

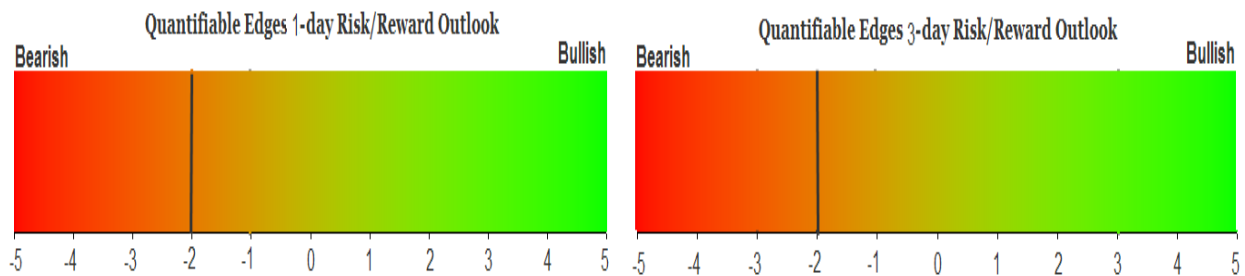
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 10, 2025

Volume 18 Issue 172

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Short	0

## Tonight's Research Points

- High-volume outside days that close at a 50-day high also often lead to selling.

### *Short-term Outlook*

#### *The Bottom Line*

The Aggregator is now bearish. I believe there may be a moderate downside edge, but am feeling cautious about betting against the trend without additional evidence.

**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 10, 2025	SPY outside day 50-hi rising volume.	1-2 days	Bearish			
September 8, 2025	SPX 5-high. Close down. Up Issue % > 60%	1-3 days	Bullish	1.60%	-0.90%	-2.00%
<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			

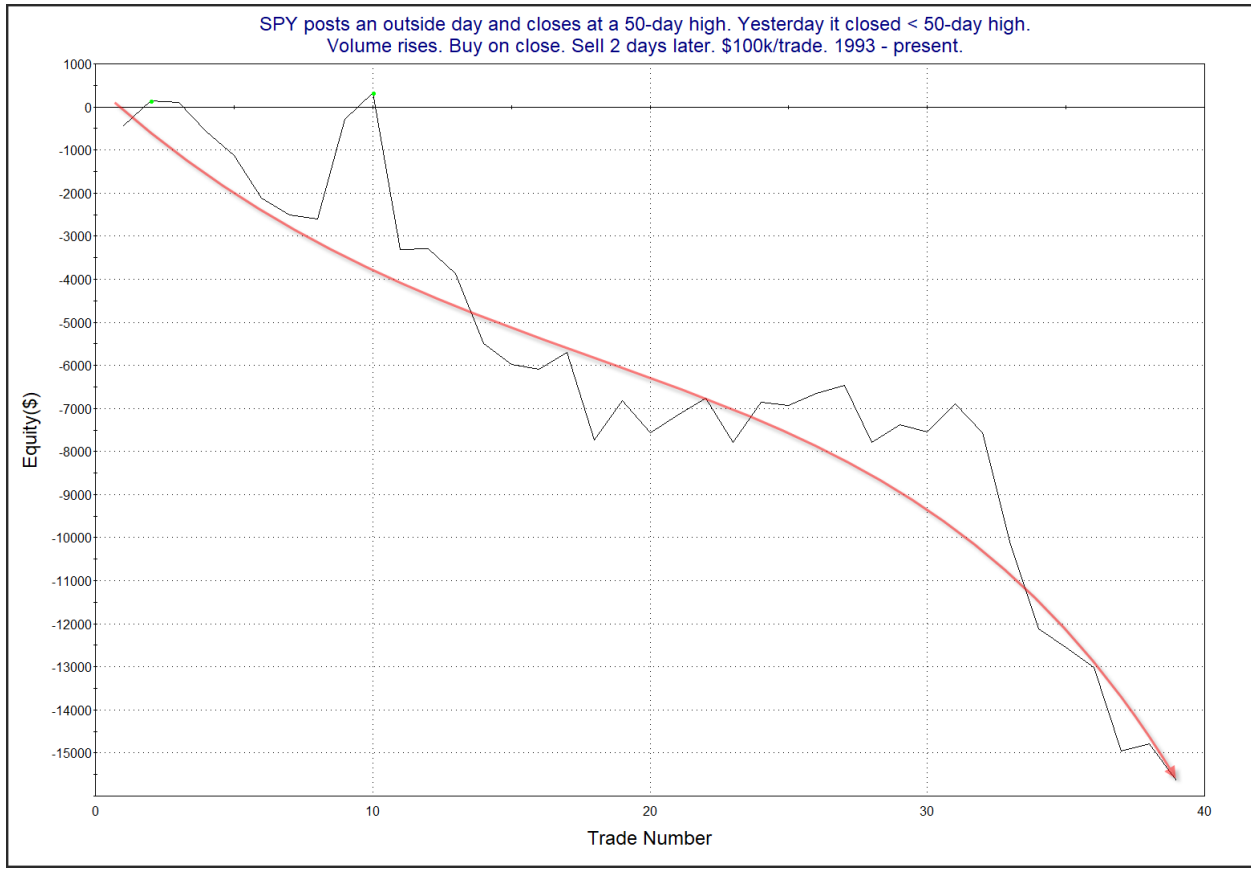
**The Evidence**

Tuesday saw the indices finish mixed. SPX rose 0.3%, the NASDAQ added 0.4%, and the Russell 2000 declined 0.5%. Breadth was weak as the NYSE Up Issues % closed at 39% and the NYSE Up Volume % posted a 45% reading. NYSE total volume declined some from Friday’s level.

