

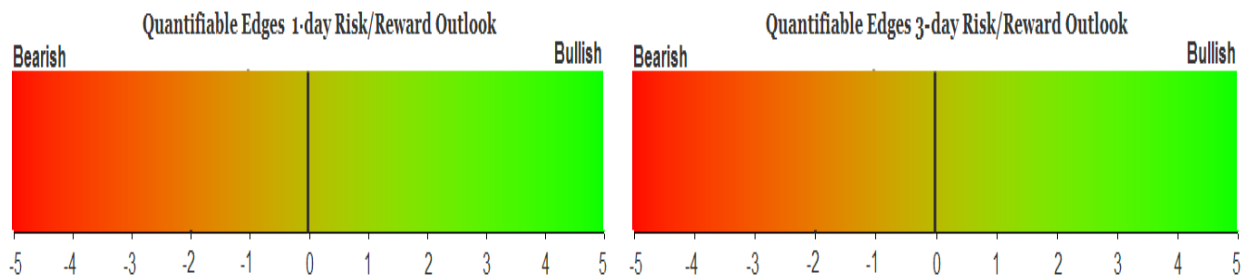
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 14, 2026

Volume 19 Issue 9

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	3

Tonight's Research Points

- No new compelling evidence emerged on Tuesday.

Short-term Outlook

The Bottom Line

The Aggregator is neutral – same as me.

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

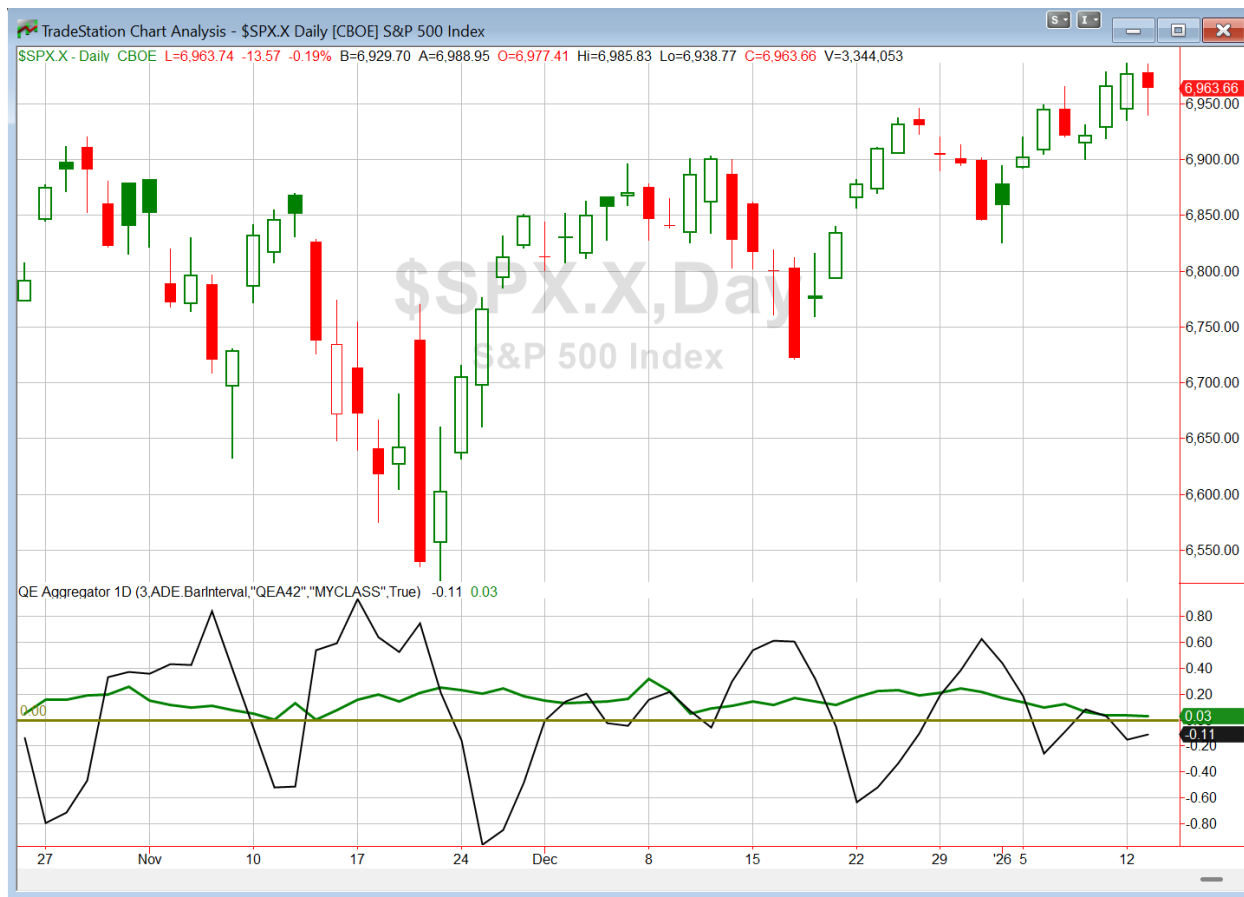
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
January 13, 2026	VIX up SPX 50-high on Monday	1-2 days	Bearish			
January 13, 2026	SPX up 3 to 200-high on Monday	1-3 days	Bullish	0.90%	-0.50%	-1.00%
Active - Long Term						
January 8, 2026	SPX 20-day high and close btm 10% rng	1-10 days	Bullish	2.00%	-1.40%	-2.70%
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	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

Tuesday saw mild pullbacks. SPX closed down 0.2%, the NASDAQ dipped 0.1%, and the Russell 2000 also declined 0.1%. Breadth was mixed as the NYSE Up Issues % closed at 53% and the NYSE Up Volume % posted a 45% reading. NYSE total volume declined some from Monday's level.

I did not spot anything worth detailed discussion tonight, and neither did the Quantifinder. So I am going to keep it very brief tonight. No new studies are being added to the active list. Perhaps Wednesday's action will be more interesting.

I have updated the Aggregator chart below.



Without anything new 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 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 stayed flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Wednesday. This could change if additional bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted* at 6981.74. That is 0.3% *above* Tuesday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, it will need to close up about 0.3% in order to remain overbought. Anything other than that and it will flip to "oversold" versus recent expectations as of Wednesday's close.

So the Aggregator is neutral. Evidence is mixed and moderate. And while the SPX is short-term overbought, that could easily flip to oversold on Wednesday. The combination does not make for a very appealing setup. I'll continue to wait for a more compelling opportunity to emerge before looking to take on my next index position.

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

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

AIG – 1/3 @ \$84.27 (bought @ limit)

AIG – 1/3 @ \$78.07 (bought @ limit)

AIG – 1/3 @ \$77.07 (bought @ limit)

Broad Market Large Cap CBI – 3 (AIG-3)

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
AIG(1/3)	1/5/2026	\$83.56	\$72.29	-13.49%	Catapult
AIG(1/3)	1/7/2026	\$77.43	\$72.29	-6.64%	Catapult
AIG(1/3)	1/12/2026	\$75.43	\$72.29	-4.16%	Catapult

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