

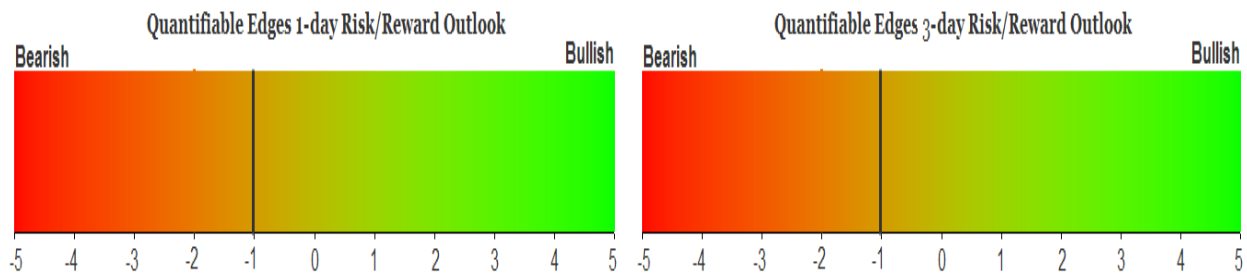
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 13, 2025

Volume 18 Issue 153

Market Overview



Signals Overview

Aggregator	CBI Reading
Short	3

Tonight's Research Points

- SPX broke out, but not in a way that would suggest a strong short-term edge.

Short-term Outlook

The Bottom Line

The Aggregator is bearish, but I don't believe reward/risk is terribly strong. I'm more neutral. Again.

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						
August 7, 2025	NDX up 1%+. SOX down.	1-6 days	Bearish	-2.40%	1.70%	3.40%
Active - Long Term						
July 24, 2025	RSI(2) crosses over 99	1-15 days	Bullish	2.20%	-1.60%	-3.00%
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

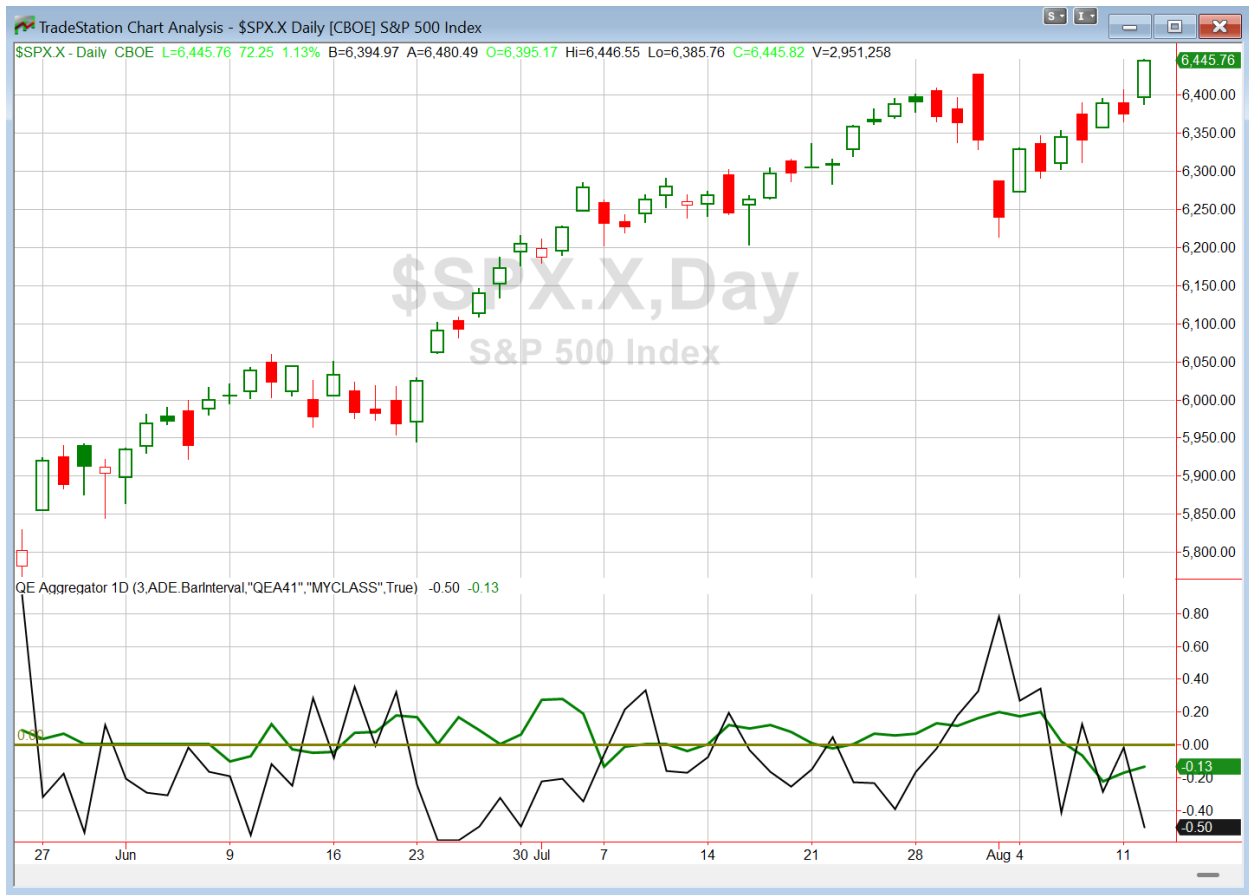
Tuesday was a big day with new all time highs hit for some indices. SPX climbed 1.1%, the NASDAQ rose 1.4%, and the Russell 2000 rallied 3.0%. Breadth was weak as the NYSE Up Issues % closed at 81% and the NYSE Up Volume % posted a 82% reading. NYSE total volume rose some from Monday’s level.