The study below was last featured in the 10/1/24 letter. It takes into consideration a number of observations that many would consider bullish. This includes an outside day and a 50-day high on rising (SPY) volume. All stats below are updated.

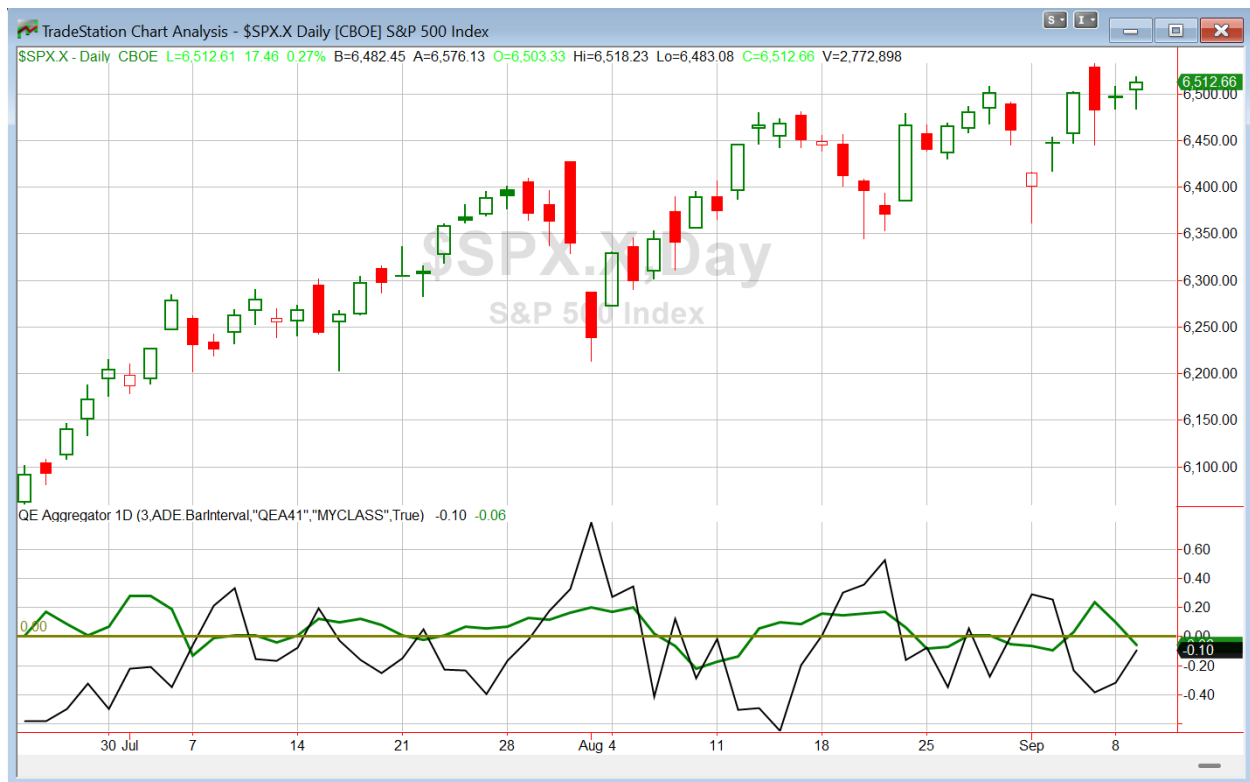
SPY posts an outside day and closes at a 50-day high. Yesterday it closed < 50-day high. Volume rises. Buy on close. Sell X days later. \$100k/trade. 1993 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	-18,862.81	37	17	20	45.95	2,590.50	-4,473.36	938.24	-1,740.64	0.54	0.46	-509.81
4	-10,791.14	38	19	19	50.00	2,371.65	-4,518.34	896.14	-1,464.09	0.61	0.61	-283.98
3	-13,704.48	39	16	23	41.03	2,927.90	-5,133.72	906.09	-1,226.17	0.74	0.51	-351.40
2	-15,641.09	39	14	25	35.90	2,324.90	-3,640.86	590.74	-956.46	0.62	0.35	-401.05
1	-9,557.36	39	14	25	35.90	918.96	-2,448.72	416.00	-615.26	0.68	0.38	-245.06

Rather than combining for a bullish edge it appears the scenario above has often been followed by brief downside. The most consistently bearish results occurred in the 2-day timeframe. Below is a profit curve for a 2-day exit strategy.



Choppy but downward sloping, this study seems worth consideration, and I have added it to the active list tonight.

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



With tonight's evidence considered, the green Aggregator Line dropped 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 turned short at the close.

Based on the current active list, expectations are set to remain negative on Wednesday. Of course this could change if compelling new bullish evidence emerges. Meanwhile, the Differential Pivot will be 6492.99 on Wednesday. That is 0.3% below Tuesday's close. Therefore, SPX will need to close down at least 0.3% to flip from overbought to oversold versus recent expectations.

So the Aggregator is now bearish. There appears to be a small downside edge. But with SPX at a new high and only a small amount of bearish evidence, I am not inclined to attempt a counter-trend trade at this point. More aggressive traders could look to take advantage of this setup. I'll continue to wait for a more compelling setup before getting excited about a new index trade.

*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**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
<i>ISRG(1/3)</i>	<i>9/4/2025</i>	<i>\$440.69</i>	<i>\$470.00</i>	<i>6.65%</i>	<i>sold on open</i>

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