

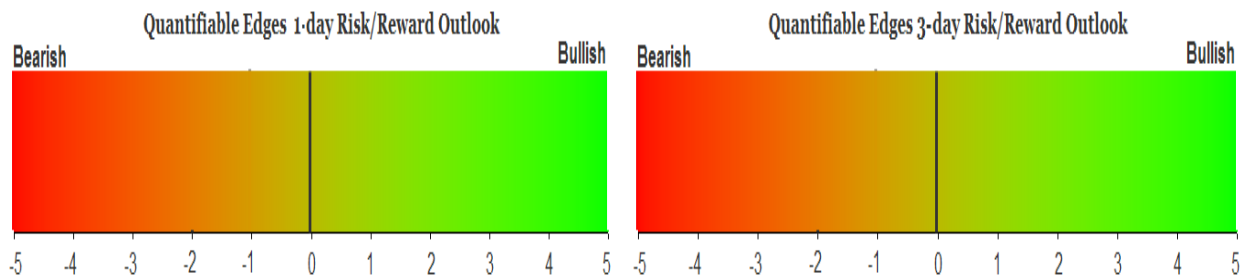
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 17, 2025

Volume 18 Issue 176

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Wednesday's Fed Day appears potentially bullish thanks to Tuesday's weak close.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Evidence suggests further upside, but the market is already overbought.

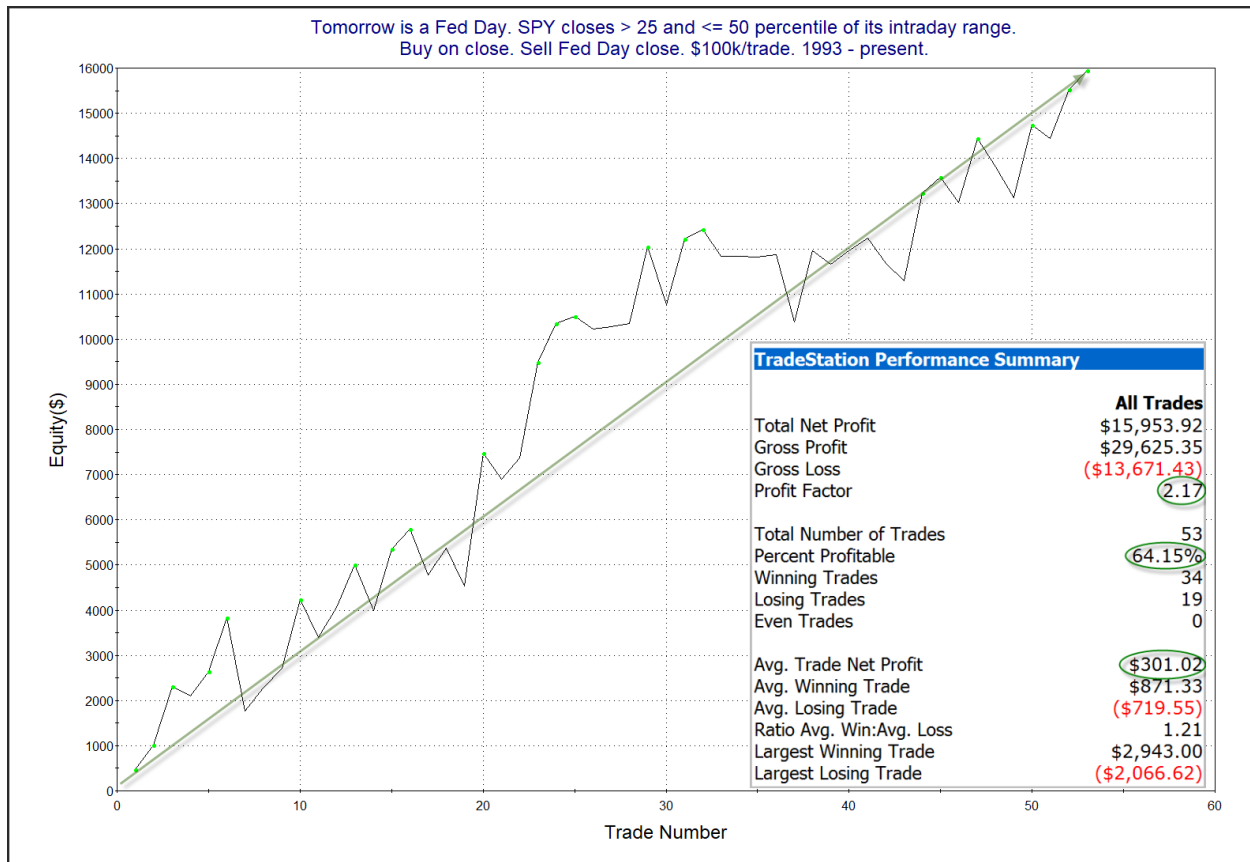
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
September 17, 2025	Fed tomorrow. SPY closes 3rd quartile.	1 day	Bullish			
September 16, 2025	VIX up. SPX 50-high. Monday.	1-2 days	Bearish			
September 15, 2025	NDX up 8 days in a row	1-3 days	Bullish	2.00%	-0.90%	-1.60%
September 12, 2025	2 unfilled gap up & 50-day high	1-4 days	Bullish	1.00%	-0.80%	-1.85%
Active - Long Term						
September 12, 2025	SPX 50-day %b crosses 100	1-50 days	Bullish	4.90%	-4.40%	-8.90%
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

