

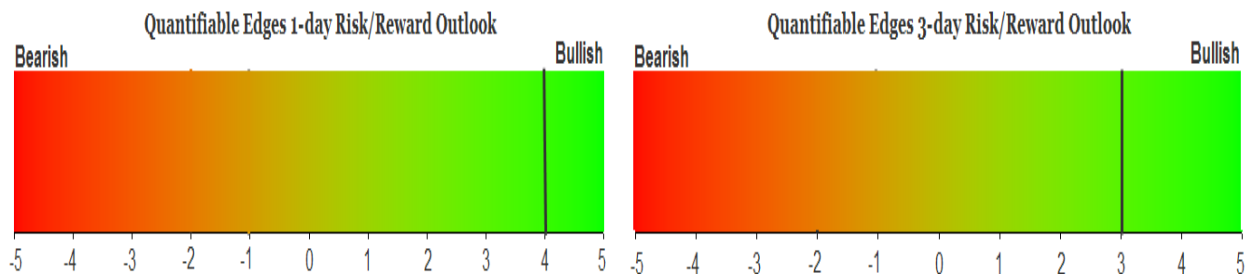
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

December 17, 2025

Volume 18 Issue 240

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	0

## Tonight's Research Points

- 3 days down from a 50-day high that leaves the SPX at a 10-day low has typically been followed by a rebound in the coming days.
- A gap below a short-term low and further selling in a long-term uptrend is often followed by a move up over the next few days.

