

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 7, 2025

Volume 18 Issue 190

Market Overview



Signals Overview

Aggregator	CBI Reading
Short	5

Tonight's Research Points

- SPX is up for the 7th day in a row. That has often been followed by more gains over the next few weeks.

Short-term Outlook

The Bottom Line

The Aggregator is bearish, but I am again not terribly excited about shorting.

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						
October 6, 2025	VIX up. SPX 50-high on a Friday.	1-2 days	Bearish			
October 3, 2025	VXX & SPX close at 5-day highs	1-3 days	Bearish			
Active - Long Term						
October 7, 2025	SPX up 7 days in a row. Close > 200ma.	1-20 days	Bullish	3.00%	-2.05%	-4.35%
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			

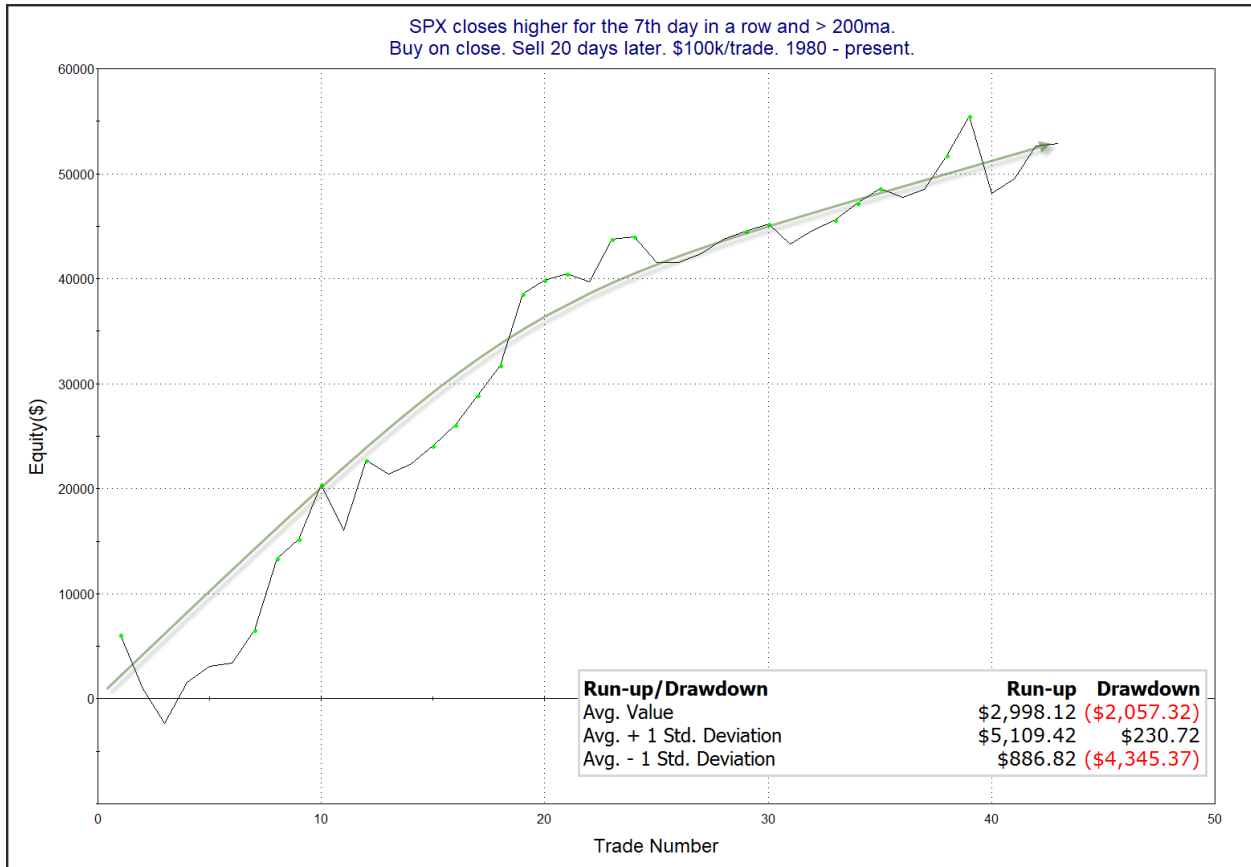
The Evidence

Monday saw more new highs for the stock indices. SPX rose 0.4%, the NASDAQ gained 0.7%, and the Russell 2000 climbed 0.4%. Breadth was a bit weak as the NYSE Up Issues % closed at 46% and the NYSE Up Volume % posted a 50.1% reading. NYSE total volume declined some from Friday's level.

