

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 2, 2025

Volume 18 Issue 187

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	4

Tonight's Research Points

- The low 3/10 Offset HV suggests we could see a big move in the next few days.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. So am I.

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						
None						
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

October started with some gains. SPX rose 0.3%, the NASDAQ gained 0.4%, and the Russell 2000 climbed 0.2%. Breadth was positive as the NYSE Up Issues % closed at 57% and the NYSE Up Volume % posted a 59% reading. NYSE total volume declined some from Tuesday’s level.

SPX and NASDAQ both made new highs, but the basing period was just barely over a week. In the past I have found that you generally need a base of at least 2 weeks in order to suggest a substantial follow-through edge in the coming days.

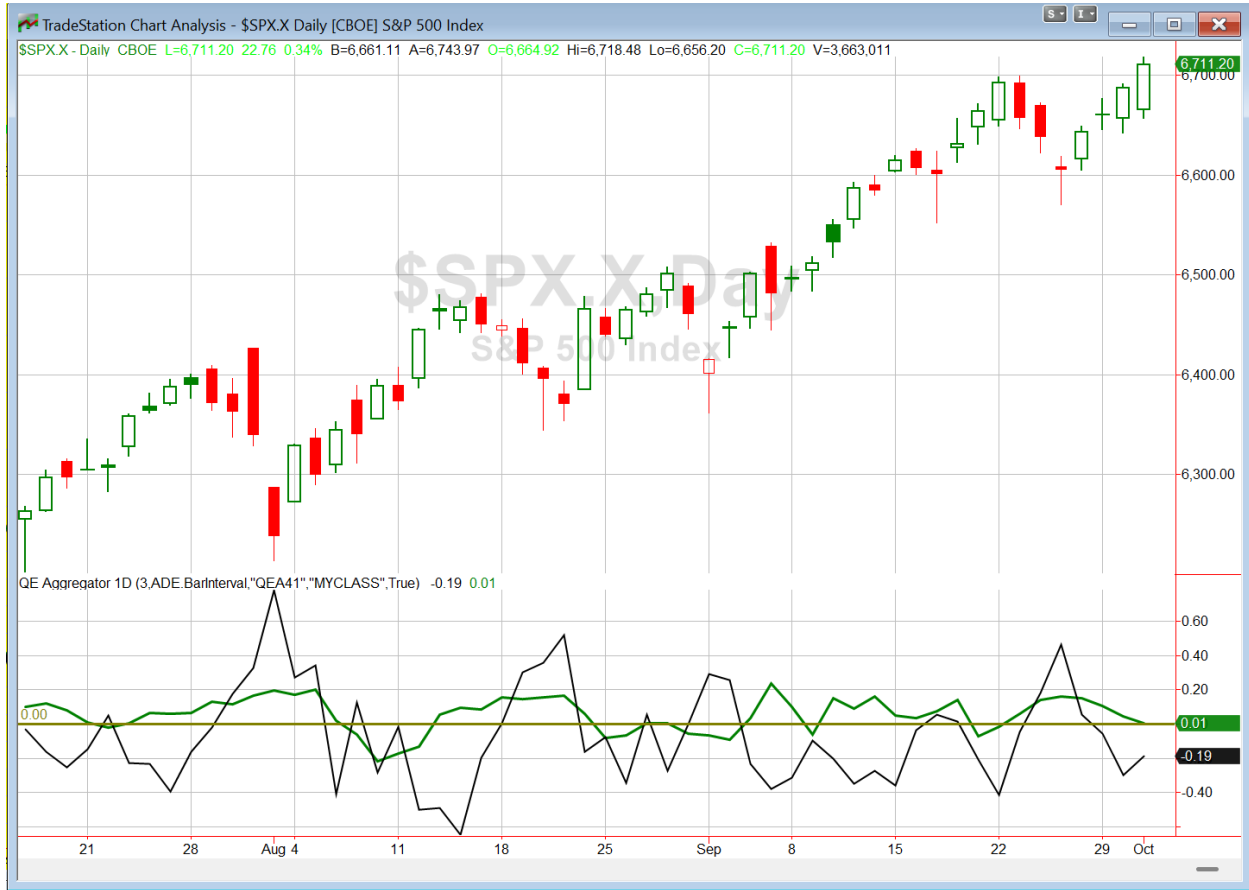
While no compelling directional studies emerged, one factor that traders may want to consider is the fact that the 3/10 Offset HV indicator closed at just 0.14 on Wednesday. This suggests a volatility expansion is likely to occur in the next few days.