## *Short-term Outlook*

### *The Bottom Line*

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

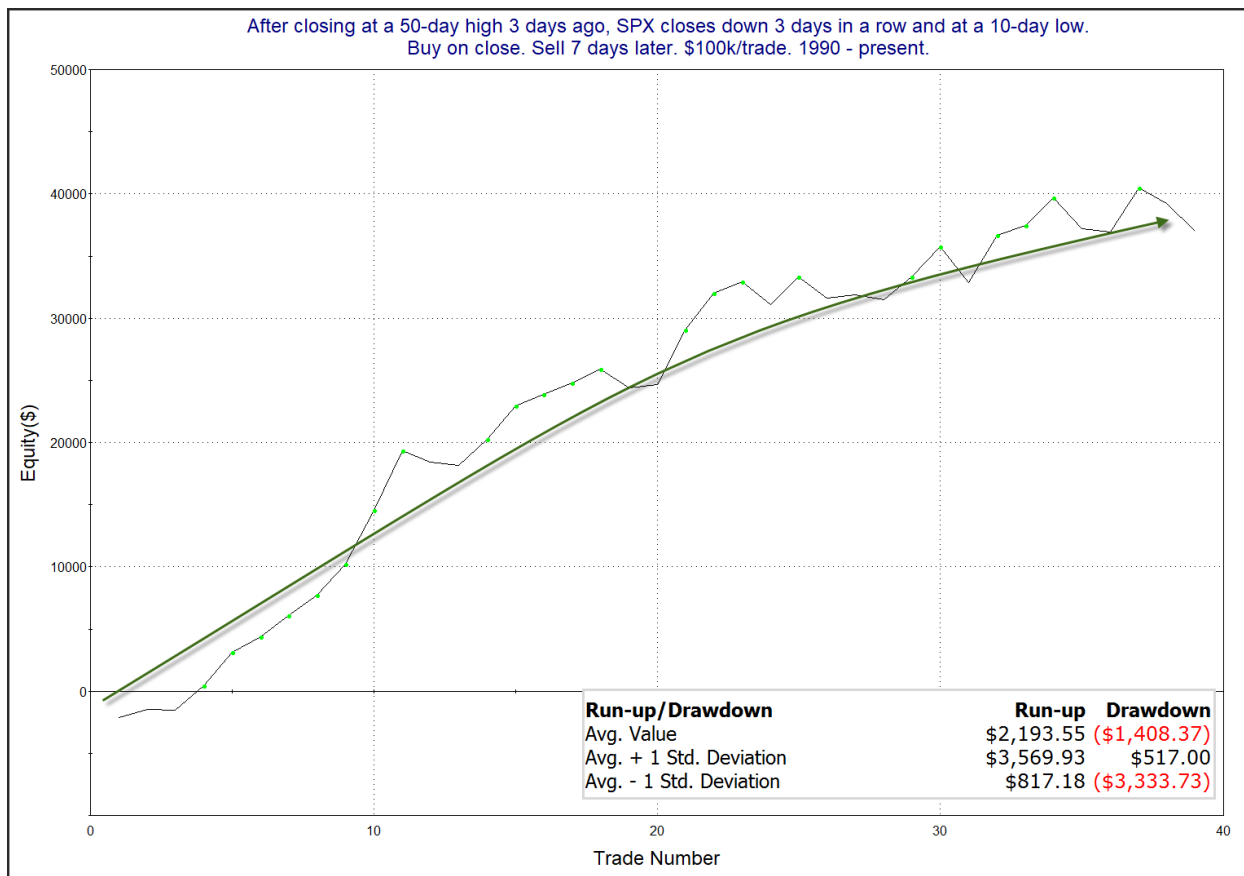
## The Evidence

Tuesday's results were mixed and mild. SPX lost 0.2%, the NASDAQ gained 0.2%, and the Russell 2000 fell 0.45%. Breadth was weak as the NYSE Up Issues % closed at 37% and the NYSE Up Volume % posted a 30% reading. NYSE total volume rose some from Monday's level

The decline in SPX was the 3rd day in a row in which it closed lower. Often 3-day pullbacks will trigger some bullish studies. In the 2/25/25 letter I showed a study that noted 1) the pullback originated from a 50-day high, and 2) it left SPX at a 10-day low. I have updated that study below.

After closing at a 50-day high 3 days ago, SPX closes down 3 days in a row and at a 10-day low. Buy on close. Sell X days later. \$100k/trade. 1990 - 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
10	17,202.50	39	23	16	58.97	7,183.08	-14,379.90	2,868.28	-3,047.99	0.94	1.35	441.09
9	30,740.54	39	25	14	64.10	6,197.04	-7,605.60	2,577.98	-2,407.79	1.07	1.91	788.22
8	42,352.79	39	28	11	71.79	6,562.98	-6,058.50	2,350.15	-2,131.95	1.10	2.81	1,085.97
7	37,004.74	39	26	13	66.67	4,736.88	-2,873.10	2,110.65	-1,374.78	1.54	3.07	948.84
6	26,279.97	39	23	16	58.97	3,768.08	-6,675.60	2,061.53	-1,320.96	1.56	2.24	673.85
5	27,488.57	39	23	16	58.97	3,892.40	-4,069.80	2,006.86	-1,166.82	1.72	2.47	704.84
4	23,558.69	39	26	13	66.67	3,834.96	-8,150.10	1,741.33	-1,670.44	1.04	2.08	604.07
3	16,454.53	39	27	12	69.23	4,047.12	-7,413.90	1,340.29	-1,644.45	0.82	1.83	421.91
2	16,753.27	39	26	13	66.67	2,659.44	-3,285.00	1,158.59	-1,028.46	1.13	2.25	429.57
1	10,985.40	39	25	14	64.10	2,013.60	-2,930.40	821.22	-681.79	1.20	2.15	281.68

We see here that the odds favor a bounce, and that it has often persisted several days out. Below is a look at the 7-day profit curve.



