

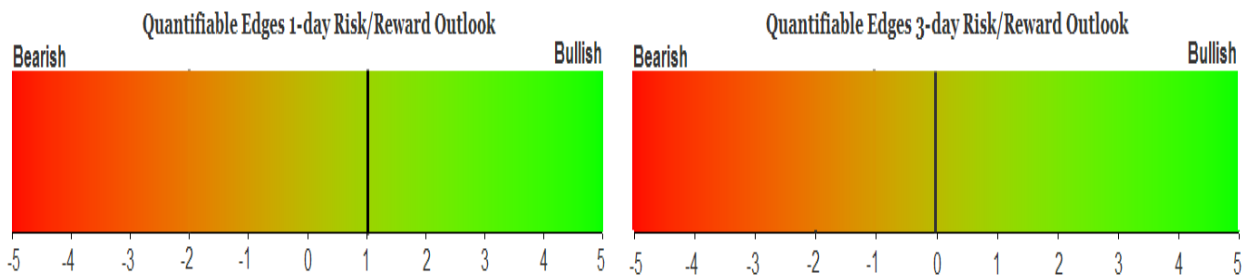
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 3, 2025

Volume 18 Issue 167

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- 2 unfilled gaps down while above the 200ma has often been followed by a bounce the next day.

### *Short-term Outlook*

#### *The Bottom Line*

The Aggregator is still neutral. I am as well.

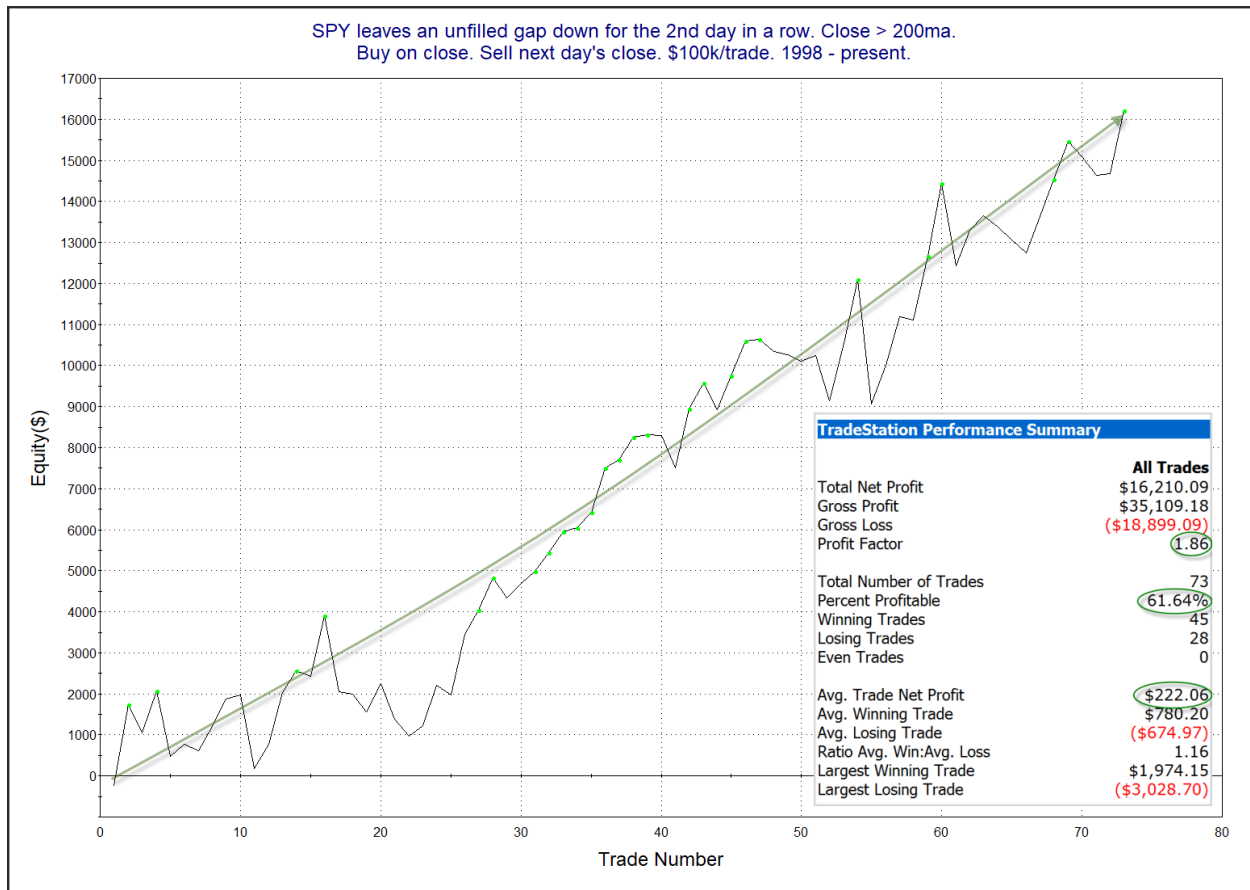
**Summary of Recent Active Studies (see Letters from listed dates for details)**

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
September 3, 2025	Unfilled gap down 2 days in a row > 200	1 day	Bullish			
September 2, 2025	SPX rises 20 days heading into Labor Day	1-4 days	Bearish	-1.70%	0.90%	1.90%
<b>Active - Long Term</b>						
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**

