

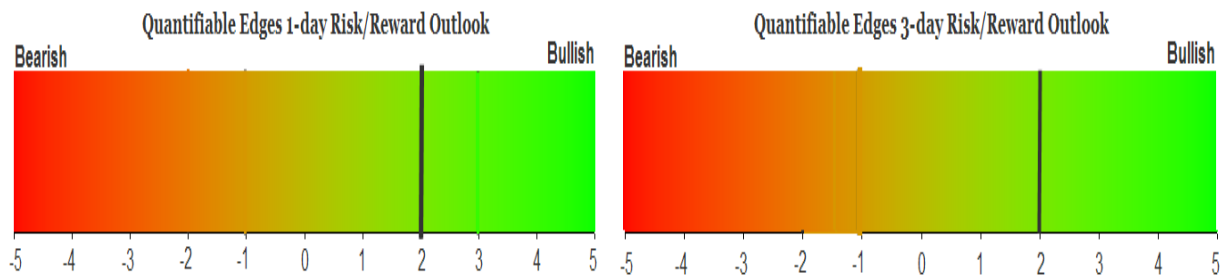
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 19, 2025

Volume 18 Issue 157

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- After 2 days pulling back, we could be set up for a Turnaround Tuesday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. There appears to be a moderate upside edge.

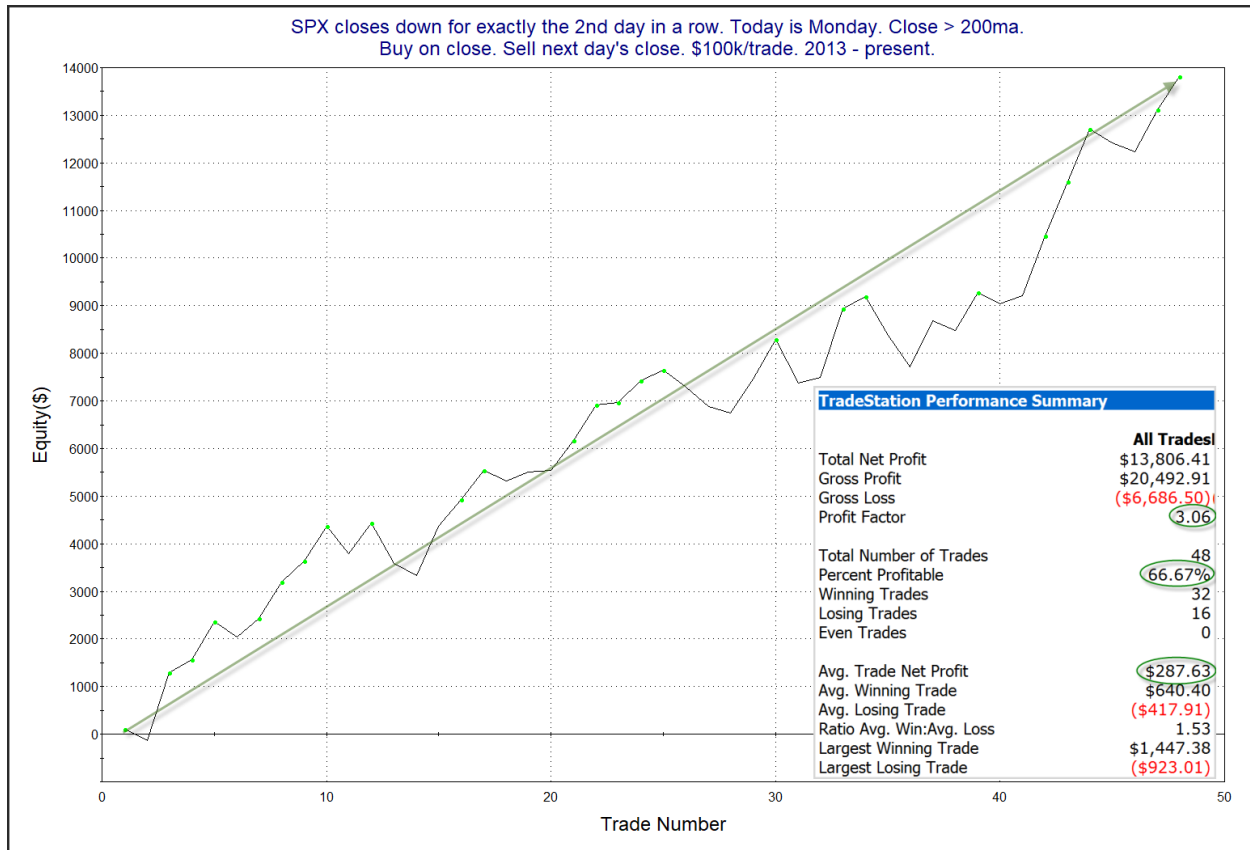
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
August 19, 2025	Turnaround Tuesday	1 day	Bullish			
August 15, 2025	Up vol < 40%. SPX up and > 200	1-8 days	Bullish			
August 14, 2025	Up Iss % 1-yr rank > 90% 2x. 50-day high.	1-7 days	Bullish			
Active - Long Term						
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 action. SPX declined 0.01%, the NASDAQ rose 0.03%, and the Russell 2000 climbed 0.35%. Breadth was positive as the NYSE Up Issues % closed at 55% and the NYSE Up Volume % posted a 56% reading. NYSE total volume declined some from Friday's opex level.

I have written a substantial number of times about "Turnaround Tuesday". Over the years Tuesday has exhibited the strongest proficiency for the market to reverse a pullback of any day of the week. But in the case of 2-day pullbacks, which are quite short, they were not terribly consistent prior to 2013. The study below is updated from the 2/4 letter. Parameters look for 1) SPX to decline exactly 2 days in a row, 2) today is Monday, and 3) SPX closes above its 200ma.



The stats and the persistent upslope of the profit curve are impressive. I have included this study on the active list tonight as a potentially bullish edge.

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 just above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is slightly overbought. 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 Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6469.78. That is 0.3% above Monday's close. So SPX will need to close up over 0.3% on Tuesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. There appears to be a moderate upside edge...though SPX is only just barely oversold at this point. I like the setup enough that I will list a trade idea lower down for a small starter position. But I will demand a favorable entry price either near the NYSE open or the NYSE close.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 8/18 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

IBM @ \$234.77 (buy 1/3 @ limit) – *not filled, cancel for now*

Broad Market Large Cap CBI – 1 (IBM)

Additional New Trade Ideas

SPY – Buy ¼ index position @ \$642.80 LIMIT ON OPEN. If not filled on open, cancel order and look to enter @ \$643.29 LIMIT ON CLOSE. From the short-term section above, this will look to take advantage of the current bullish Aggregator formation.

Current Open Trade Ideas

None

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