

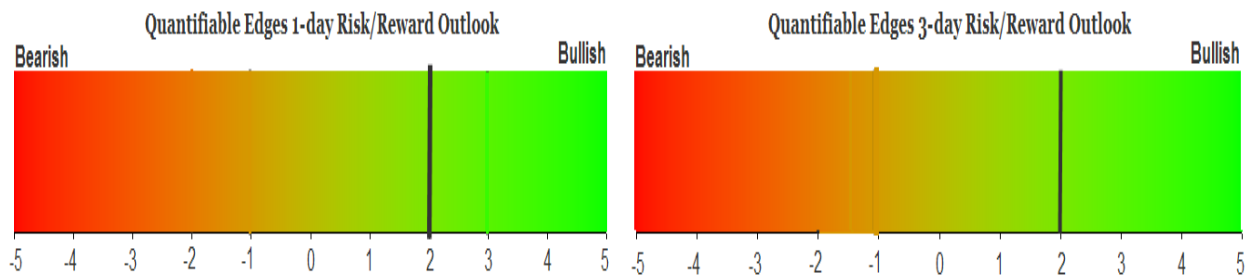
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 17, 2025

Volume 18 Issue 219

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- Seasonality this upcoming week is not terribly strong.
- The NASDAQ has fallen into a lagging position versus the SPX, which while not outright negative does suggest the market is more susceptible to struggles.
- The Fed appears neutral as QT is nearing an end.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. There appears to be a decent upside edge.

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						
November 14, 2025	SPX dn 1%.Advancers 2x Decliners. 4-low	1-5 days	Bullish	2.30%	-2.05%	-4.50%
Active - Long Term						
November 17, 2025	NASDAQ lagging	int term	Neutral			
November 3, 2025	Best 6 Months	1-6 months	Bullish			
October 31, 2025	Hindenburg Omen Cluster	1-35 days	Bearish			
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			
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			
Dropped Tonight (expired, target hit, or avg drawdown + 1 std dev exceeded)						
November 13, 2025	Up > 1.5% then sideways 2 days > 200	1-5 days	Bearish	-2.10%	1.20%	2.20%

The Evidence

The market gapped down on Friday but finished mixed. SPX closed down 0.05%, the NASDAQ rose 0.1%, and the Russell 2000 gained 0.2%. Breadth was weak as the NYSE Up Issues % closed at 40% and the NYSE Up Volume % posted a 38% reading. NYSE total volume declined some from Thursday’s level.

