

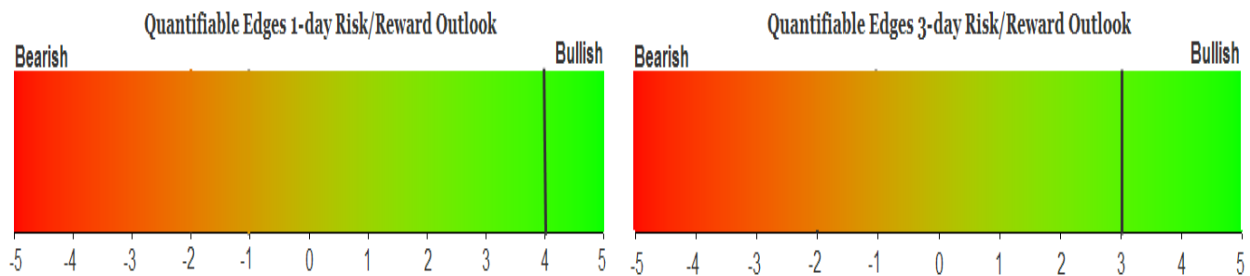
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 16, 2025

Volume 18 Issue 239

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- After 2 days pulling back, SPX could be set up for a Turnaround Tuesday.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Reward/risk appears favorable for the bulls.

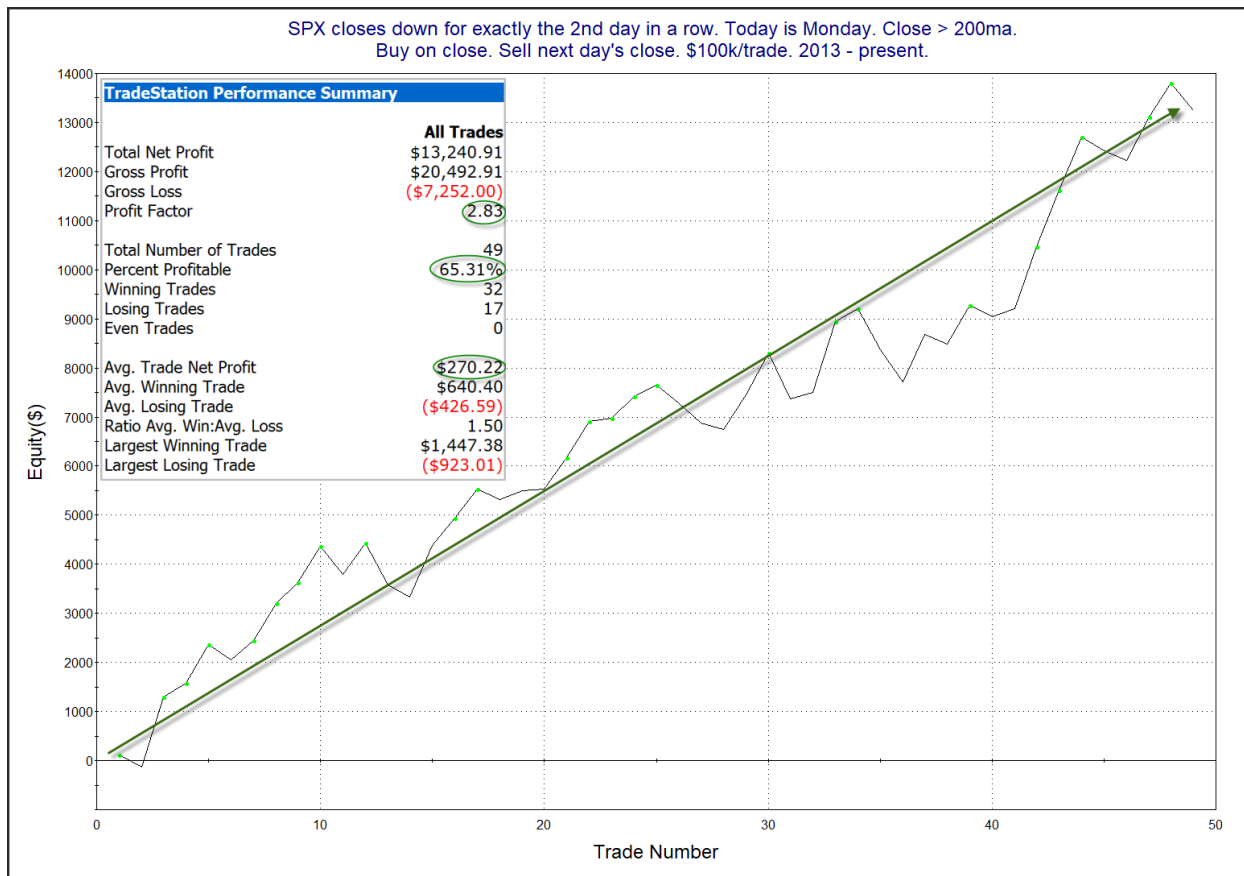
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
December 16, 2025	Turnaround Tuesday	1 day	Bullish			
December 15, 2025	Dec Opex week bullish	1-3 days	Bullish			
December 12, 2025	50-high breakout on lower volume	1-5 days	Bullish	1.40%	-1.00%	-1.90%
December 10, 2025	1st 5-low in 10 days. Cls > 10ma	1-5 days	Bullish			
Active - Long Term						
December 1, 2025	QQQ 5 lower lows & big 1-day drop	1-18 days	Bullish	9.00%	-4.20%	-7.60%
December 1, 2025	Dec Opex week bullish	1-15 days	Bullish	3.30%	-1.90%	-4.10%
December 15, 2025	NASDAQ lagging	int term	Neutral			
December 1, 2025	5 days higher < 50-day high > 200ma	1-15 days	Bullish	3.30%	-1.50%	-2.90%
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			
Dropped Tonight (expired, target hit, or avg drawdown + 1 std dev exceeded)						
December 15, 2025	Unfilled gap down from 50-day high	1 day	Bearish			
December 15, 2025	QQQ 5 lower lows & big 1-day drop	1 day	Bullish			

