

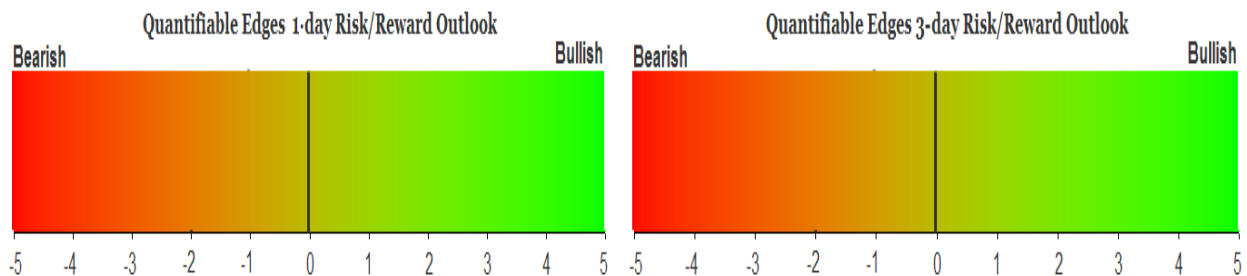
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 12, 2025

Volume 18 Issue 237

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	3

Tonight's Research Points

- SPX broke out to a new 50-day high for the 1st time in a few weeks. Doing so on lower volume as it did on Thursday has historically shown a short-term upside edge.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Evidence is pointing higher, but SPX is now short-term overbought.

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 12, 2025	50-high breakout on lower volume	1-5 days	Bullish	1.40%	-1.00%	-1.90%
December 11, 2025	10-high but not 100-high on Fed Day	1-2 days	Bearish			
December 10, 2025	1st 5-low in 10 days. Cls > 10ma	1-5 days	Bullish			
December 1, 2025	5 days higher < 50-day high > 200ma	1-10 days	Bullish	2.50%	-1.40%	-2.65%
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			

