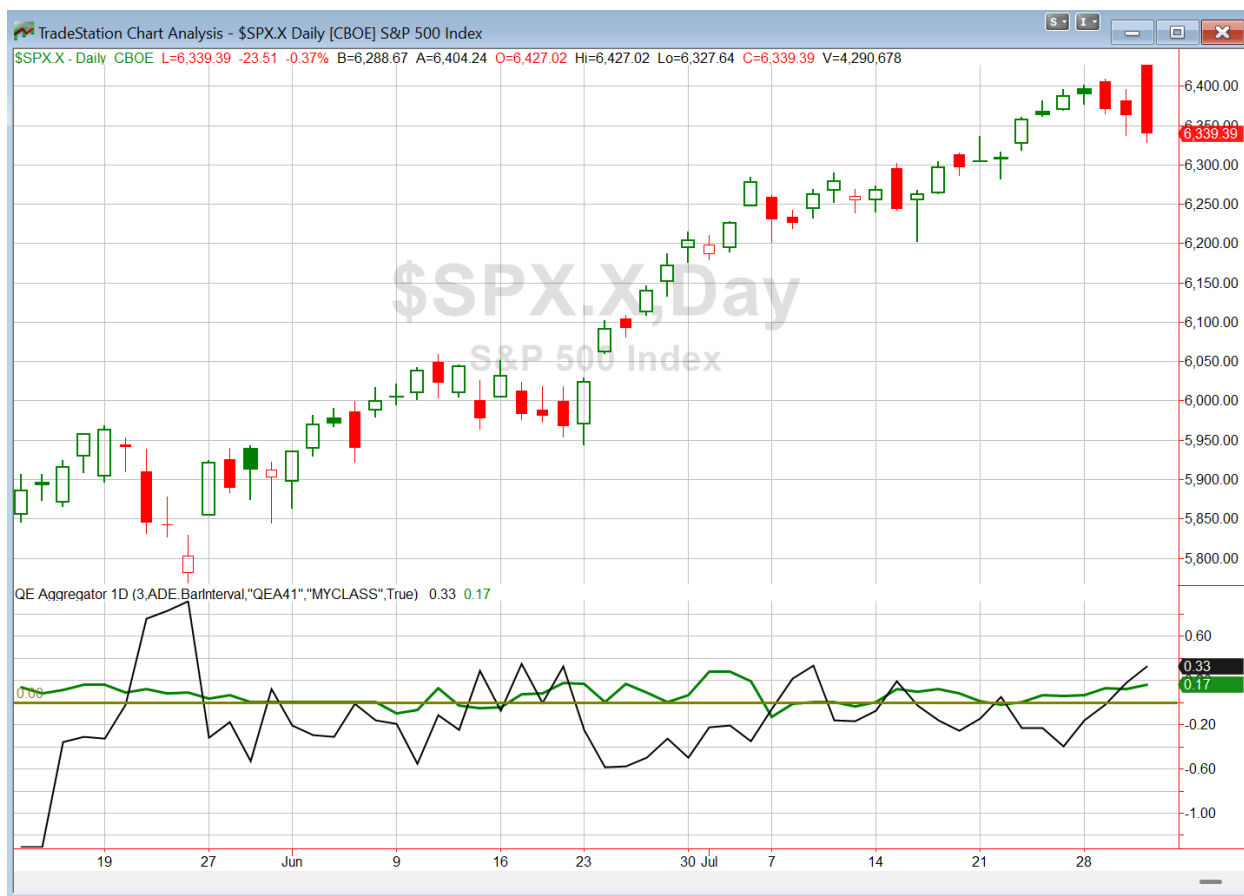
I've added both of these to the Active List tonight.

A couple of other notes... 1) August has the worst record of any month as far as Day 1 stats. I posted this in the blog this afternoon.

<https://quantifiableedges.com/first-trading-day-of-the-month-has-generally-been-strong-except-august/>

2) Friday is an employment day. This could create some volatility either way. And Friday's reaction to the report could be especially interesting. We may be in a "good news is bad news and bad news is good news" stretch here with the employment report. In Powell's talk on Wednesday he noted that the dual mandate of the Fed is to keep inflation low and keep employment high. He said that employment is basically at full levels. Inflation is more of a concern right now. And that is why they have not yet lowered interest rates. So if employment comes in strong, the Fed will be more comfortable with the current rates. On the other hand, weak employment numbers could make more of a case for cutting rates. And Wall St. would likely celebrate lower rates. So don't be surprised if the stock market reacts counter to what you might think would be "good" or "bad" news 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 also held 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 stayed long at the close.

Based on the current studies, expectations are slated to remain positive on Friday. This is unlikely to change. Meanwhile, the Differential Pivot will be 6387.03. That is 0.75% above Thursday's close. Therefore, SPX will need to close up over 0.75% on Friday 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. Reward/risk appears generally favorable. There is currently a ¼ index position in the trade ideas section of the letter. I'll look to add another ¼ if SPY closes down again on Friday.

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.

SPY – Buy ¼ index position @ \$632.07 LIMIT ON CLOSE. Based on the short-term outlook above, I will look to add a 2nd lot of SPY if it closes down on Friday.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
TXN(1/3)	7/24/2025	\$186.25	\$181.06	-2.79%	Catapult
SPY(1/4)	7/30/2025	\$634.46	\$632.08	-0.38%	Aggregator

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