Monday marked the 7th day in a row in which SPX closed higher. Looking back to 1980, there have been 46 previous streaks of 7-day rallies where SPX closed above the 200ma. The study below was last seen in the 11/27/24 letter. I have updated the stats table.

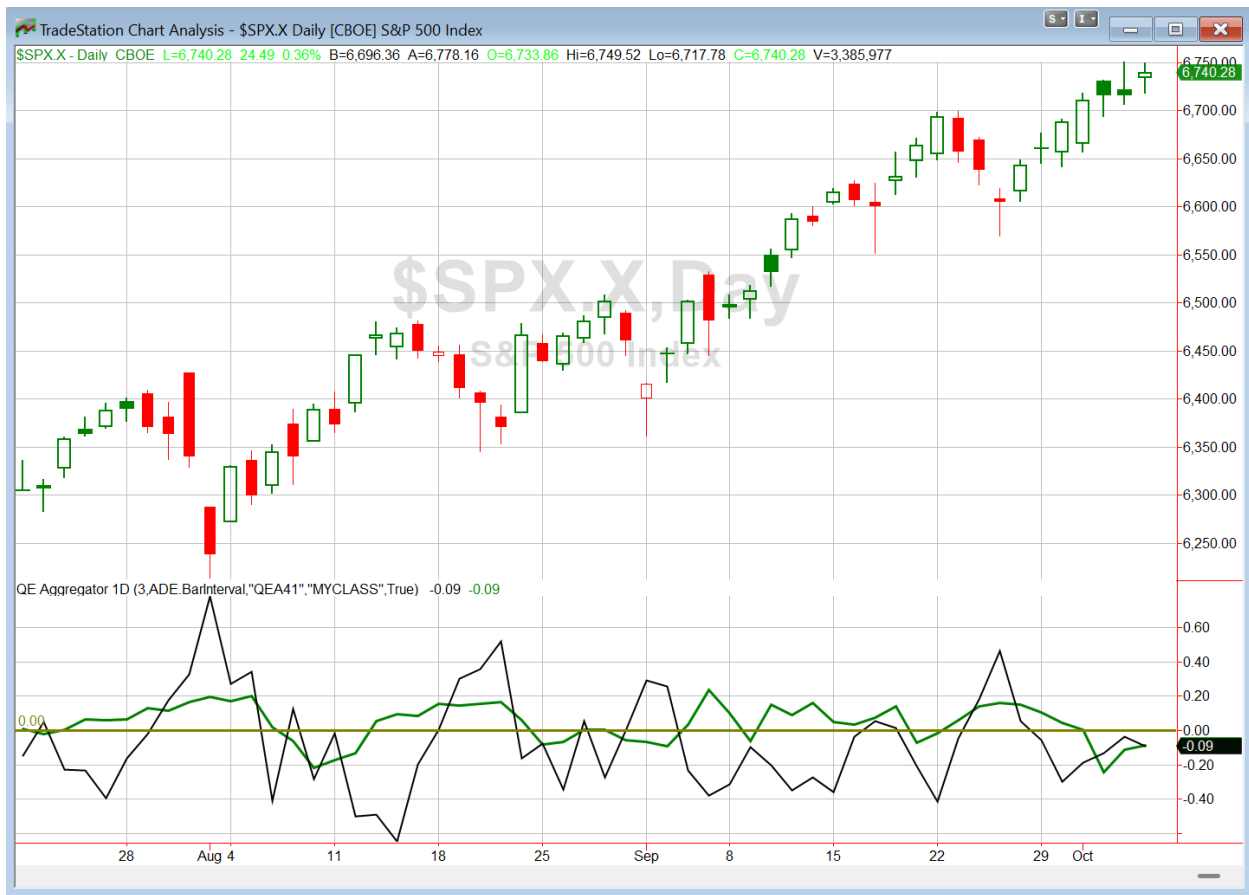
SPX closes higher for the 7th day in a row and > 200ma. Buy on close. Sell X days later. \$100k/trade. 1980 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
20	52,872.86	43	34	9	79.07	6,854.40	-7,384.97	2,365.11	-3,060.11	0.77	2.92	1,229.60
19	54,685.11	43	33	10	76.74	7,580.16	-6,695.96	2,603.51	-3,123.06	0.83	2.75	1,271.75
18	48,009.34	43	30	13	69.77	8,006.40	-7,608.86	2,553.65	-2,200.01	1.16	2.68	1,116.50
17	47,185.97	44	31	13	70.45	7,422.72	-7,532.75	2,503.27	-2,339.64	1.07	2.55	1,072.41
16	40,664.52	44	28	16	63.64	6,021.12	-6,880.25	2,543.54	-1,909.67	1.33	2.33	924.19
15	39,261.69	44	30	14	68.18	6,197.76	-5,270.75	2,281.55	-2,084.63	1.09	2.35	892.31
14	30,061.69	45	34	11	75.56	5,439.96	-5,279.12	1,909.05	-3,167.82	0.60	1.86	668.04
13	31,503.43	45	30	15	66.67	5,349.12	-4,228.00	1,903.05	-1,705.88	1.12	2.23	700.08
12	34,924.74	45	31	14	68.89	5,794.56	-4,104.27	1,835.45	-1,569.58	1.17	2.59	776.11
11	29,842.68	46	28	18	60.87	5,750.00	-3,989.73	1,995.96	-1,446.90	1.38	2.15	648.75
10	25,484.46	46	29	17	63.04	5,076.56	-4,247.60	1,826.06	-1,615.97	1.13	1.93	554.01
9	29,621.59	46	33	13	71.74	4,669.08	-4,677.12	1,535.64	-1,619.57	0.95	2.41	643.95
8	22,812.46	46	31	15	67.39	5,222.40	-4,726.96	1,430.45	-1,435.42	1.00	2.06	495.92
7	19,208.92	46	34	12	73.91	3,635.40	-6,521.20	1,268.63	-1,993.71	0.64	1.80	417.59
6	16,923.60	46	31	15	67.39	3,501.08	-4,932.76	1,165.85	-1,281.18	0.91	1.88	367.90
5	23,412.22	46	35	11	76.09	3,582.84	-2,665.71	1,021.44	-1,121.64	0.91	2.90	508.96
