

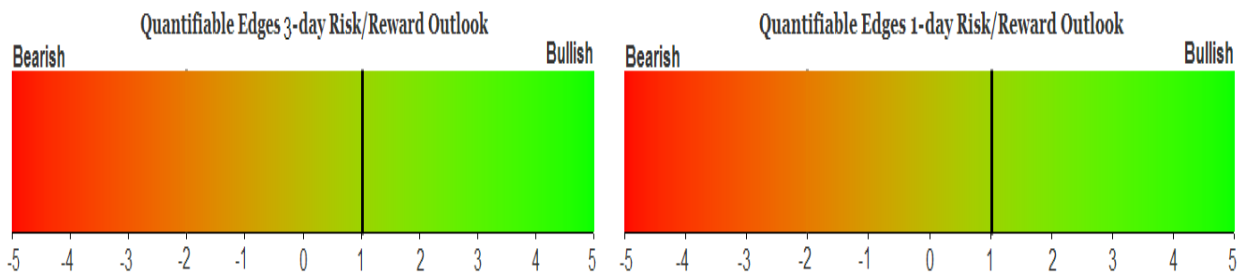
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 6, 2026

Volume 19 Issue 3

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	1

## Tonight's Research Points

- No compelling new evidence emerged on Monday.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish, but SPX could easily turn short-term overbought on Tuesday. I'm inclined to start looking to take profits.

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

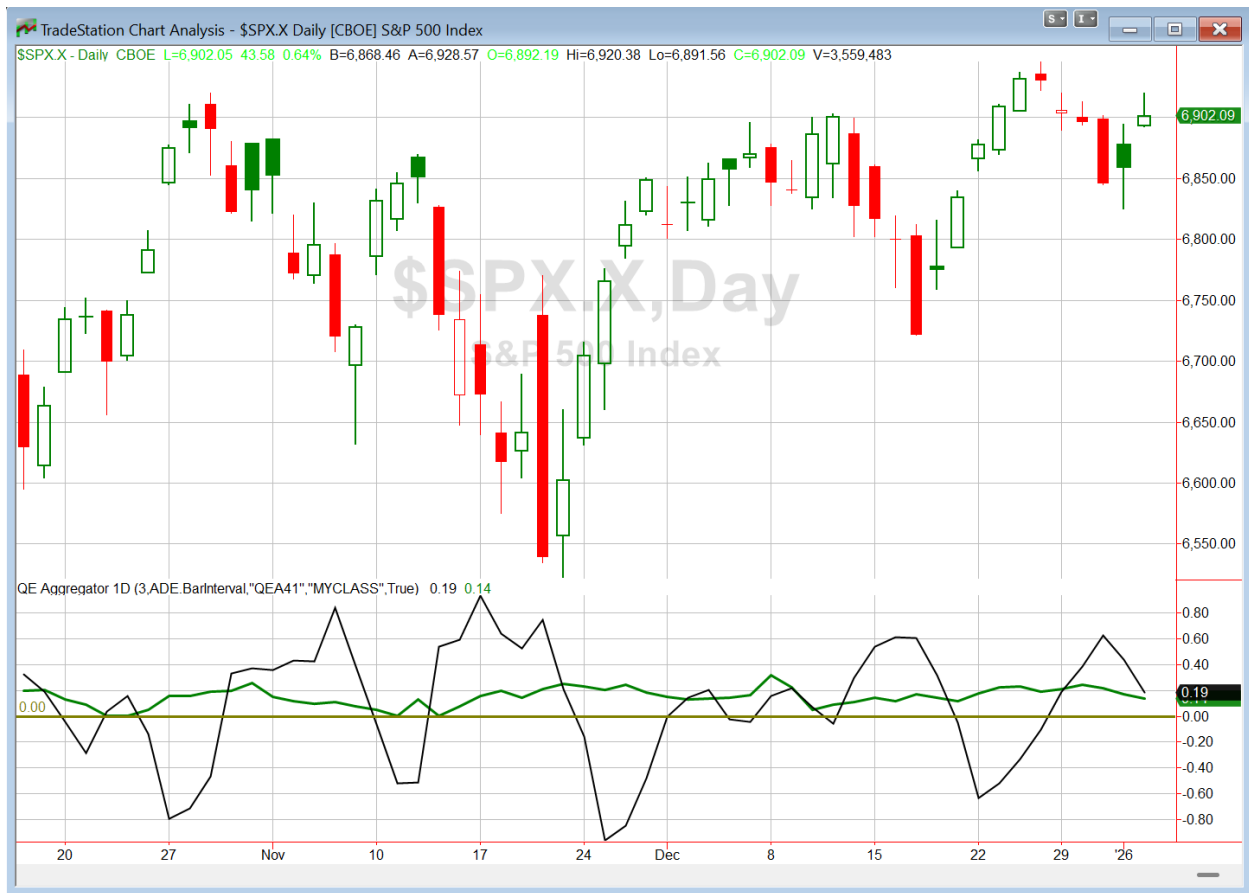
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
January 2, 2026	Dn 4. Today biggest. Close > 200	1-5 days	Bullish			
January 2, 2026	Btm Rng 5-low not Monday	1-5 days				
December 23, 2025	Twas 3 night before Christmas	1-8 days	Bullish			
<b>Active - Long Term</b>						
December 29, 2026	5 up to 50-high then down 1.	1-10 days	Bullish	1.80%	-1.10%	-2.30%
December 15, 2025	QE active. Rates dropping. Fed dovish	int term	Bullish			
December 15, 2025	QQQ 5 lower lows & big 1-day drop	1-18 days	Bullish	9.00%	-4.20%	-7.60%
December 15, 2025	Dec Opex week bullish	1-15 days	Bullish	3.30%	-1.90%	-4.10%
December 15, 2025	NASDAQ lagging	int term	Neutral			
November 3, 2025	Best 6 Months	1-6 months	Bullish			
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			

