

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 28, 2025

Volume 18 Issue 205

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	0

## Tonight's Research Points

- 3 days up to a 200-day high on a Monday is often followed by more buying.
- 2 unfilled up gaps and a 50-day high are a short-term positive.
- The short-term bullish seasonal letter from over the weekend is now kicking in.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. I am 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
<b>Active - Short Term</b>						
October 28, 2025	3 up to 200-high on a Monday	1-3 days	Bullish	0.90%	-0.50%	-1.00%
October 28, 2025	2 unfilled gaps and a 50-day high	1-4 days	Bullish	1.00%	-0.80%	-1.85%
October 28, 2025	Mon aft 4th Fri in October starts bullish run	1-5 days	Bullish	2.60%	-1.20%	-2.45%
October 27, 2025	SPX breajout on lower volume	1-5 days	Bullish	1.40%	-1.00%	-1.90%
October 27, 2025	SPY Breakaway Gap	1-5 days	Bullish	1.40%	-0.90%	-1.80%
<b>Active - Long Term</b>						
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			

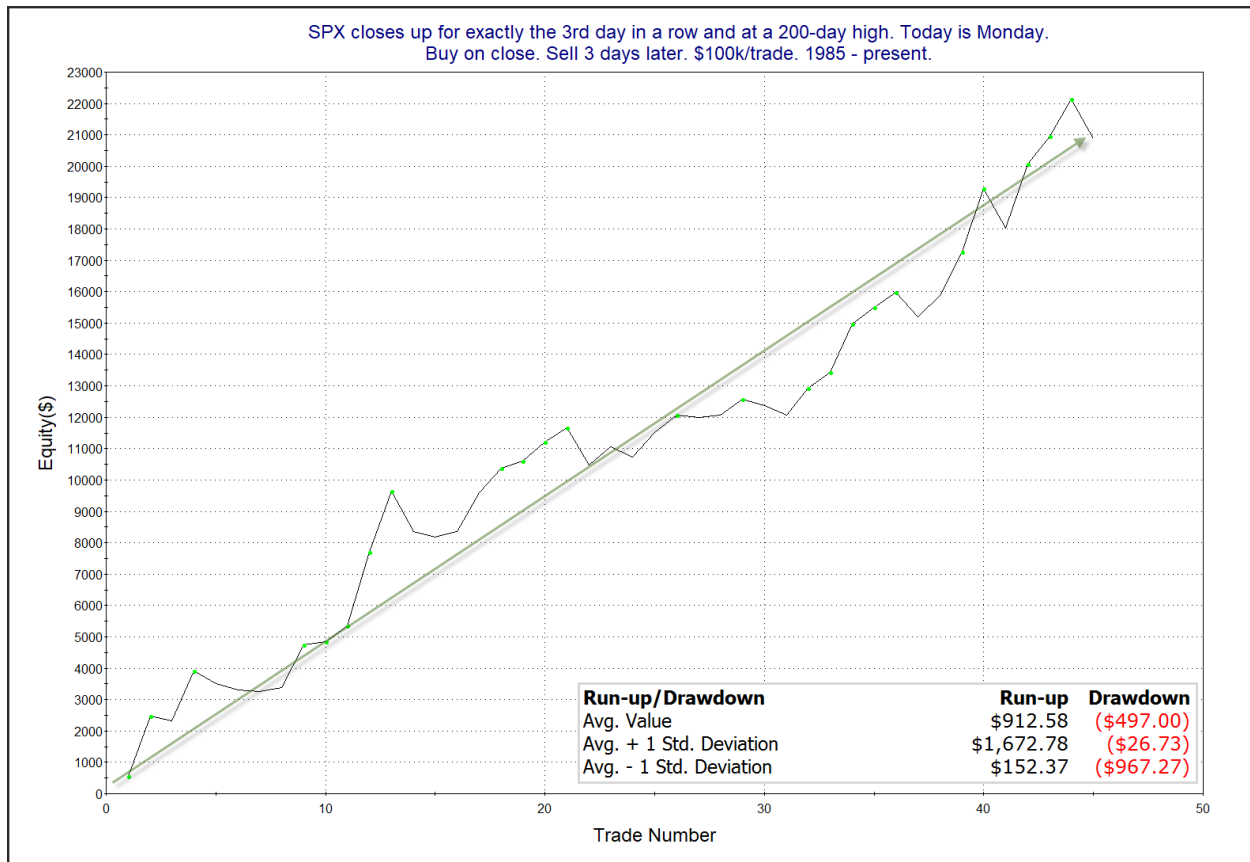