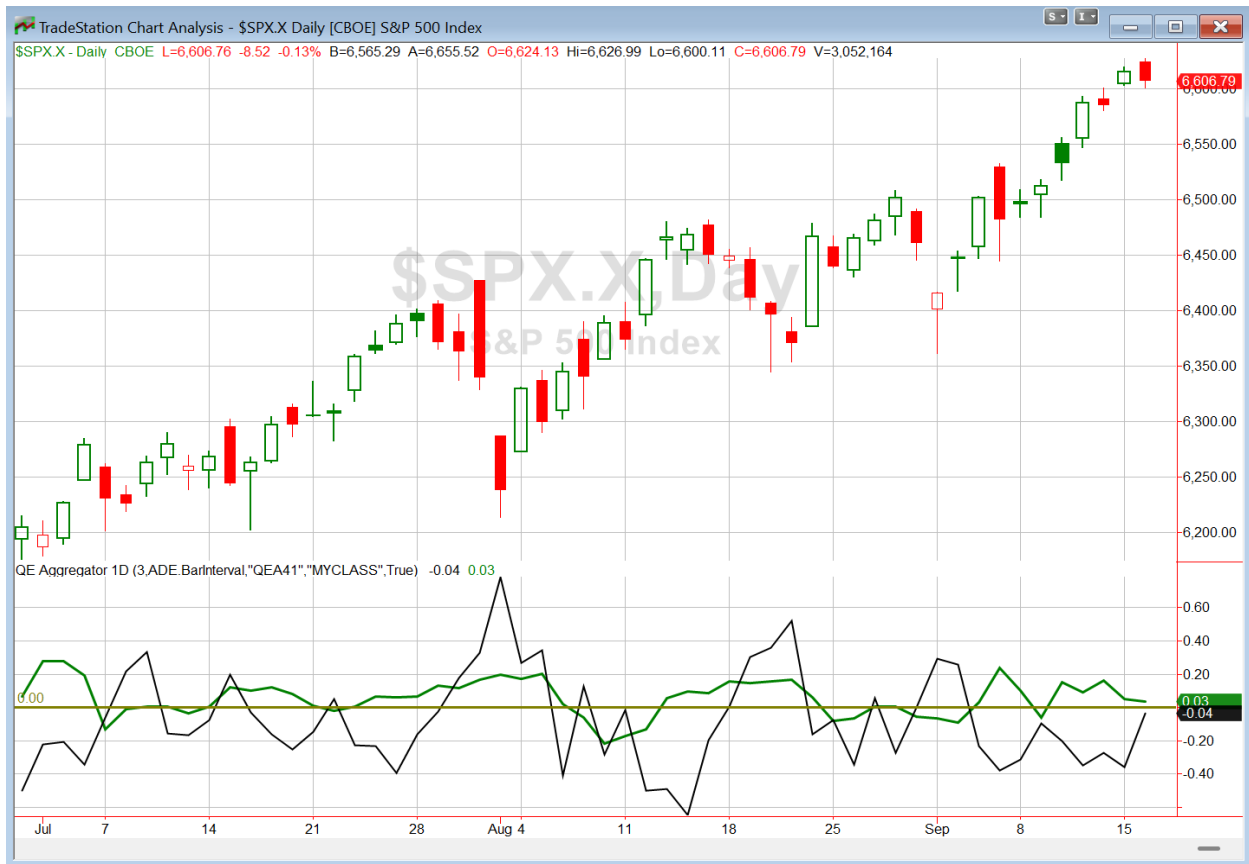
Tuesday saw a mild pullback in the indices. SPX declined 0.13%, the NASDAQ dipped 0.07%, and the Russell 2000 lost 0.09%. Breadth was weak as the NYSE Up Issues % closed at 45% and the NYSE Up Volume % posted a 44% reading. NYSE total volume rose some from Monday's level.

Wednesday is a Fed Day, and Fed Day's often have a bullish tilt. This is something I have studied in detail over the years. You may find a good number of Fed Day studies [on the Quantifiable Edges blog](#) if you wish. One of the biggest influences on Fed Day tendencies appears to be whether there was buying or selling heading into the Fed Day. I have used the intraday closing range the day before the Fed Day to break this down many times over the years. Tuesday saw SPY close low in its range (31st percentile). This triggered the study below.



The Fed Day edge appears fairly strong and quite persistent under these circumstances. I like both the odds and the curve. I have added this study to the Active List tonight.

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 held below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. 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 list, expectations are set to remain positive on Wednesday. Of course this could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *slightly inverted* at 6610.97 on Wednesday. That is 0.1% *above* Tuesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up about 0.1% in order to remain overbought. A down, flat, or very slightly up close will cause it to flip to "oversold" versus recent expectations as measured by the Differential Line.

So the Aggregator is again neutral. There does seem to be a bullish Fed Day edge. But the announcement truly could lead to a big reaction either way. With the market already overbought reward/risk is not great. So I am still sitting out and waiting for a more compelling opportunity to arise.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 9/15 – **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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