I [first introduced the 3/10 Offset HV in July of 2009](#). It simply takes a short 3-day measure of Historical Volatility and compares that to the 10-day measure of 3-days ago. Low readings indicate there has been a contraction in volatility. High readings indicate there has been an expansion. Anything at or below 0.25 is regarded as extremely low. Often after very low numbers like this we see a volatility expansion take place.

In the July 2009 study I found on average when the 3/10 Offset HV falls below 0.25, then the 3-day Historical Volatility reading 3 days later is about 5.5 times higher than on the trigger day. I decided to examine this again in 2015. I found that during the 2009-2015 period that HV over this time period increased on average 4.75x over the next 3 days. While lower, the point remained the same – relatively big moves often emerged after tight consolidations.

It's important to note that the 3/10 Offset HV indicator predicts volatility, not direction. For direction I look to the Aggregator. Tonight the Aggregator is neutral. So the low 3/10 Offset HV suggests that a move in either direction over the next few days could be outsized. This increases both reward potential and risk potential.

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



Without any new studies making the active list, 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.

The last of the short-term studies expired on Wednesday, so expectations over the next few days will be heavily influenced by new evidence that emerges. Meanwhile, the Differential Pivot will be 6689.06 on Thursday. That is 0.3% below Wednesday's close. Therefore, SPX will need to close down at least 0.3% on Thursday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. Short-term evidence is lacking and SPX being overbought reduces reward/risk potential. I'll be exercising patience until the next compelling setup emerges.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 9/22 – **bullish***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

LOW – 1/3 @ \$260.39 (bought @ limit)

LOW – 1/3 @ \$259.81 (bought @ limit)

LOW – 1/3 @ \$257.33 (bought @ limit)

HD – 1/3 @ \$409.77 (bought @ limit)

Broad Market Large Cap CBI – 4 (LOW-3, HD)

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
LOW(1/3)	9/23/2025	\$259.56	\$247.99	-4.46%	Catapult
LOW(1/3)	9/24/2025	\$258.29	\$247.99	-3.99%	Catapult
LOW(1/3)	9/25/2025	\$257.33	\$247.99	-3.63%	Catapult
HD(1/3)	9/25/2025	\$406.79	\$397.02	-2.40%	Catapult

DISCLAIMER: PAST PERFORMANCE, WHETHER ACTUAL OR TESTED, DOES NOT GUARANTEE FUTURE RESULTS, PROFITABILITY, OR CORRELATION TO ANY LISTED SECURITY OR TRADE IDEA.

This publication is produced by Quantifiable Edges, LLC (QE), and is intended solely for informational and educational purposes. It is a regularly issued impersonal financial research commentary, and should not be construed as personalized investment advice, a solicitation to buy or sell securities, or a recommendation tailored to any individual's financial circumstances. Data provided by Tradestation and Norgate Data. The information presented herein is believed to be accurate at the time of publication, but QE makes no representation or warranty as to its completeness or reliability. Opinions, data and analyses are subject to change without notice. Readers are encouraged to conduct their own due diligence and consult with a qualified financial professional before making investment decisions. There is a high degree of risk in trading and simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading or the results of a specific account or group of accounts. Because these trades may not have been executed, results could misrepresent the effects of market factors like liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve results like those shown. QE, its officers and employees do not accept responsibility for any direct or consequential loss resulting from the use of this information.

Mr. Robert Hanna, author of the publication, is separately affiliated with Eastsound Capital Advisors, LLC (ECA), doing business as Capital Advisors 360. ECA is registered as an investment adviser with the Securities and Exchange Commission (SEC). ECA provides individual client services only in states in which it is filed, or which an exemption or exclusion from such filing exists. Registration with the SEC does not imply a certain level of skill or training. Although ECA clients utilizing the approaches developed by Mr. Hanna incidentally receive the QE Gold Subscription at no charge, ECA does not sponsor, endorse or validate its content. Mr. Hanna and/or his clients may hold positions in securities (including derivatives) mentioned herein; however, such holdings are not intended as endorsements and may change without notice and/or differ from published study indications at the sole discretion of Mr. Hanna. No part of this publication may be reproduced, redistributed, or republished without prior written consent from QE.

Copyright © 2025 Quantifiable Edges, LLC.