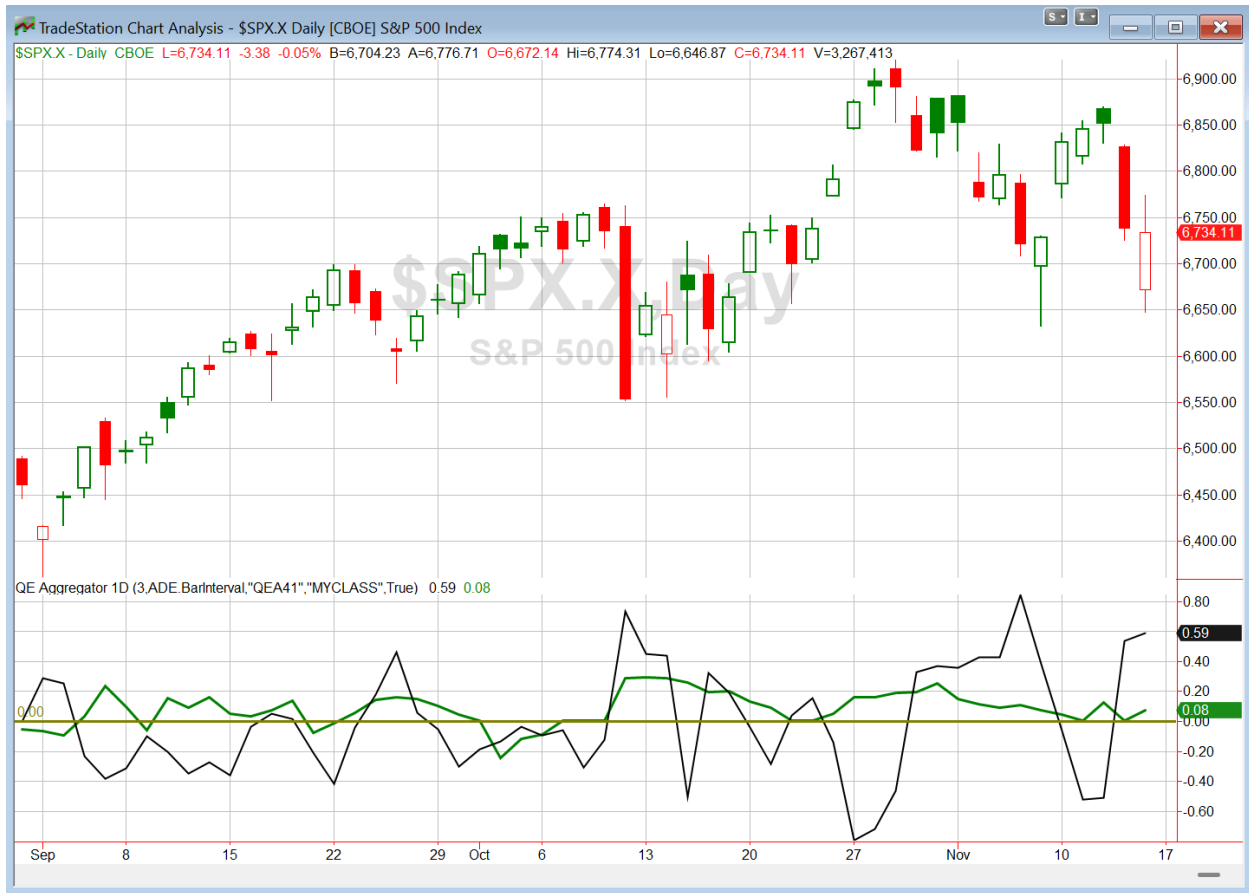
I reviewed a few study ideas this weekend, but nothing looked compelling from a short-term perspective. So no new short-term studies will be added to the active list. But it is notable that the bearish study from Wednesday night that looked at strong up days (last Monday) followed by 2 sideways days (Tues & Wed) reached its target level with the gap down on Friday morning. So that study has been removed from the active list, leaving only the one bullish study among those on the Short-Term Active List.

Below is a look at the Seasonality Calendar, with this upcoming week shown in the box.

Quantifiable Edges Seasonality Calendar			
\$SPX S&P 500 Index			
Date	Win%	Profit Factor	Avg % Chg
11/3/2025	58.74	1.521	0.153
11/4/2025	53.14	1.178	0.048
11/5/2025	59.15	1.448	0.124
11/6/2025	53.30	1.113	0.029
11/7/2025	56.05	1.256	0.085
11/10/2025	59.47	1.589	0.130
11/11/2025	57.44	1.653	0.155
11/12/2025	60.08	1.636	0.156
11/13/2025	56.76	1.417	0.077
11/14/2025	57.55	1.689	0.169
11/17/2025	57.90	1.220	0.057
11/18/2025	52.78	1.327	0.085
11/19/2025	53.06	1.008	-0.008
11/20/2025	50.41	1.011	-0.003
11/21/2025	47.92	0.974	-0.017
11/24/2025	60.27	1.393	0.094
11/25/2025	59.19	1.371	0.089
11/26/2025	57.92	1.351	0.075
11/28/2025	55.96	1.137	0.033
Baseline	54.44	1.158	0.054

Numbers don't look terribly strong most days this week, and Friday's are actually negative across the board. It is not a great week from a seasonality standpoint. Thanksgiving week IS typically a strong week for the market. I'll break down Thanksgiving week tendencies in more detail next weekend.

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



With tonight's evidence considered (including long-term), 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 above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator formation stayed long at the close.

Based on the current list of active studies, expectations are set to remain positive on Monday. This could easily change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6861.21. That is 1.9% above Friday's close. Therefore, SPX will need to close up at least 1.9% on Monday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. There is ample room to the upside before SPX would turn overbought. But while evidence is bullish there was not any confirming evidence that emerged on Friday. There does appear to be a bit of an upside edge. It will probably look more compelling if SPX closes down for a 3rd day in a row heading into a potential Turnaround Tuesday. Traders might want to consider a long-side entry on Monday if there is an opportunistic gap down or a close lower.