**The Evidence**

Monday saw solid gains. SPX rose 0.6%, the NASDAQ climbed 0.7%, and the Russell 2000 rallied 1.6%. Breadth was strong as the NYSE Up Issues % closed at 69% and the NYSE Up Volume % posted a 64% reading. NYSE total volume rose some from Friday's level.

The gains Monday were decent, but SPX and the NASDAQ are still well within the range of the last couple of weeks. Action is not extreme, and the Quantifinder came up completely blank tonight. So I'll keep the writing brief tonight. No new studies are being added to the Active List.

I have updated the Aggregator chart below.



Without any new studies making the cut tonight, 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 bullish 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 *inverted* at 6891.52. That is 0.15% *below* Monday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX will need to close down over 0.15% in order to remain oversold. Anything other than that and it will flip to overbought vs recent expectations as of Tuesday's close.

So the Aggregator is bullish. But with the Differential Pivot inverted the Aggregator won't be bullish tomorrow unless it is wrong and the market declines. I often view inverted pivots as opportune times to start taking profits, and I'll look to take off a portion of the existing SPY trade idea on Tuesday if I can get a favorable fill.

**Intermediate-term Outlook (2 weeks – 2 months) – updated 1/5 – *bullish***

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

### ***Open Catapult Triggers***

AIG – 1/3 @ \$84.27 (bought @ limit)

### ***Broad Market Large Cap CBI – 1 (AIG)***

## **Additional New Trade Ideas**

**AIG – Buy 1/3 Catapult position @ \$84.27 LIMIT.** From the Catapult section above, this is the 1<sup>st</sup> of up to 3 potential lots of AIG.

## **Current Open Trade Ideas**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	12/30/2025	\$687.44	\$687.72	0.04%	<i>sell at \$688 LIMIT</i>
SPY(1/4)	12/31/2025	\$681.92	\$687.72	0.85%	Aggregator
AIG(1/3)	1/5/2026	\$83.56	\$84.38	0.98%	Catapult

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