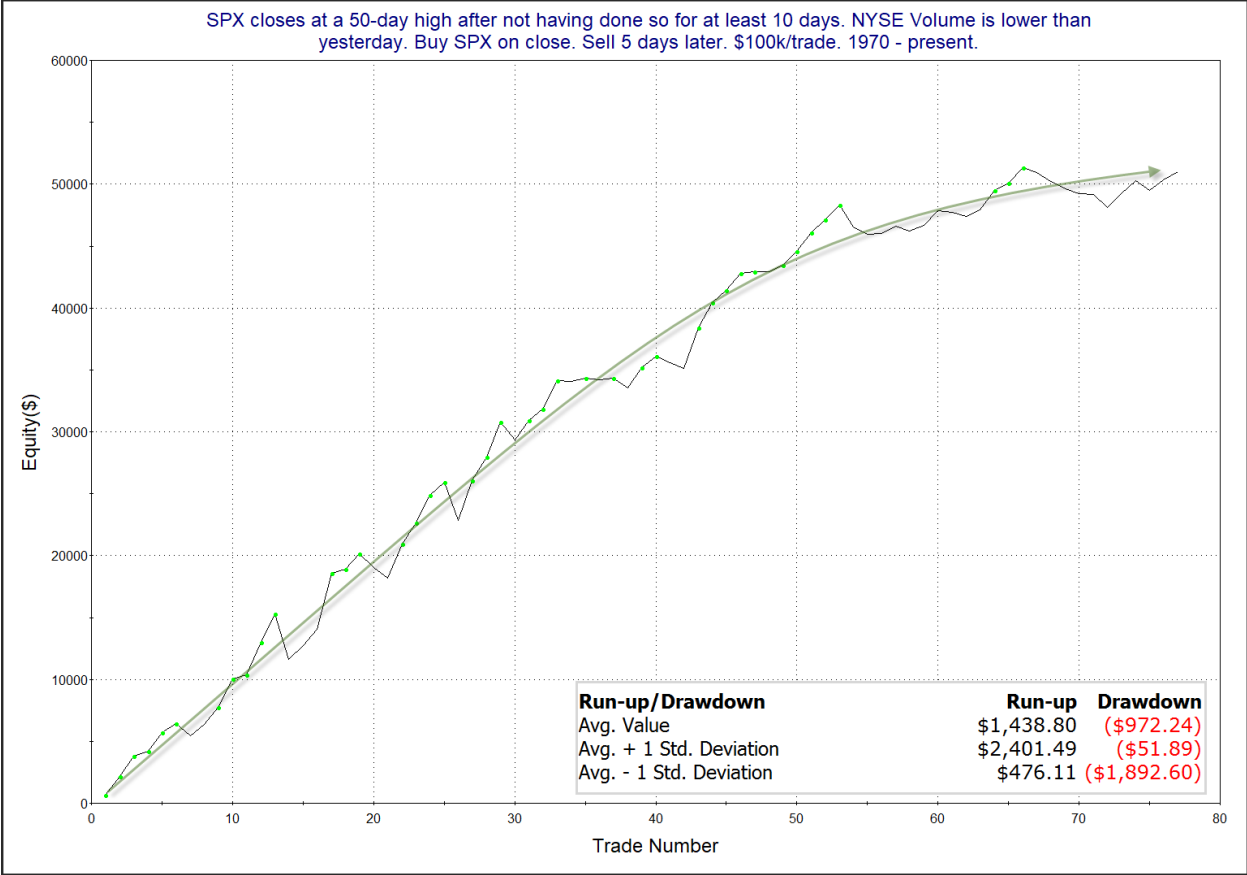
The Evidence

Thursday saw the market start weak but finish mixed. SPX rose 0.2%, the NASDAQ declined 0.25%, and the Russell 2000 rallied 1.2%. Breadth was strong as the NYSE Up Issues % closed at 66% and the NYSE Up Volume % posted a 68% reading. NYSE total volume declined some from Wednesday's level

The SPX closed at new 50-day high for the 1st time in over a month. Days where the market breaks out to a new 50-day high for the 1st time in a while will often give some clues as to the likely additional follow-through. One indicator that helps to give clues is the volume on the breakout. In the past I have broken down volume by times it came in 1) lower, 2) the highest in 20 days, and 3) higher, but not the highest level in 20 days. Thursday the volume fit into the 1st category, which was lower. That has been a good one. (Higher volume, but not the highest in 20 days is the worst.) Below are updated results.