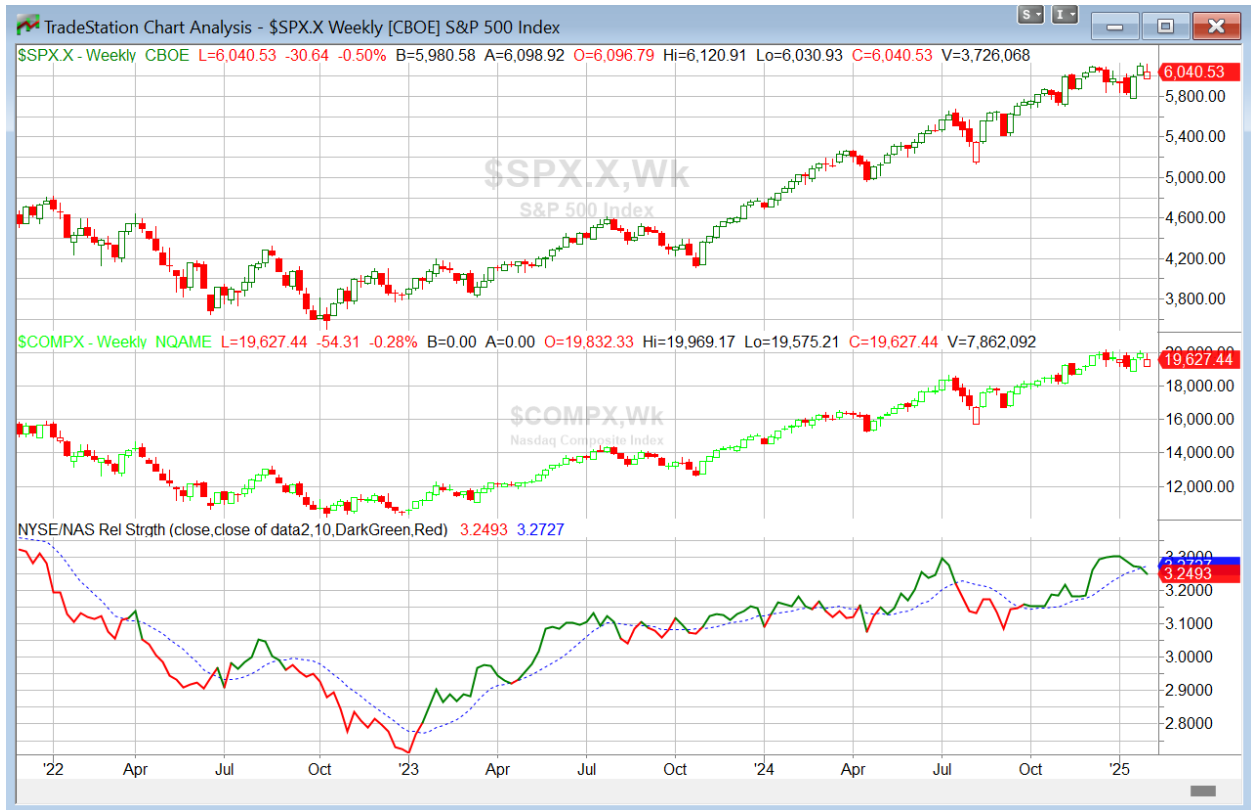
Intermediate-term Outlook (2 weeks – 2 months) – updated 11/17 – neutral

Combo #1	Combo #2	Combo #3	Combo #4
Long \$SPX	Long \$SPX	Flat	Long \$SPX

Above is the status of the different Combination Signals from the Quantifiable Edges Market Dynamics Course. Signals are long-term in nature. All 4 can be either flat or long. None of them look to short. More information on these signals can be found in the Quantifiable Edges Market Dynamics Course, which is included with all annual subscriptions. *All of the Combo signals saw changes this week.*

The major stock indices saw mixed results this past week. The SPX rose 0.1%, the NASDAQ lost 0.45%, and the Russell 2000 dropped 1.8%. Bonds struggled. The US Aggregate Bond ETF (AGG) dipped 0.2%. TLT, the 20-year Treasury Bond ETF, declined 0.8%. Despite the pullback, the SPX and NASDAQ remain well above their long-term moving averages, so the uptrend likely remains intact.

One notable indicator that changed position is our NASDAQ/SPX Relative Leadership indicator. The selling in the NASDAQ caused it to fall into a lagging position. This can be seen in the chart below.



