

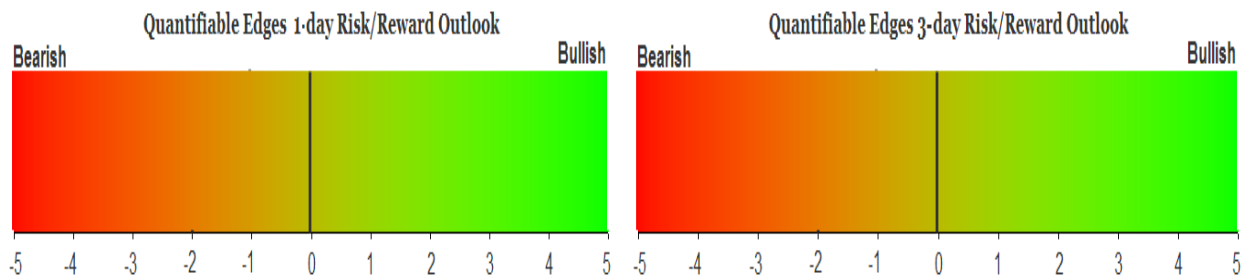
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 5, 2025

Volume 18 Issue 232

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Employment days have done quite well since 2013 when SPY has been in an uptrend and finished strongly the day before.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I have flattened await and am awaiting the next compelling setup.

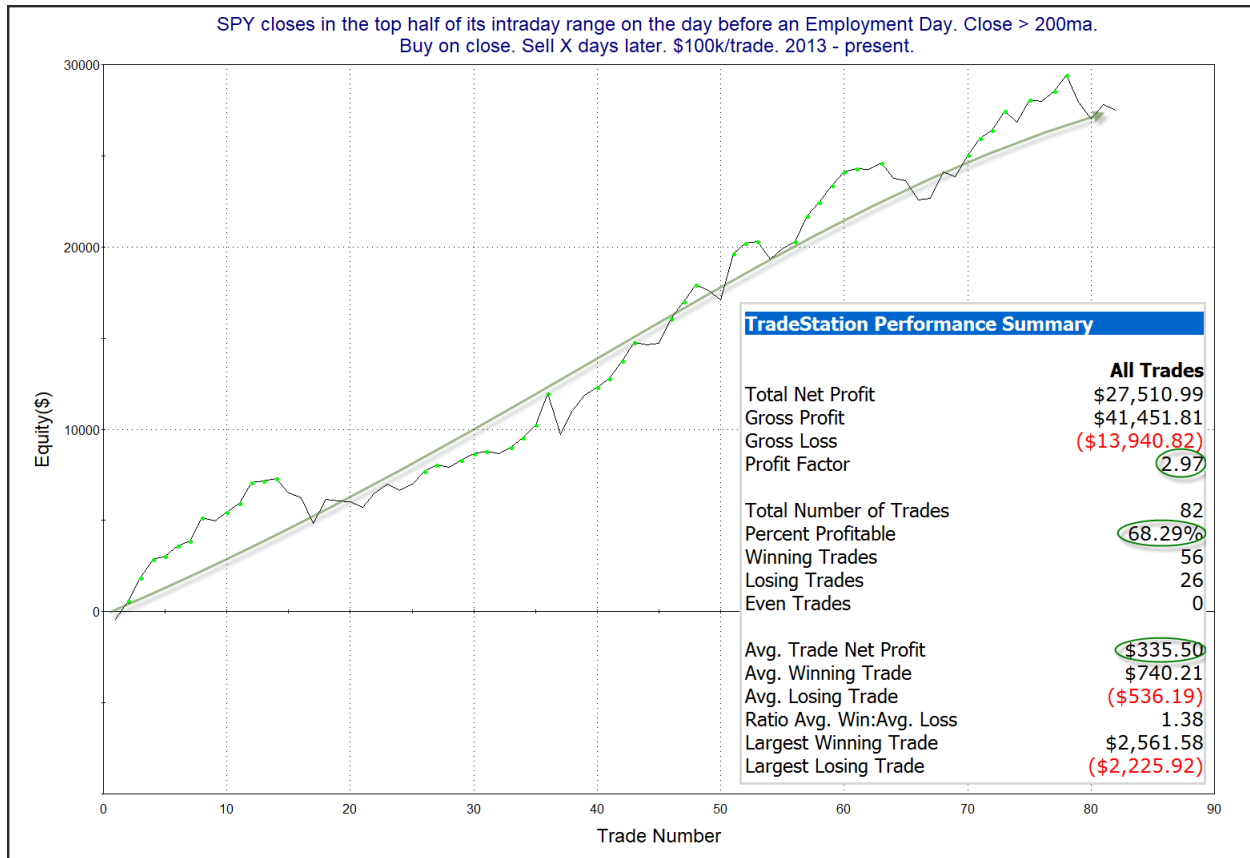
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
December 5, 2025	SPY strong close in uptrend before jobs day	1 day	Bullish			
December 3, 2025	Up vol < 40%. SPX up > 200ma	1-6 days	Bullish	1.60%	-1.20%	-2.40%
December 2, 2025	5 days higher < 50-day high > 200ma dn 1	1-5 days	Bullish	1.80%	-0.90%	-1.90%
December 1, 2025	5 days higher < 50-day high > 200ma	1-10 days	Bullish	2.50%	-1.40%	-2.65%
November 26, 2025	VIX 10% above to 10% below 10ma in 4 days	1-8 days	Bullish	2.00%	-1.30%	-2.60%
Active - Long Term						
December 1, 2025	5 days higher < 50-day high > 200ma	1-15 days	Bullish	3.30%	-1.50%	-2.90%
December 1, 2025	NASDAQ leading	int term	Bullish			
December 1, 2025	QT over. Rates dropping. Fed dovish	int term	Bullish			
November 3, 2025	Best 6 Months	1-6 months	Bullish			
October 31, 2025	Hindenburg Omen Cluster	1-35 days	Bearish	-6.90%	2.70%	4.70%
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			
June 14, 2024	SPX new high with < 50% stocks > 100ma	1-18 months	Bearish			

