

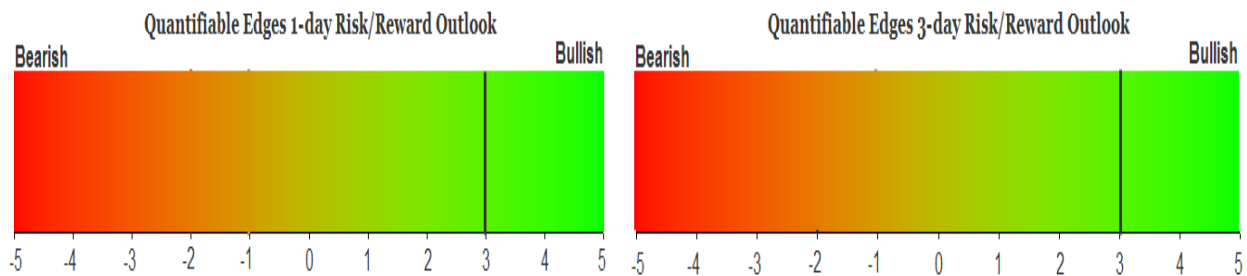
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 15, 2026

Volume 19 Issue 10

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	3

Tonight's Research Points

- Strong breadth on a down day for the SPX will very often be followed by a short-term move higher.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I believe there is a long-side edge.

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 15, 2026	SPX down & > 200ma. NYSE Up Iss > 60%	1-3 days	Bullish	1.30%	-0.60%	-1.50%
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			

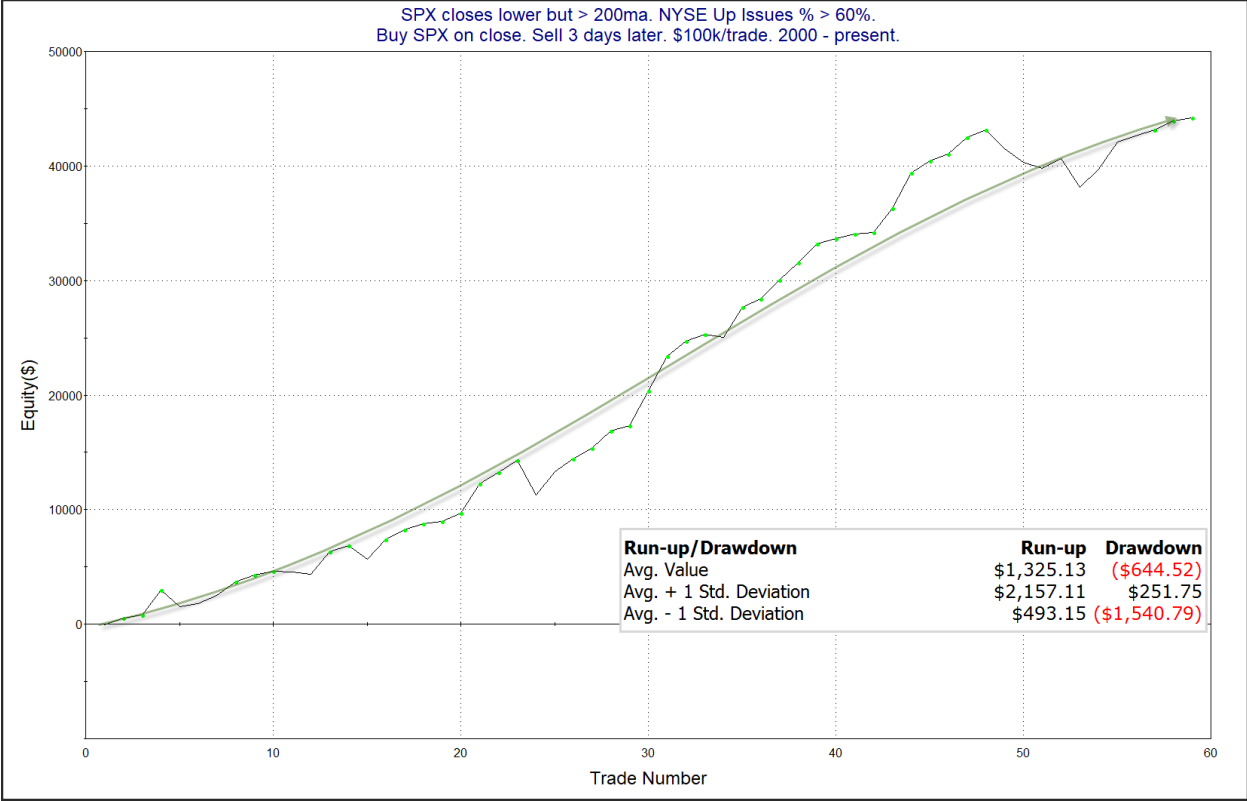
The Evidence

Wednesday saw mixed results from the market. SPX closed down 0.5%, the NASDAQ dipped 1.0%, and the Russell 2000 rallied 0.7%. Breadth was strong as the NYSE Up Issues % closed at 64% and the NYSE Up Volume % posted a 64% reading. NYSE total volume rose some from Tuesday’s level.

The strong breadth stood out more than anything. I looked back at other times that SPX closed down (while above the 200ma), but NYSE Up Issues % came in over 60%. Results can be found below.

SPX closes lower but > 200ma. NYSE Up Issues % > 60%. Buy SPX on close. Sell X days later. \$100k/trade. 2000 - 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	37,706.34	55	40	15	72.73	3,837.34	-4,308.53	1,571.33	-1,676.45	0.94	2.50	685.57
4	46,991.25	57	44	13	77.19	3,216.89	-2,704.64	1,474.94	-1,377.40	1.07	3.62	824.41
3	44,231.33	59	48	11	81.36	3,084.65	-3,028.47	1,173.84	-1,101.19	1.07	4.65	749.68
2	27,803.59	60	44	16	73.33	2,078.60	-2,625.30	896.56	-727.82	1.23	3.39	463.39
1	19,076.58	60	44	16	73.33	1,745.22	-1,304.73	613.65	-495.24	1.24	3.41	317.94

Those are some attractive stats. Over 80% of instances saw SPX higher 3 days later. And the profit factors and average trades are also strong. Below is a look at a profit curve assuming a 3-day holding period.



That is a compelling looking curve as well. This supports the stats table and suggest the setup provides a short-term bullish edge. I have added this study to 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 rose 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 turned long at the close.

Based on the current list of active studies, expectations are set to remain positive on Thursday. This could change if strong bearish evidence emerges. Meanwhile, the Differential Pivot will be 6986.62. That is 0.9% above Wednesday's close. Therefore, SPX will need to close up at least 0.9% on Thursday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is now bullish. There is not a ton of short-term evidence, but it is compelling. There is also a decent amount of room to the upside before SPX will turn overbought. Overall, I like the long side. I will look to take on a small index position in the trade ideas section if I can get a favorable fill.

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

SPY – Buy ¼ index position @ \$688.00 LIMIT. If not filled by end of day, change order to \$690.35 LIMIT ON CLOSE. Based on the short-term outlook above, I will look to start building a long SPY position if I can get a favorable fill. SPY closed well above its low on Wednesday, so I will look for it to retrace down some during the day. If that does not fill, I'll take any close lower.

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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