**The Evidence**

Monday was another rally day. SPX gained 1.2%, the NASDAQ rose 1.9%, and the Russell 2000 climbed 0.3%. Breadth was positive as the NYSE Up Issues % closed at 57% and the NYSE Up Volume % posted a 61% reading. NYSE total volume rose some from Friday’s level.

One interesting study that triggered looked at other times SPX closed up 3 days in a row and made a new 200-day high on a Monday. Results below are updated from the 9/23/25 letter.

SPX closes up for exactly the 3rd day in a row and at a 200-day high. Today is Monday. Buy on close. Sell X days later. \$100k/trade. 1985 - 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	26,917.66	45	31	14	68.89	3,565.00	-1,497.69	1,182.84	-696.45	1.70	3.76	598.17
4	20,320.20	45	28	17	62.22	3,489.10	-2,042.82	1,165.43	-724.22	1.61	2.65	451.56
3	20,890.14	45	31	14	68.89	2,359.80	-1,300.86	918.79	-542.31	1.69	3.75	464.23
2	16,364.67	45	32	13	71.11	2,426.12	-1,482.30	680.61	-416.53	1.63	4.02	363.66
1	5,533.26	45	24	21	53.33	1,687.28	-539.07	428.45	-226.16	1.89	2.17	122.96

Results here appear quite bullish. Below is a look at the 3-day profit curve.



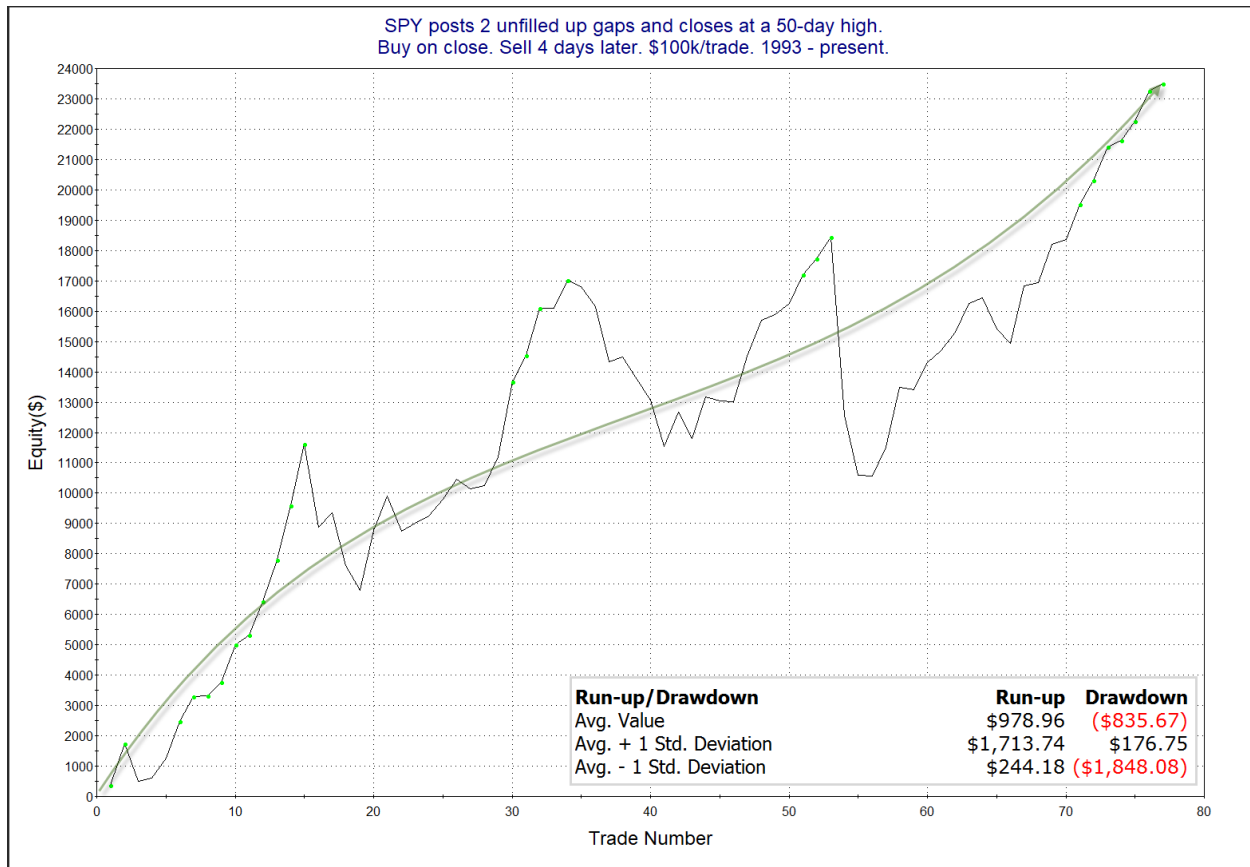
That is a very consistent move from lower left to upper right. I find the study appealing, and have included it on the active list as a 3-day edge.