The Evidence

Thursday saw most major indices close higher. SPX gained 0.1%, the NASDAQ rose 0.2%, and the Russell 2000 rallied 0.8%. Breadth was mixed as the NYSE Up Issues % closed at 47% and the NYSE Up Volume % posted a 60% reading. NYSE total volume rose some from Wednesday's level.

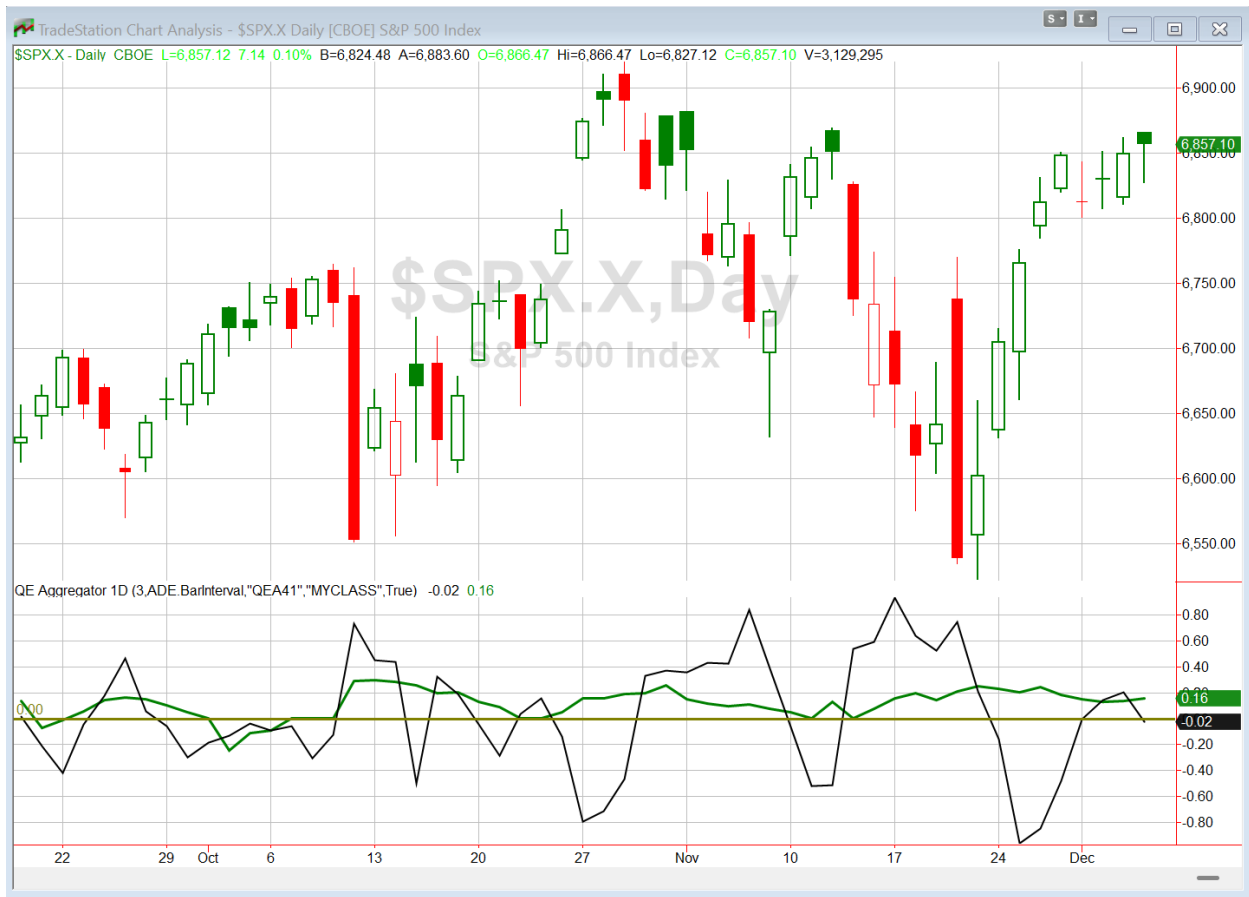
Friday is an Employment Day. In the 9/5/25 letter I showed that since 2013 when SPX was in a long-term uptrend, strong closes the day before an employment day have typically been followed by a strong employment day. That triggered again today. Below are updated results.



Despite a little bit of a pullback this year, the strong numbers and persistent move higher appear fairly compelling. I have added this study to the active list again tonight.

Also notable is that our 3/10 Offset Historical Volatility Indicator came in very low. Essentially this means that HV over the last 3 days has been substantially lower than it was over the previous 10 days. So there has been a sharp contraction in volatility over the last 3 days. Often this means that a volatility expansion will soon follow. The indicator does not predict direction. It just suggests there is increased likelihood of an oversized move one way or the other. Of course the employment report Friday could be a good excuse to trigger a volatility expansion.

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 dipped slightly below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is now 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 turned flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Friday. This could change if strongly compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted* at 6861.30. That is less than 0.1% above Thursday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up about 0.1% in order to remain "overbought" versus recent expectations. Anything other than that and it will turn back to "oversold" as of Friday's close.

So the Aggregator is neutral. Evidence is still pointing higher, but the overbought market reduces reward/risk. The SPY trade idea was closed out at the close, and the trade ideas are currently flat. I will keep it that way for now while I wait for the next compelling setup to emerge.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 12/1 – **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.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
<i>SPY(1/4)</i>	<i>12/3/2025</i>	<i>\$680.50</i>	<i>\$684.39</i>	<i>0.57%</i>	<i>sold on close</i>

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