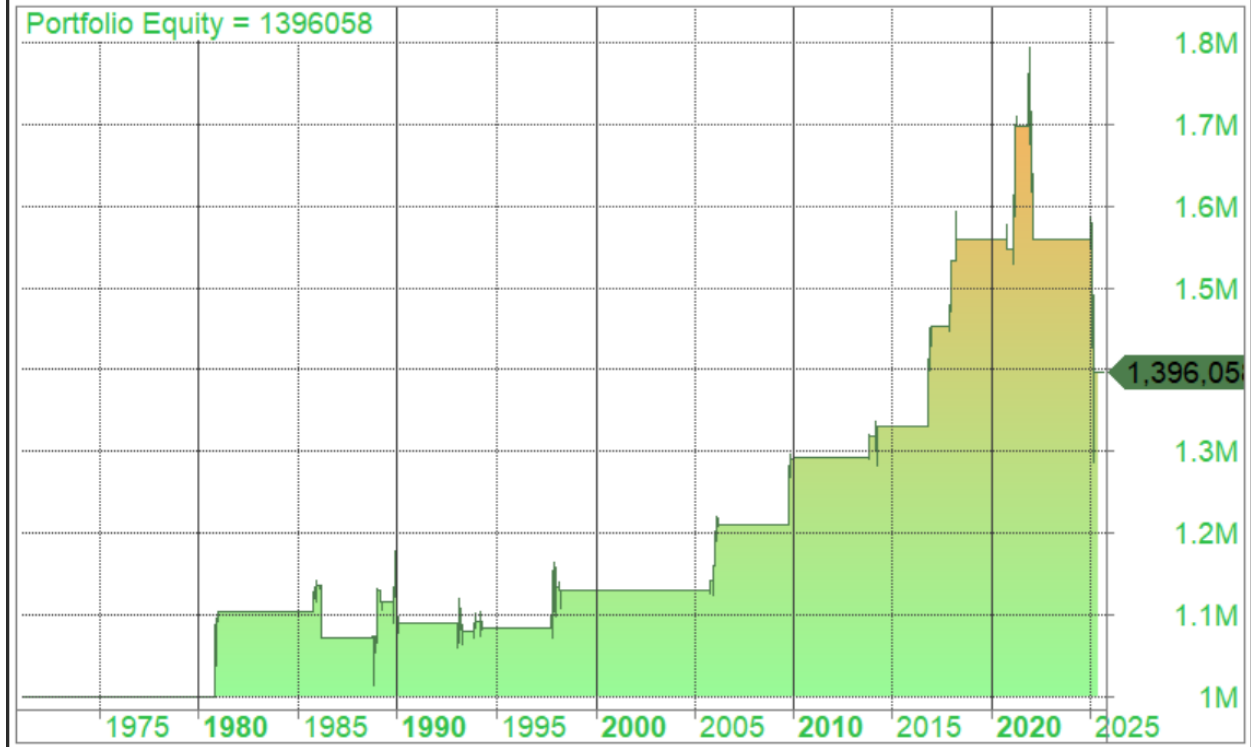
In the bottom pane, the movement of the green line (which is about to turn red) below the blue dotted line is our indication that the NASDAQ is in a lagging position. Since 12/31/1971, the market has performed substantially better when the NASDAQ has been leading. This can be seen in the table below.

Historical Compound Returns of \$100,000 Starting Portfolio Using the NASDAQ/SPX Relative Leadership Indicator as a Filter. 12/31/71 - 11/14/25.			
	Compound Annual Growth Rate	Max Drawdown	End Value of \$100,000
S&P 500 Index	8.08%	-56.78%	\$6,596,248.58
SPX when NASDAQ lags	-0.04%	-67.21%	\$97,618.96
SPX when NASDAQ leads	8.13%	-33.92%	\$6,757,138.55
NASDAQ Composite	10.33%	-77.93%	\$20,067,113.03
NASDAQ when lagging	-1.46%	-85.53%	\$45,338.09
NASDAQ when leading	11.97%	-40.62%	\$44,261,050.49
NASDAQ when leading (with interest when in cash)*	14.45%	-37.64%	\$144,521,168.42
*interest on cash calculated at historical 30-day Fed Funds rate		🏠(Ctrl) ▾	

SPX performance has been 8.13% compound annual growth rate (CAGR) when the NASDAQ is leading vs **-0.04%** when NASDAQ is lagging. The NASDAQ performance difference is even more dramatic. It has returned 11.97% CAGR when leading versus **-1.46%** when lagging. More on this indicator can be found in the Market Dynamics Course. (Free for all annual subscribers.)