Monday not only saw SPY make a new high, but it was also the 2<sup>nd</sup> day in a row with an unfilled gap up. The study below was last seen in the 9/12/25 letter. It examined other times SPY left at least 2 unfilled up gaps and closed at a 50-day high.

SPY posts 2 unfilled up gaps and closes at a 50-day high.  
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	19,135.73	76	53	23	69.74	2,709.12	-4,990.35	897.95	-1,237.20	0.73	1.67	251.79
4	23,498.14	77	55	22	71.43	2,475.56	-5,867.91	865.94	-1,096.75	0.79	1.97	305.17
3	14,771.88	77	54	23	70.13	2,419.84	-6,980.31	637.50	-854.49	0.75	1.75	191.84
2	10,532.45	79	47	31	59.49	1,858.87	-1,729.75	537.82	-475.65	1.13	1.71	133.32
1	1,255.68	92	48	44	52.17	1,431.75	-1,942.24	329.54	-330.97	1.00	1.09	13.65

The size of the follow-through isn't terribly large, but the numbers appear consistent enough to warrant further examination. Below is the 4-day profit curve.



There were some sizable losers in 2020, including one in June of that year which lost nearly 6%. But the curve has certainly righted itself since then, rallying impressively since early 2021. And the last 11 instances have all been winners. I have decided to add this study to the active list tonight as well.