So while SPX made a new all-time high today, it did not trigger compelling new evidence suggesting further upside. There were some close calls. A breakout to a new high after a basing period of at least 10 days will often see further follow through. Many times in the past I have broken the odds down based on the relative volume of the breakout day. What I have found is that odds for follow through are strong when 1) volume is lower than the day before, or 2) volume comes in at a 20-day high. If volume rises from yesterday’s level, but not to the level of a 20-day high, then odds over the next few days have been basically breakeven – suggesting no edge based on the breakout action. This is the situation we are currently faced with.

Another potential bullish breakout setup occurs when SPY breaks out to a 50-day high for the 1st time in over 2 weeks and leaves an unfilled gap. The unfilled gap occurred today. But while SPX did not close at a new high on Friday, SPY did. So for SPY this was NOT a fresh breakout, and the study did not trigger.

So a few close calls, but nothing quite qualified that would suggest a strong edge over the next few days. There are no new studies being added to the active list tonight.

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



Without anything new triggering, the green Aggregator Line remained below zero. Negative readings mean net expectations are for downside 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 negative and SPX is overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close below zero. Therefore, the Aggregator formation stayed short at the close.

With the lone bearish study expiring, expectations are primed to turn slightly positive on Wednesday. This could easily change if new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6372.09. That is 1.1% below Tuesday's close. Therefore, SPX will need to close down 1.1% on Wednesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is bearish. But bearish evidence is expiring and bullish evidence just barely missed triggering tonight. I still have no interest in a counter-trend short-side index trade. If we do see a pullback in the next few days, that could set up a new long opportunity. But nothing to do yet. There was some Catapult action noted in the Catapult & CBI section below.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 8/11 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

CAT @ \$408.54 (buy 1/3 @ limit) – *not filled, cancel for now*

EMR @ \$131.96 (bought 1/3 @ limit)

New

IBM @ \$234.77 (buy 1/3 @ limit)

Broad Market Large Cap CBI – 3 (CAT, EMR, IBM)

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.

IBM – Buy 1/3 Catapult position @ \$234.77 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of IBM.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
CHTR(1/3)	8/5/2025	\$261.75	\$263.09	0.51%	sell on open
EMR(1/3)	8/12/2025	\$131.96	\$132.95	0.75%	Catapult

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