I decided also to take a look at how the market has done when all original 4 Market Dynamics Course indicators have been aligned as they are now. That means: 1) SPX “Golden Cross” in effect, 2) the NASDAQ is lagging, 3) unfavorable Presidential Cycle, and 4) “Best” 6 months in effect. Below is a chart showing SPX performance during this alignment.

Performance of a \$1 million starting portfolio invested under the following conditions and in cash (0% interest) otherwise: 1) SPX is in Golden Cross formation, 2) NASDAQ is lagging 3) we are in Best 6 Months, and 4) Presidential Cycle is "unfavorable".



This curve is not outright bearish. The last couple of instances have been quite punishing, though. This can be seen in the hypothetical trade list below.

Hypothetical trade signals triggered under the following conditions: 1) SPX is in Golden Cross formation, 2) NASDAQ is lagging 3) we are in Best 6 Months, and 4) Presidential Cycle is "unfavorable".

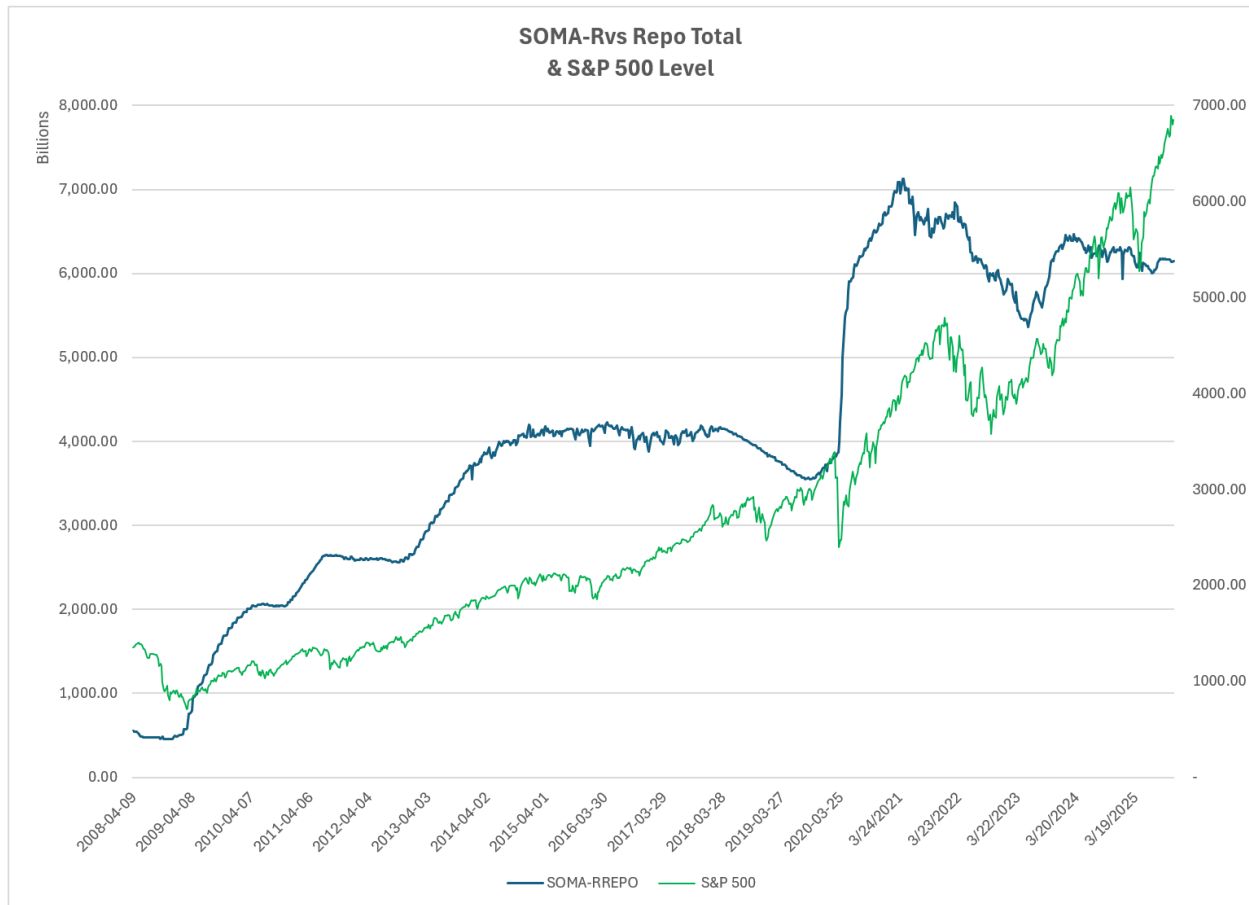
Symbol	Trade	Date	Price	Ex. date	Ex. Price	% chg
\$SPX	Long	11/7/1980	129.18	12/5/1980	134.03	3.75%
\$SPX	Long	12/12/1980	129.23	1/2/1981	136.34	5.50%
\$SPX	Long	1/9/1981	133.48	1/16/1981	134.77	0.97%
\$SPX	Long	10/31/1985	189.82	11/8/1985	193.72	2.05%
\$SPX	Long	11/22/1985	201.52	11/29/1985	202.17	0.32%
\$SPX	Long	12/13/1985	209.94	1/3/1986	210.88	0.45%
\$SPX	Long	3/14/1986	236.55	3/21/1986	233.34	-1.36%
\$SPX	Long	3/27/1986	238.97	4/4/1986	228.69	-4.30%
\$SPX	Long	10/31/1988	278.97	12/30/1988	277.72	-0.45%
\$SPX	Long	1/6/1989	280.67	2/3/1989	296.97	5.81%
\$SPX	Long	3/17/1989	292.69	3/23/1989	288.98	-1.27%