4	14,986.18	46	32	14	69.57	3,720.08	-3,022.92	826.84	-819.49	1.01	2.31	325.79
3	15,984.17	46	30	16	65.22	2,917.08	-2,626.02	906.84	-701.32	1.29	2.42	347.48
2	4,797.18	46	24	22	52.17	1,998.39	-1,508.17	598.90	-435.29	1.38	1.50	104.29
1	-2,383.83	46	21	25	45.65	1,606.89	-840.84	363.91	-401.04	0.91	0.76	-51.82

No apparent edge over the 1st few days, but the market has typically pressed higher over the intermediate term. Momentum this strong often sees follow through. Below is a look at the 20-day profit curve.



More confirmation that suggests the strong momentum is a positive sign for the intermediate-term.

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 also 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 stayed short at the close.

Based on the current active list, expectations are slated to turn slightly positive on Tuesday. Of course this could easily change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6702.50 on Tuesday. That is 0.6% below Monday's close. Therefore, SPX will need to close down 0.6%.

So the Aggregator is bearish. But I'm still not excited about the idea of shorting. With expectations set to flip to positive on Tuesday, there just isn't much time to try and take advantage of a short-side edge. I will continue to wait for a more compelling opportunity before looking for my next possible index trade idea.

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)

CMCSA – 1/3 @ \$30.40 (buy @ limit) – *not filled, cancel for now*

Broad Market Large Cap CBI – 5 (LOW-3, HD, CMCSA)

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	\$241.67	-6.89%	Catapult
LOW(1/3)	9/24/2025	\$258.29	\$241.67	-6.43%	Catapult
LOW(1/3)	9/25/2025	\$257.33	\$241.67	-6.09%	Catapult
HD(1/3)	9/25/2025	\$406.79	\$389.33	-4.29%	Catapult

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