The Evidence

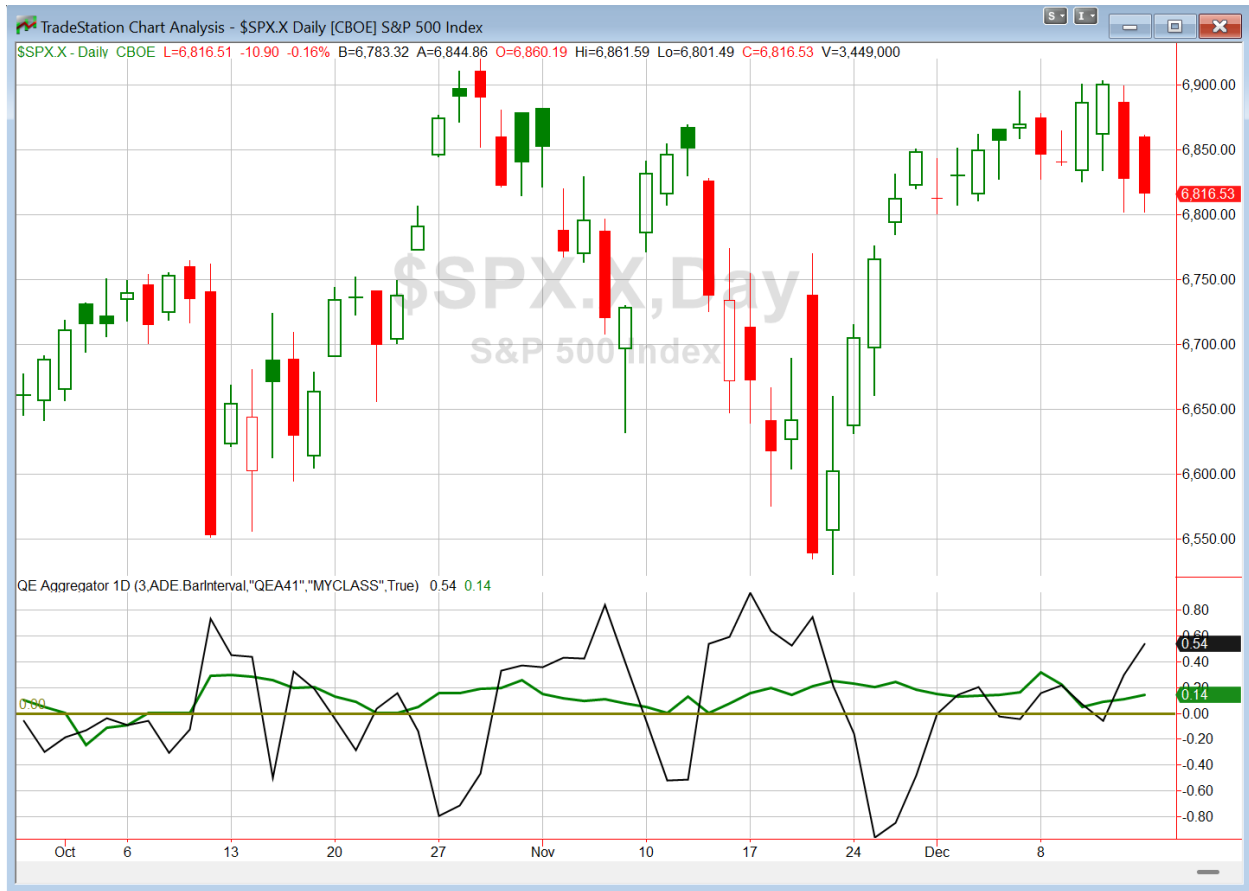
Monday morning started strong, but the enthusiasm did not last and the major indices all closed lower. SPX lost 0.2%, the NASDAQ declined 0.6%, and the Russell 2000 fell 0.8%. Breadth was weak as the NYSE Up Issues % closed at 46% and the NYSE Up Volume % also posted a 46% reading. NYSE total volume rose some from Friday's level

I have written a substantial number of times about "Turnaround Tuesday". Over the years Tuesday has exhibited the strongest proficiency for the market to reverse a pullback of any day of the week. But in the case of 2-day pullbacks, which are quite short, they were not terribly consistent prior to 2013. The study below was seen in the 1/28/25 letter. Parameters look for 1) SPX to decline exactly 2 days in a row, 2) today is Monday, and 3) SPX closes above its 200ma. Results are updated.



The stats and the persistent upslope of the profit curve are impressive. I have included this study on the active list tonight as a potentially bullish edge.

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 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. Therefore, the Aggregator formation stayed long at the close.

Based on the current list of active studies, expectations are set to remain positive on Tuesday. This could change if strongly compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6925.17. That is 1.6% above Monday's close. Therefore SPX will need to close up at least 1.6% on Tuesday in order to flip from oversold to overbought versus expectations.

So the Aggregator is bullish. Short-term evidence is now all pointing higher. And with the Differential Pivot well above Monday's close, reward/risk appears favorable. I like the long side. There is one lot of SPX in the trade ideas section. I may look to add to that if there is further selling on Tuesday.

Intermediate-term Outlook (2 weeks – 2 months) – updated 12/15 – *bullish*

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

None

Broad Market Large Cap CBI – 0

Additional New Trade Ideas

SPY – Buy ¼ index position @ \$678.00 LIMIT ON CLOSE. Based on the short-term outlook above, this will look to add some SPY exposure if SPY closes down much on Tuesday. (Any SPX alternative security could be used.)

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SO(1/3)	12/10/2025	\$85.18	\$86.00	0.96%	<i>sell on open</i>
DUK(1/3)	12/11/2025	\$114.00	\$116.73	2.39%	<i>sell on open</i>
SPY(1/4)	12/15/2025	\$681.76	\$680.73	-0.15%	Aggregator

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