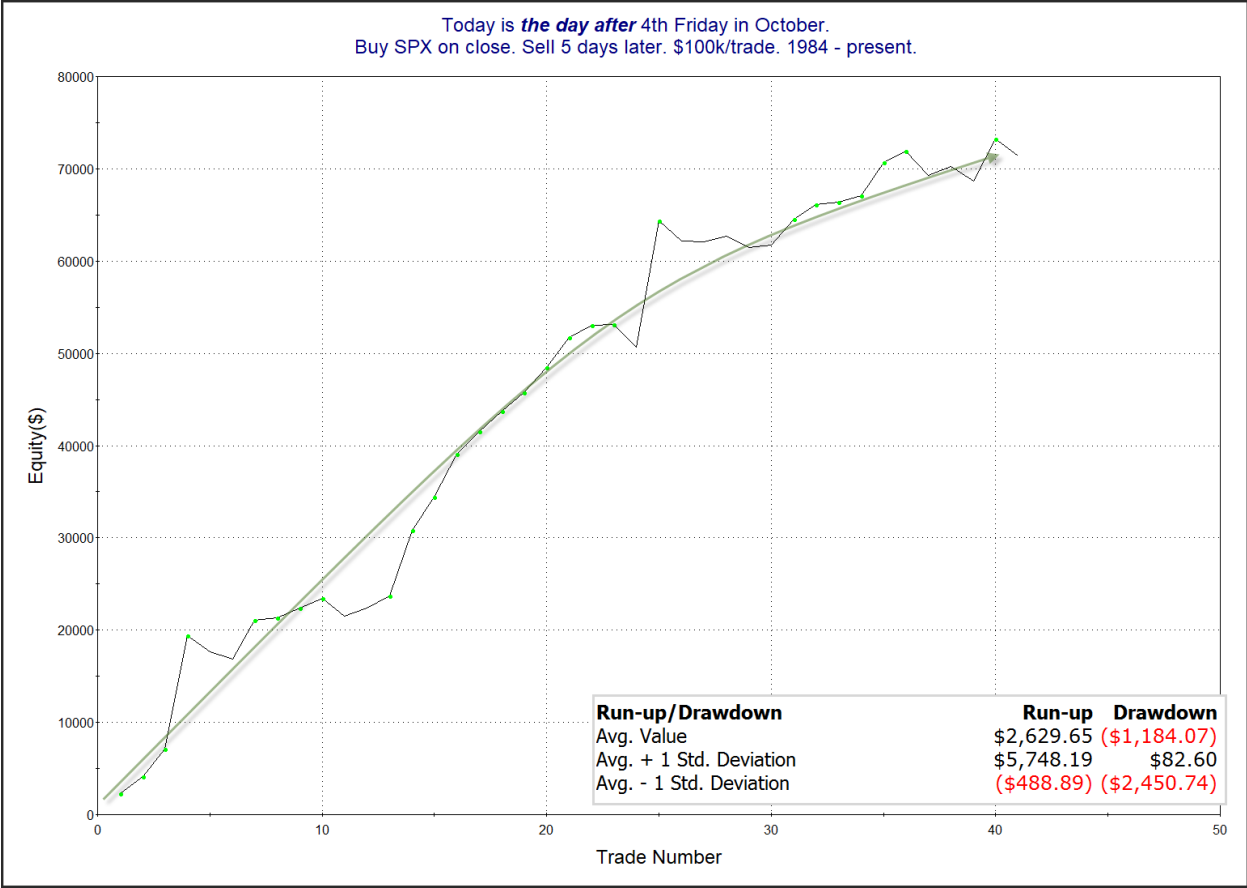
Lastly...this seasonal study from the weekend letter is now kicking in...

*...But Tuesday through the following Monday have shown very positive seasonality. This can be seen below.*

Today is *the day after* 4th Friday in October.  
Buy SPX on close. Sell X days later. \$100k/trade. 1984 - present.