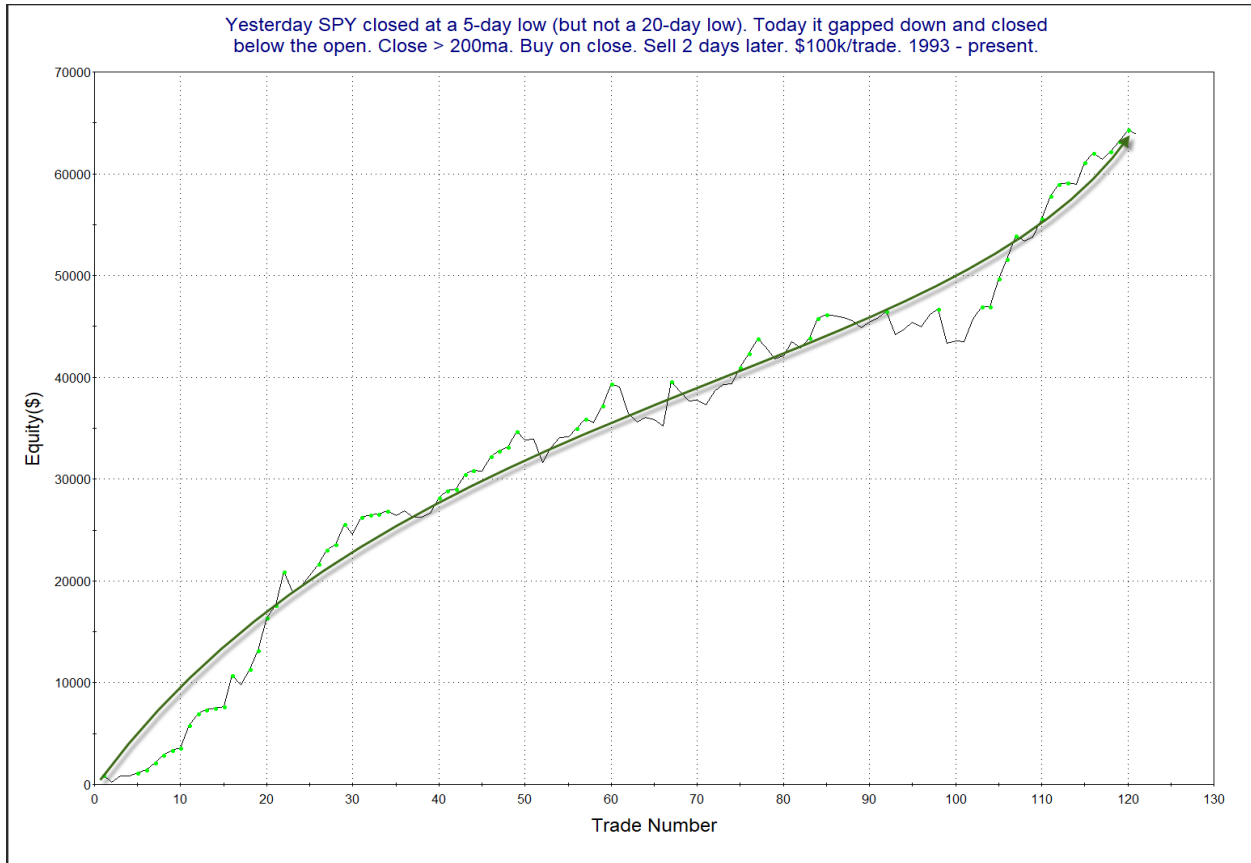
Here we see a persistent upslope. This study seems worth consideration and has been added to the short-term active list.

In the 11/18/25 letter I showed a study that examined gaps down and poor closes following a 5-day low. The setup appeared bullish. But I also noted that it was even more bullish if the gap down followed a 20-day low. So 20-day low instances are excluded in the below study to prevent the data from looking overly bullish. Stats are updated.

Yesterday SPY closed at a 5-day low (but not a 20-day low). Today it gapped down and closed below the open. Close > 200ma. Buy on close. Sell X days later. \$100k/trade. 1993 - present.