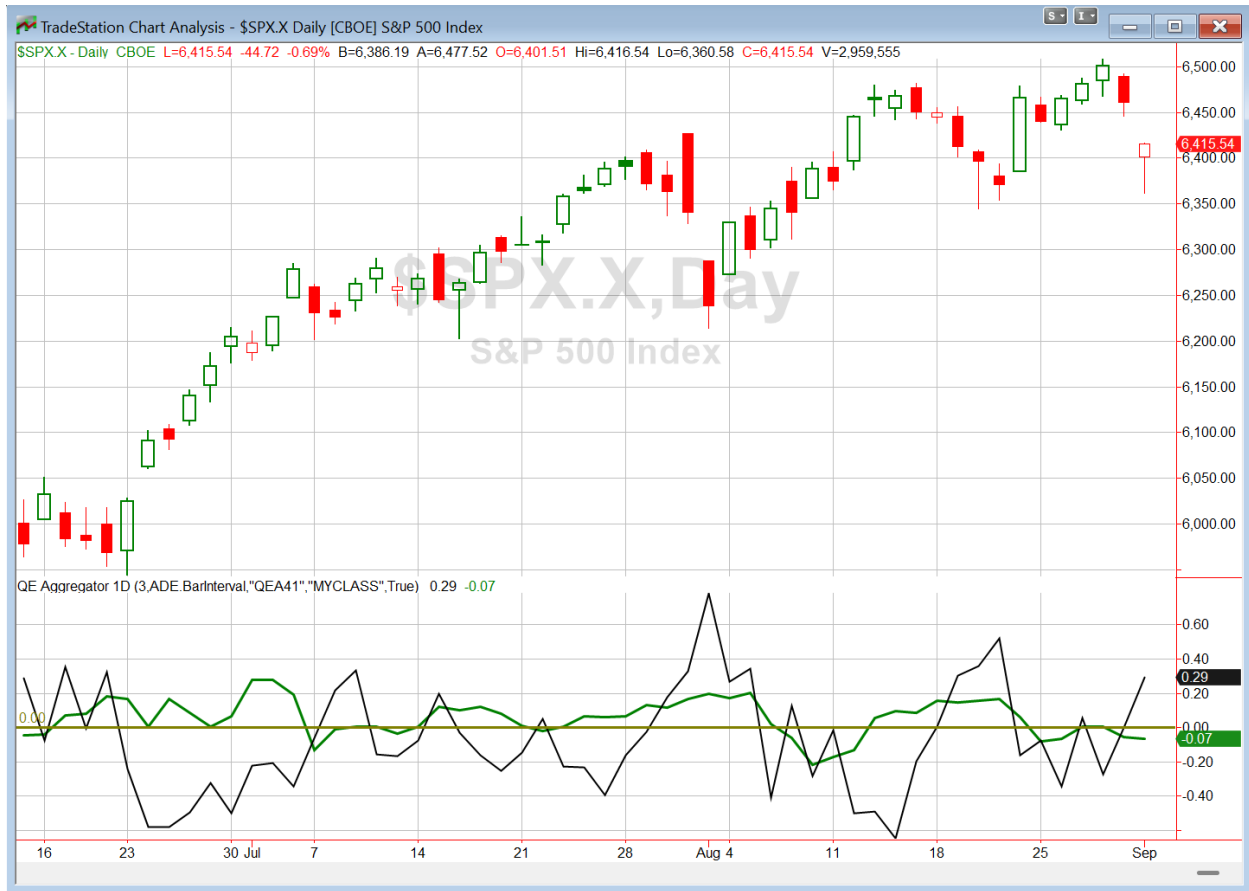
Tuesday saw strong selling in the morning, and a partial bounce back in the afternoon. SPX finished down 0.7%, the NASDAQ lost 0.8%, and the Russell 2000 dropped 0.6%. Breadth was mixed as the NYSE Up Issues % closed at 31% and the NYSE Up Volume % posted a 36% reading. NYSE total volume declined some from Friday's level.

Notable about Tuesday's action is that it was the 2<sup>nd</sup> day in a row that SPY left an unfilled gap down. The study below suggested bullish implications when this has occurred during a long-term uptrend. Last featured just recently in the 8/22/25 letter, results are updated.



The curve is certainly choppy, but the last instance again put it at a new high, and I find the overall evidence strong enough to add it to the Active List as a 1-day edge.

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



Even with tonight's evidence considered, 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 above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are negative but SPX is oversold. 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 active studies, expectations are slated to remain negative on Wednesday. Of course this could change if new bullish evidence emerges. It could also change if SPX drops much below Tuesday's low, which could retire the Labor Day week study early. Meanwhile, the Differential Pivot will be 6497.50. That is 1.3% above Tuesday's close. Therefore, SPX will need to close up a sizable 1.3% on Wednesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is neutral. A third straight down day on Wednesday could possibly generate enough bullish evidence to trigger a long Aggregator formation. But right now we don't have a favorable setup. So right now I have nothing to do but wait and remain alert.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 9/2 – **slightly bullish***

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

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

**None**

### ***Broad Market Large Cap CBI – 0***

## **Additional New Trade Ideas**

**None tonight.**

## **Current Open Trade Ideas**

**None**

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