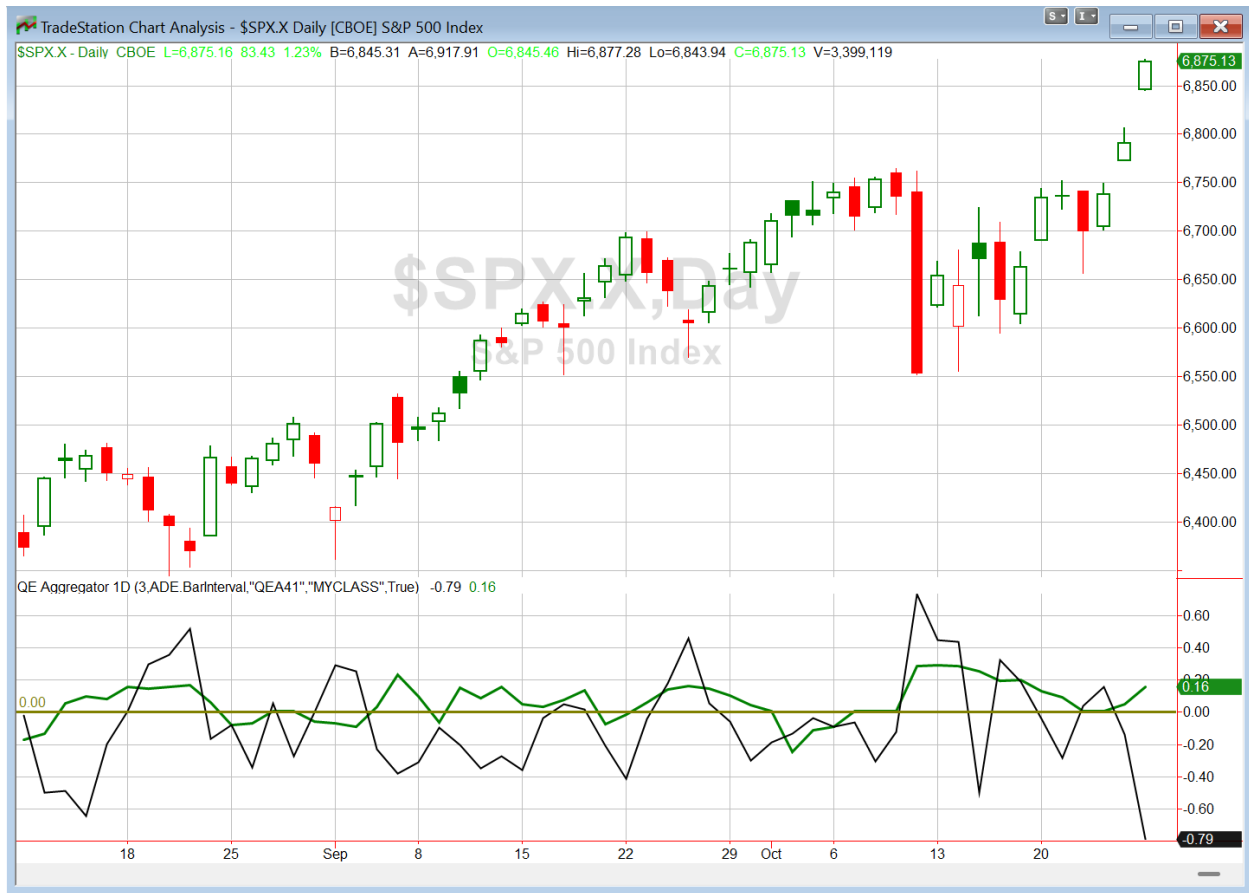
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	71,359.37	41	31	10	75.61	13,733.46	-2,631.17	2,840.70	-1,670.23	1.70	5.27	1,740.47
4	55,295.61	41	29	12	70.73	14,020.11	-3,799.29	2,562.62	-1,585.03	1.62	3.91	1,348.67
3	44,542.13	41	29	12	70.73	12,304.89	-3,802.25	2,056.30	-1,257.55	1.64	3.95	1,086.39
2	22,580.25	41	29	12	70.73	9,496.89	-3,768.26	1,336.55	-1,348.30	0.99	2.40	550.74
1	23,512.39	41	26	15	63.41	10,716.03	-2,766.58	1,330.20	-738.20	1.80	3.12	573.47

The stats here are very strong across the board and suggestive of an upside edge. Below is a look at the 5-day profit curve.



The curve has headed upwards for a long time...

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 is now far below zero. The negative Differential Line reading means that SPX is strongly 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 list of active studies, expectations are set to remain positive on Tuesday. Of course this could change if compelling bearish evidence emerges. Meanwhile, the Differential Pivot will be 6743.48. That is 1.9% below Monday's close. Therefore, SPX will need to close down at least 1.9% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. Evidence keeps pointing higher despite the market being strongly overbought. This suggests poor reward/risk. So I will stay sidelined and awaiting the next favorable entry opportunity before acting.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 10/27 – **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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