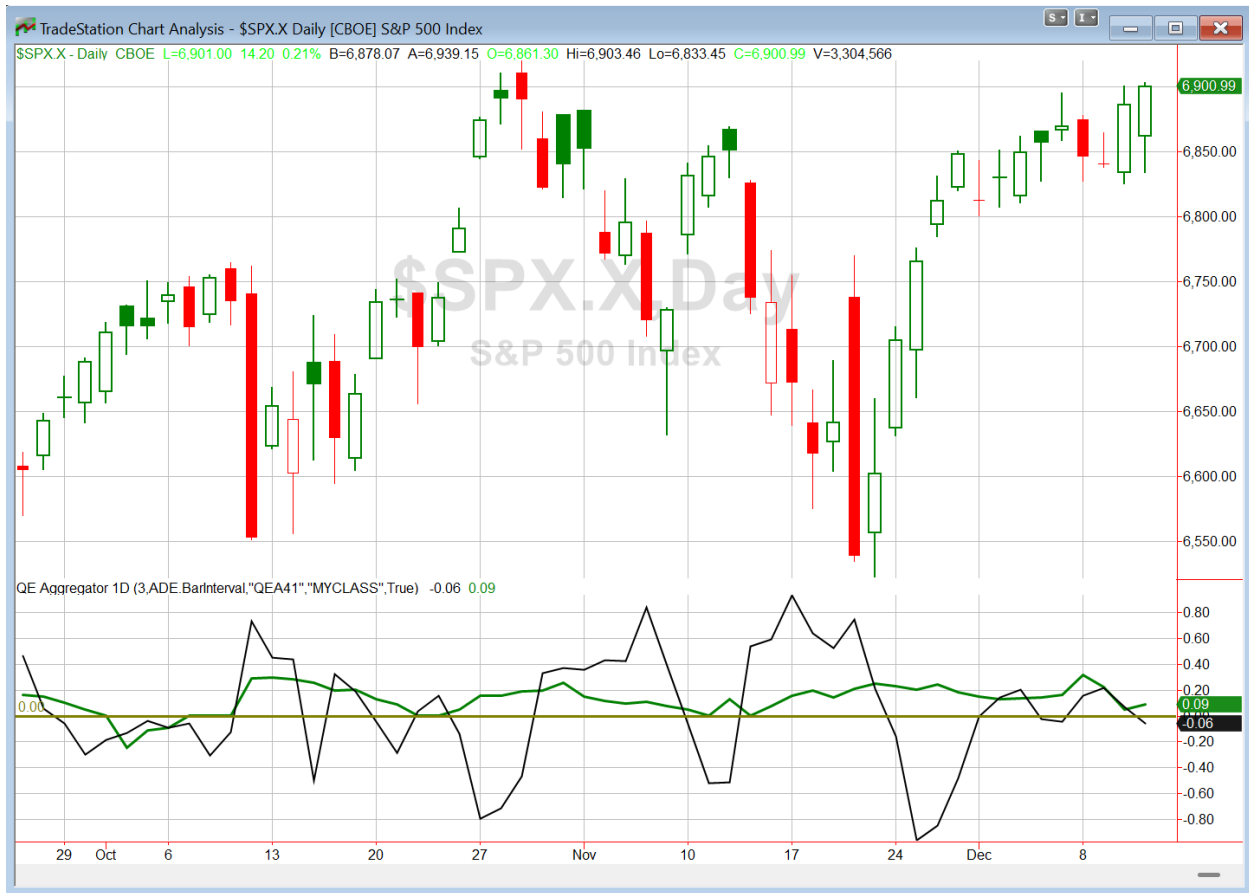
SPX closes at a 50-day high after not having done so for at least 10 days. NYSE Volume is lower than yesterday. Buy SPX on close. Sell X days later. \$100k/trade. 1970 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	51,038.26	77	53	24	68.83	4,482.50	-3,693.73	1,348.15	-850.58	1.58	3.50	662.83
4	34,106.90	77	53	24	68.83	4,440.00	-2,913.85	1,084.77	-974.42	1.11	2.46	442.95
3	33,473.88	77	50	27	64.94	3,950.00	-1,802.37	1,039.22	-684.71	1.52	2.81	434.73
2	23,725.79	77	53	24	68.83	2,212.98	-1,912.60	741.42	-648.72	1.14	2.52	308.13
1	10,380.51	77	49	28	63.64	1,453.20	-1,921.32	459.46	-433.33	1.06	1.86	134.81

The numbers here look solidly bullish. Below is a look at the 5-day profit curve.



It does not appear that the edge has been quite as strong in recent instances. Still, the evidence as a whole seems good enough to give this study some consideration. So I have included it on 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 dipped 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 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 compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6888.95. That is 0.2% below Thursday's close. So SPX will need to close down at least 0.2% on Friday in order to flip from overbought to oversold versus expectations.

So the Aggregator is neutral. While evidence is positive, the short-term overbought nature of SPX reduces reward/risk potential. The index trade idea that was active the last few days was exited at the close on Thursday. I'll wait until the next compelling reward/risk setup emerges before looking to put on the next index trading idea.

Intermediate-term Outlook (2 weeks – 2 months) – updated 12/8 – bullish

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

SO – 1/3 @ \$85.49 (bought @ limit)

DUK – 1/3 @ \$114.00 (buy @ limit)

SO – 1/3 @ \$84.08 (buy @ limit)

Broad Market Large Cap CBI – 3 (SO-2, DUK)

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
LLY(1/3)	12/8/2025	\$1,010.31	\$1,009.38	-0.09%	<i>sell on open</i>
LLY(1/3)	12/9/2025	\$997.59	\$1,009.38	1.18%	<i>sell on open</i>
SPY(1/4)	12/9/2025	\$683.04	\$689.17	0.90%	<i>sold on close</i>
LLY(1/3)	12/10/2025	\$982.22	\$1,009.38	2.77%	<i>sell on open</i>
SO(1/3)	12/10/2025	\$85.18	\$84.73	-0.53%	Catapult
DUK(1/3)	12/11/2025	\$114.00	\$114.39	0.34%	Catapult

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