\$SPX	Long	4/21/1989	309.61	4/28/1989	309.64	0.01%
\$SPX	Long	10/31/1989	340.36	2/16/1990	332.72	-2.24%
\$SPX	Long	2/12/1993	444.58	4/30/1993	440.19	-0.99%
\$SPX	Long	11/19/1993	462.6	12/3/1993	464.89	0.50%
\$SPX	Long	12/10/1993	463.93	12/31/1993	466.45	0.54%
\$SPX	Long	3/31/1994	445.77	4/19/1994	442.54	-0.72%
\$SPX	Long	10/31/1997	914.62	1/23/1998	957.58	4.70%
\$SPX	Long	3/20/1998	1,099.16	3/27/1998	1,095.44	-0.34%
\$SPX	Long	4/3/1998	1,122.7	4/17/1998	1,122.72	0.00%
\$SPX	Long	10/31/2005	1,207.01	11/4/2005	1,220.14	1.09%
\$SPX	Long	12/23/2005	1,268.66	1/6/2006	1,285.45	1.32%
\$SPX	Long	1/20/2006	1,261.49	1/27/2006	1,283.72	1.76%
\$SPX	Long	2/10/2006	1,266.99	3/3/2006	1,287.23	1.60%
\$SPX	Long	3/10/2006	1,281.58	3/31/2006	1,294.83	1.03%
\$SPX	Long	10/30/2009	1,036.19	12/4/2009	1,105.98	6.74%
\$SPX	Long	1/29/2010	1,073.87	2/12/2010	1,075.51	0.15%
\$SPX	Long	11/8/2013	1,770.61	11/29/2013	1,805.81	1.99%
\$SPX	Long	3/21/2014	1,866.52	4/30/2014	1,883.95	0.93%
\$SPX	Long	11/4/2016	2,085.18	1/6/2017	2,276.98	9.20%
\$SPX	Long	12/1/2017	2,642.22	1/12/2018	2,786.24	5.45%
\$SPX	Long	4/6/2018	2,604.47	4/30/2018	2,648.05	1.67%
\$SPX	Long	11/13/2020	3,585.15	11/20/2020	3,557.54	-0.77%
\$SPX	Long	2/26/2021	3,811.15	4/30/2021	4,181.17	9.71%
\$SPX	Long	12/3/2021	4,538.43	3/14/2022	4,173.11	-8.05%
\$SPX	Long	1/31/2025	6,040.53	4/14/2025	5,405.97	-10.51%

While we would rather see the NASDAQ leading, most of the Market Dynamics Course Combo Systems remain “long”. They have just switched from NDX to SPX.

The Fed posted the latest update to the SOMA holdings on Thursday. It can be found below.

