

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 30, 2025

Volume 18 Issue 207

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- When an overbought SPX has pulled back as little as it did Wednesday, it may not want to pull back at all, and has often continued higher over the next 1 to 2 days.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am as well.

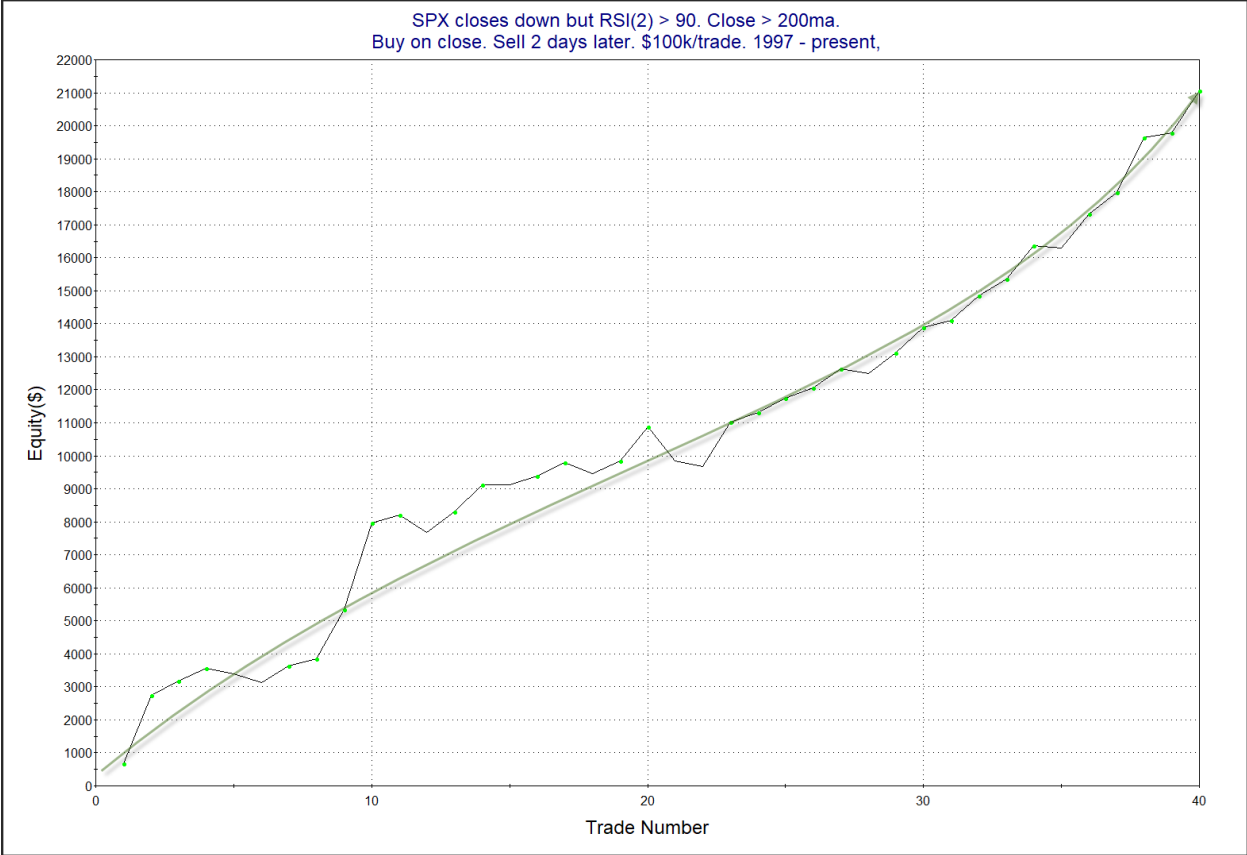
The Evidence

Wednesday saw back and forth action with a mixed finish. SPX lost 0.32 *points*, the NASDAQ rose 0.55%, and the Russell 2000 fell 0.9%. Breadth was weak as the NYSE Up Issues % closed at 29% and the NYSE Up Volume % posted a 35% reading. NYSE total volume rose some from Tuesday's level.

The move higher recently turned many short-term oscillators strongly overbought. With such a small SPX decline on Wednesday, SPX is still strongly overbought as measured by the 2-day RSI. The 2-day RSI is a sensitive indicator so it would take a very small decline from a very overbought position in order for it to remain above 90 on a down day. This is what happened on Wednesday. I've shown this study many times over the years. Updated results can be found below.