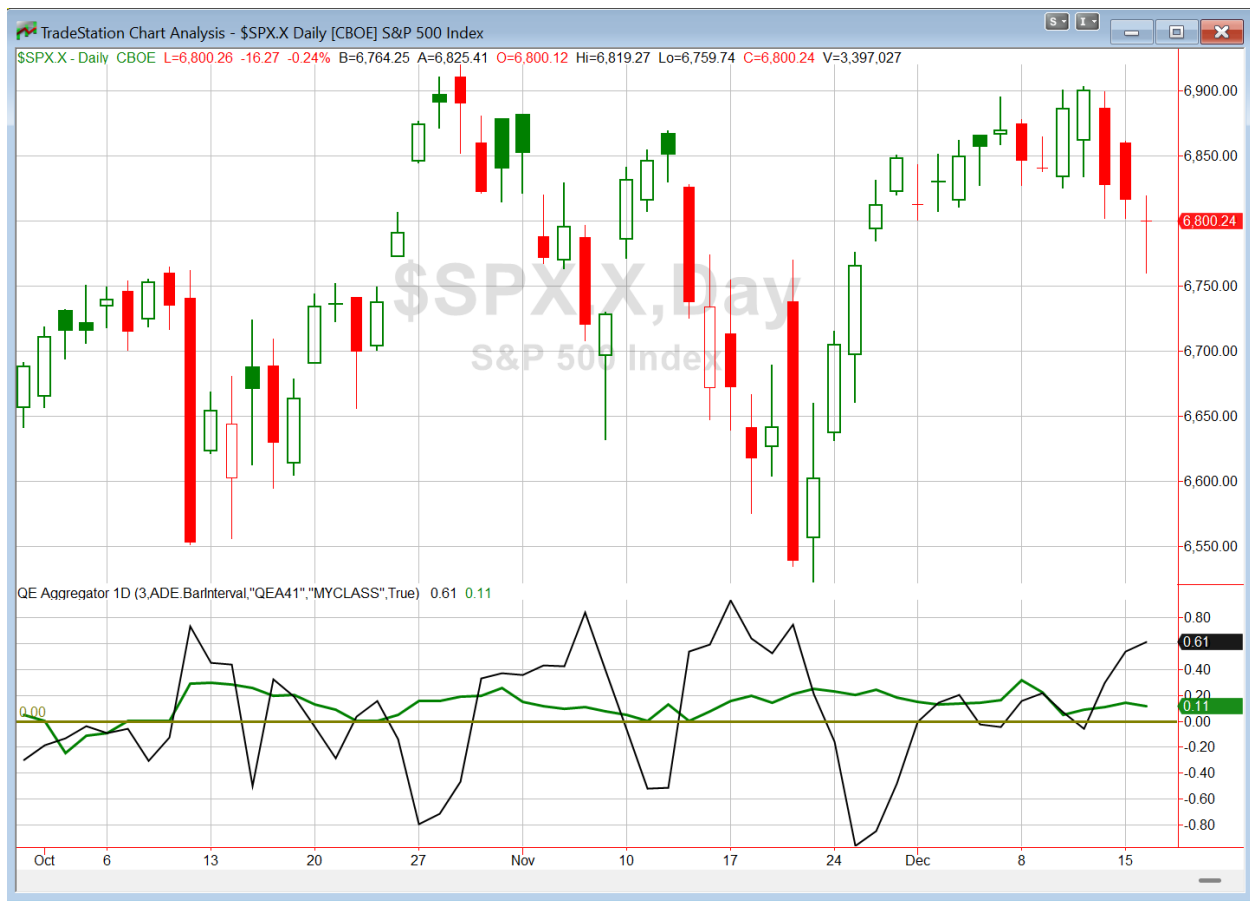
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	99,519.27	118	83	34	70.34	5,165.28	-5,063.85	1,689.02	-1,196.15	1.41	3.45	843.38
4	58,637.69	118	80	38	67.80	4,647.50	-8,109.60	1,485.50	-1,584.26	0.94	1.97	496.93
3	57,312.64	120	76	43	63.33	4,290.00	-7,722.10	1,463.91	-1,254.52	1.17	2.06	477.61
2	63,858.93	121	87	34	71.90	4,305.42	-3,385.20	1,057.14	-826.83	1.28	3.27	527.76
1	35,732.96	127	87	40	68.50	2,143.68	-4,181.76	807.35	-862.65	0.94	2.04	281.36

Odds here appear favorable, especially over the 1<sup>st</sup> 2 days. Below is a profit curve assuming a 2-day exit strategy.



The persistent upslope serves as confirmation of the bullish potential. I have included this study on the Active List tonight.

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 Wednesday. This could change if strongly compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6844.57. That is 0.7% above Tuesday's close. Therefore SPX will need to close up at least 0.7% on Wednesday in order to flip from oversold to overbought versus expectations.

So the Aggregator is still bullish. Short-term evidence is all pointing higher. And there is still ample room to the upside before SPX would turn overbought. I like the long side. There is one lot of SPX in the trade ideas section. SPY is still trading right near that price. So I may look to take on another lot on Wednesday, but only if we see it close a good bit lower.

**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 @ \$677.00 LIMIT ON CLOSE.** Based on the short-term outlook above, this will look to add some SPY exposure if SPY closes down much on Wednesday. (Any SPX alternative security could be used.)

## **Current Open Trade Ideas**

<b>Symbol</b>	<b>Entry Date</b>	<b>Entry Price</b>	<b>Current Price</b>	<b>% Gain/Loss</b>	<b>Notes</b>
<i>SO(1/3)</i>	<i>12/10/2025</i>	<i>\$85.18</i>	<i>\$85.40</i>	<i>0.26%</i>	<i>sold on open</i>
<i>DUK(1/3)</i>	<i>12/11/2025</i>	<i>\$114.00</i>	<i>\$116.98</i>	<i>2.61%</i>	<i>sold on open</i>
SPY(1/4)	12/15/2025	\$681.76	\$678.87	-0.42%	Aggregator

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