Domestic Security Holdings as of	
Previous	November 12, 2025 <i>Posted November 13, 2025 at 4:30 PM</i>
<div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; padding-bottom: 5px;"> SUMMARY T-BILLS T-NOTES AND T-BONDS FRNS TIPS AGENCY DEBTS MBS CMBS </div>	
SECURITY TYPE	TOTAL (\$Thousands)
US Treasury Bills (T-Bills)	195,492,926.7
US Treasury Notes and Bonds (Notes/Bonds)	3,560,730,145.0
US Treasury Floating Rate Notes (FRNs)	14,298,365.0
US Treasury Inflation-Protected Securities (TIPS)*	309,716,153.4
Federal Agency Securities**	2,347,000.0
Agency Mortgage-Backed Securities***	2,062,093,057.4
Agency Commercial Mortgage-Backed Securities***	7,869,787.8
Total SOMA Holdings	6,152,547,435.4

The SOMA account holdings held firm this past week. Meanwhile, reverse repos declined \$6.9 billion for the week ending 11/12/25. A decline in reverse repos can act as a liquidity injection. Combined for the week, SOMA and reverse repo action accounted for a liquidity infusion of about \$6.9 billion (through Wednesday the 12th. Below is an updated SOMA-Reverse Repo and SPX chart looking back to 2008.



Reverse repos are near zero for the first time in years. So unless that changes, they will not be providing much influence on liquidity flows. At the October Fed meeting, the Fed announced that Quantitative Tightening (QT) will end on December 1st. So we won't see much influence from that anymore either. Two liquidity influences that have loomed large over the last several years may soon be fairly dormant...until the Fed again decides to change policy based on their perception of economic developments.

With regards to rates, additional cuts appear less likely than a few weeks ago. December odds are 44% that rates will be reduced ¼ point. That is down from 91% three weeks ago. Meanwhile, January odds again show a 65% chance they will be lower. This can be seen in the graphics below, courtesy of the CME Fedwatch tool.

Target Rate

10 Dec25 28 Jan26 18 Mar26 29 Apr26 17 Jun26 29 Jul26 16 Sep26 28 Oct26 9 Dec26 27 Jan27 17 Mar27 28 Apr27 9 Jun27 28 Jul27 15 Sep27 27 Oct27

Current

Compare

Probabilities

Aggregated

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
10 Dec 2025	ZQZ5	31 Dec 2025	96.1950	39,181	205,790	44.4 %	55.6 %	0.0 %

Historical

Historical

Downloads

Prior Hikes

Dot Plot

Chart

Table

Tools

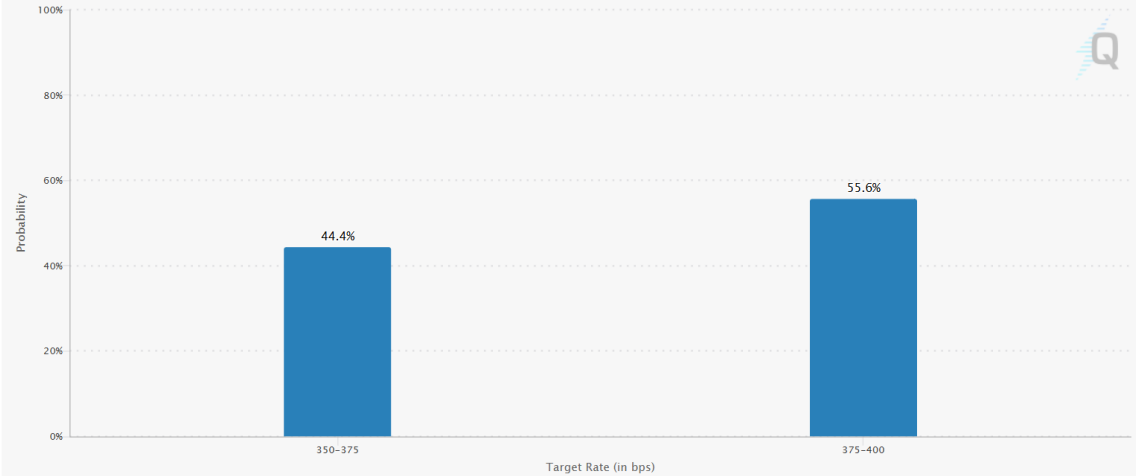
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SOFR Watch

ESTR Watch

Target Rate Probabilities for 10 Dec 2025 Fed Meeting

Current target rate is 375-400



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW*	1 DAY 14 NOV 2025	1 WEEK 7 NOV 2025	1 MONTH 15 OCT 2025
350-375	44.4%	44.4%	66.9%	94.2%
375-400 (Current)	55.6%	55.6%	33.1%	5.7%
400-425	0.0%	0.0%	0.0%	0.1%

