

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 21, 2025

Volume 18 Issue 200

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- The VIX has quickly moved from overbought to oversold. In the past, that has been followed by short-term SPX strength.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. That's where my head is at as well.

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

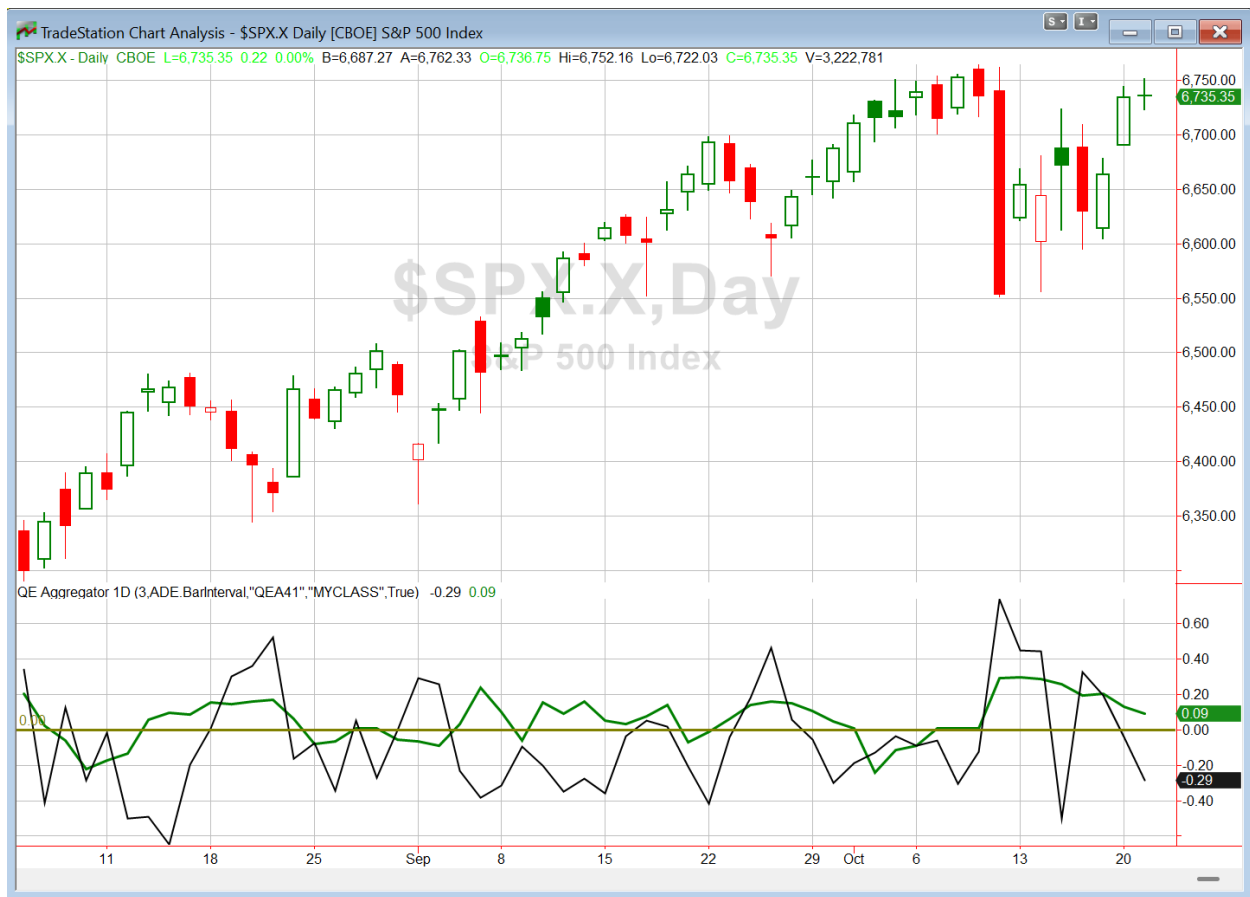
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
October 20, 2025	SP dn 1% then sideways for 5 days	1-3 days	Bullish			
October 13, 2025	1st 10-day low > 30 days	1-8 days	Bullish			
Active - Long Term						
October 8, 2025	SP up 5+ to 50-high then down 1	1-10 days	Bullish	1.80%	-1.10%	-2.30%
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

The indices did not change much on Tuesday. SPX rose 0.22 *points*, the NASDAQ declined 0.16%, and the Russell 2000 lost 0.49%. Breadth was mixed as the NYSE Up Issues % closed at 57% and the NYSE Up Volume % posted a 49% reading. NYSE total volume rose some from Monday's level.

The mixed and mild action did not trigger any compelling evidence tonight. With it being Tuesday when I often produce an abbreviated letter anyway, I will keep it brief tonight. No new studies are being added to the active list.

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



Without anything new triggering tonight, 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 are set to expire on Wednesday. So expectations will remain slightly positive based on the intermediate-term outlook. But any new evidence that emerges will have a strong impact on expectations over the next few days. Meanwhile, the Differential Pivot will be 6707.48. That is 0.4% below Tuesday's close. Therefore, SPX will need to close down at least 0.4% on Wednesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. I am not arguing with that, and I am not inclined to look for any new short-term index exposure. I'll wait to see how Wednesday plays out and what new evidence emerges before considering my next move.

Intermediate-term Outlook (2 weeks – 2 months) – updated 10/20 – *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
CMCSA(1/3)	10/10/2025	\$30.08	\$29.97	-0.37%	<i>sell on open</i>
SPY(1/4)	10/17/2025	\$659.50	\$671.44	1.81%	<i>sold on open</i>

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