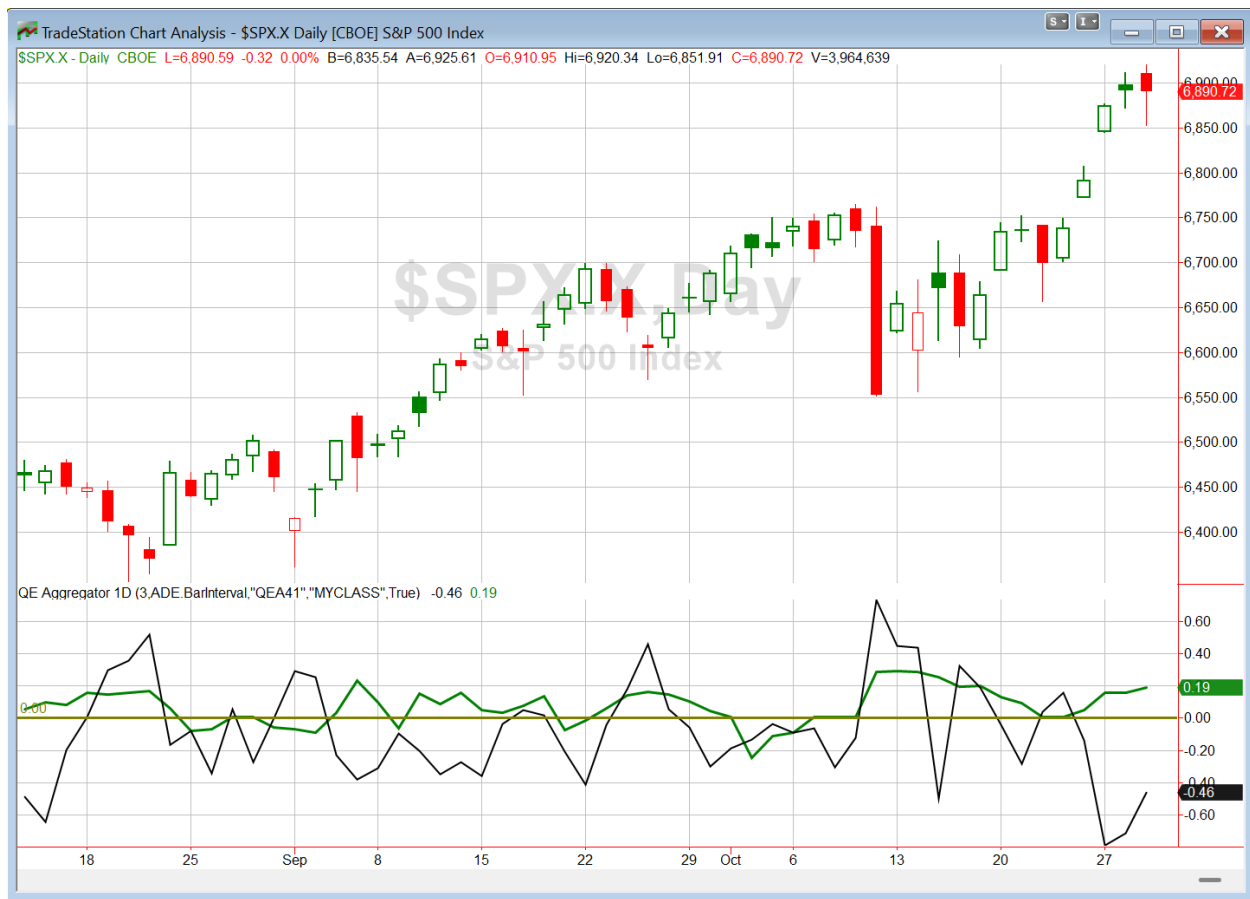
SPX closes down but RSI(2) > 90. Close > 200ma. Buy on close. Sell X days later. \$100k/trade. 1997 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	18,339.45	37	22	15	59.46	4,121.28	-2,008.73	1,319.94	-713.28	1.85	2.71	495.66
4	14,430.68	38	25	13	65.79	3,806.46	-1,717.70	966.63	-748.85	1.29	2.48	379.75
3	20,187.34	41	27	14	65.85	2,923.44	-1,123.50	962.82	-414.92	2.32	4.48	492.37
2	21,405.95	41	32	9	78.05	2,619.76	-1,054.68	753.91	-302.13	2.50	8.87	522.10
1	10,689.21	41	29	12	70.73	2,310.88	-704.76	489.52	-292.24	1.68	4.05	260.71

The stats here are all appealing over the 1-2 day period. Winning %, win/loss ratio, and profit factor all strongly favor the bulls. Below is a profit curve assuming a 2-day holding period.



The profit curve shows a strong upslope. I have added this study to the Active List.

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 again 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 Thursday. This is highly unlikely to change. Meanwhile, the Differential Pivot will be 6890.25. That is less than 1 point below Wednesday's close. Therefore, SPX will turn oversold with just about any down close, and will remain overbought on any flat or up close.

So the Aggregator is neutral. And Wednesday did not really change anything from a short-term perspective. (A long-term positive was the Fed announcing it will end QT on December 1st, but I will talk more about that over the weekend.) Short-term evidence keeps pointing higher despite the market being overbought. This suggests poor reward/risk. So I will stay sidelined and awaiting the next favorable entry opportunity before acting on my next short-term trade idea.

*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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