* Data as of 15 Nov 2025 05:10:50 CT

Target Rate

10 Dec25 28 Jan26 18 Mar26 29 Apr26 17 Jun26 29 Jul26 16 Sep26 28 Oct26 9 Dec26 27 Jan27 17 Mar27 28 Apr27 9 Jun27 28 Jul27 15 Sep27 27 Oct27

Current

Compare

Probabilities

Aggregated

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
28 Jan 2026	ZQF6	30 Jan 2026	96.2450	179,563	460,875	65.3 %	34.7 %	0.0 %

Historical

Historical

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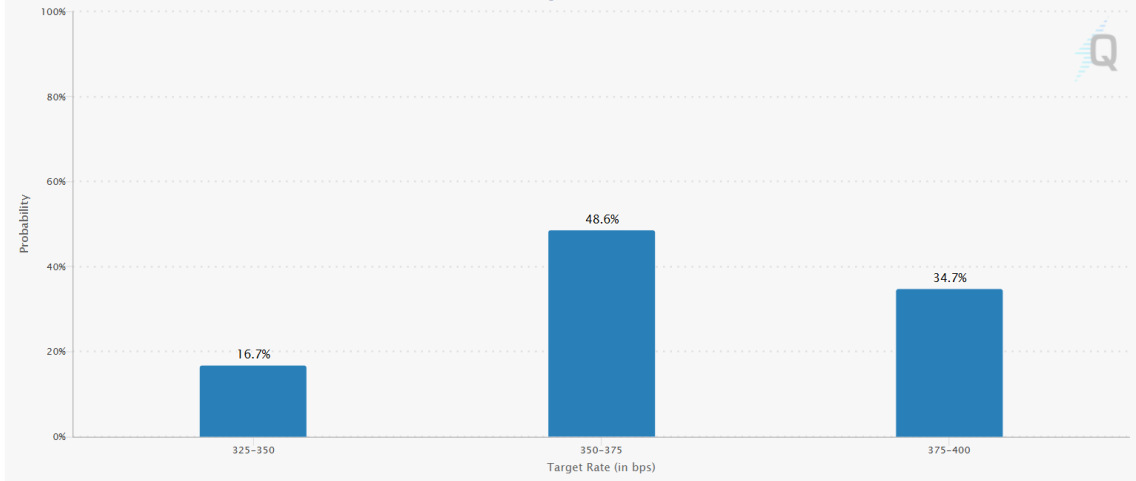
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SOFR Watch

ESTR Watch

Target Rate Probabilities for 28 Jan 2026 Fed Meeting

Current target rate is 375-400



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW*	1 DAY 14 NOV 2025	1 WEEK 7 NOV 2025	1 MONTH 15 OCT 2025
325-350	16.7%	16.7%	28.2%	50.1%
350-375	48.6%	48.6%	52.7%	47.2%
375-400 (Current)	34.7%	34.7%	19.2%	2.7%

* Data as of 15 Nov 2025 05:11:07 CT

As we have seen over and over, odds continually shift, so we may see further refinement as we get closer to these Fed meeting dates. With the government now re-open, economic numbers will be closely looked at, and should be interesting after not seeing any for a while.

The bull case has weakened over the last few weeks. Some bullish studies have expired or reached their targets, and there has not been much to replace them. The long-term trend still appears higher, but momentum has slowed. Seasonality has improved a little, but we are now in the unfavorable Year 2 of the Presidential Cycle. Strong breadth back in April helped carry this market to new highs and beyond, but now we are starting to see split market conditions. The Hindenburg Omen cluster is one indication of a split market, and a potentially bearish setup. Stock valuations, geopolitics, and the economy are all potential catalysts for selling. I've decided to move off my bullish outlook and dialed it back to neutral. I may be a bit early on this call. I considered something more hedged like "slightly bullish". But I am not overly enthused about looking for long-side trades unless short-term evidence is compelling. So I have decided to view the market with a neutral bias for now. That could change in a week or so. Thanksgiving week through year-end is typically a strong seasonal period. So I am neutral now, but it won't take me much to jump back to bullish or at least slightly bullish.

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

None

Broad Market Large Cap CBI – 0

Additional New Trade Ideas

SPX (SPY or other proxy) – Buy ¼ index position if SPY opens < \$669.50. If not filled on open, cancel order and look to enter at the close if SPX closes < 6734.00. From the short-term section above, this looks to start an SPX position if there is a favorable entry opportunity.

Current Open Trade Ideas

None

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