

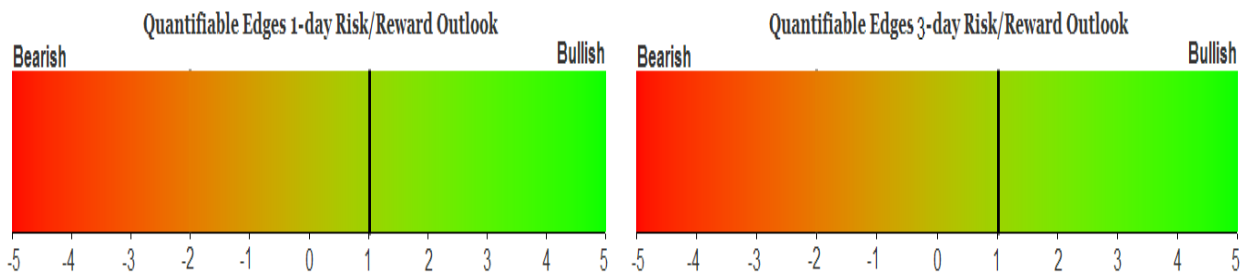
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 23, 2026

Volume 19 Issue 15

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	8

Tonight's Research Points

- We have a couple of studies pointing to higher prices in the next few days.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. But SPX could easily turn overbought on Friday, so reward/risk is not great.

The Evidence

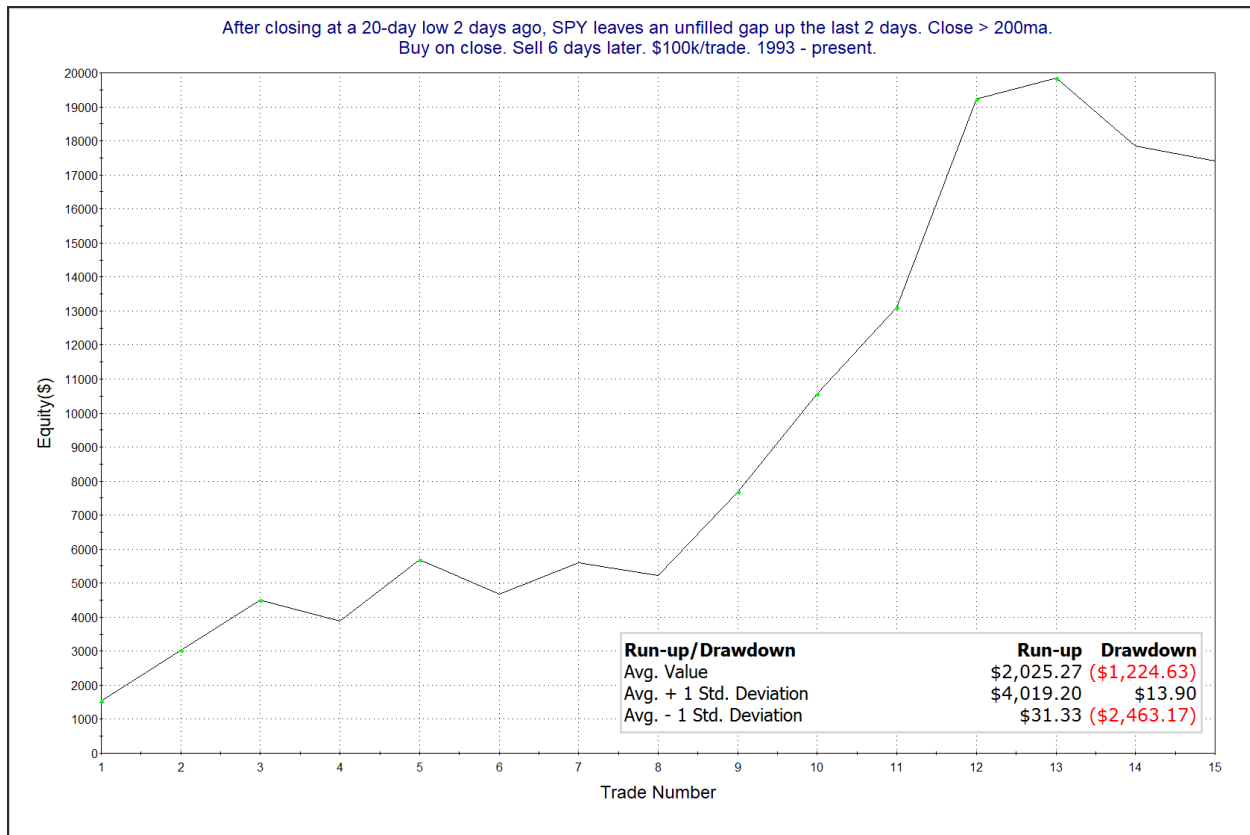
Thursday was a good day for the bulls. SPX rose 0.55%, the NASDAQ finished up 0.9%, and the Russell 2000 rallied 0.8%. Breadth was strong as the NYSE Up Issues % closed at 62% and the NYSE Up Volume % posted a 64% reading. NYSE total volume declined some from Wednesday's level.

Coming off the 20-day low close on Tuesday, we have now seen SPY leave an unfilled gap higher for two days in a row. That is quite unusual to see that kind of overnight strength hold up so well for multiple days following an intermediate-term low. It is something I examined in the 5/17/21 letter. I went back and updated that study tonight.

After closing at a 20-day low 2 days ago, SPY leaves an unfilled gap up the last 2 days. 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
10	23,416.43	15	11	4	73.33	7,303.23	-2,443.98	2,716.93	-1,617.45	1.68	4.62	1,561.10
9	21,023.44	15	11	4	73.33	7,882.38	-2,937.00	2,455.35	-1,496.35	1.64	4.51	1,401.56
8	19,567.71	15	11	4	73.33	6,554.79	-2,268.00	2,323.28	-1,497.10	1.55	4.27	1,304.51
7	16,360.35	15	12	3	80.00	5,102.46	-3,271.50	1,807.76	-1,777.58	1.02	4.07	1,090.69
6	17,412.02	15	10	5	66.67	6,130.08	-2,011.50	2,186.62	-890.83	2.45	4.91	1,160.80
5	10,088.81	15	10	5	66.67	5,348.97	-3,159.00	1,803.70	-1,589.63	1.13	2.27	672.59
4	8,950.68	15	9	6	60.00	5,503.41	-2,332.99	1,611.79	-925.91	1.74	2.61	596.71
3	3,265.10	15	10	5	66.67	4,196.61	-2,483.29	1,079.80	-1,506.59	0.72	1.43	217.67
2	4,740.59	15	9	6	60.00	4,220.37	-1,252.80	1,173.81	-970.62	1.21	1.81	316.04
1	4,014.56	15	9	6	60.00	2,230.47	-1,188.00	860.02	-620.94	1.39	2.08	267.64

Instances are somewhat low, but the upside consistency is quite impressive. Below is a profit curve for the 6-day holding period.



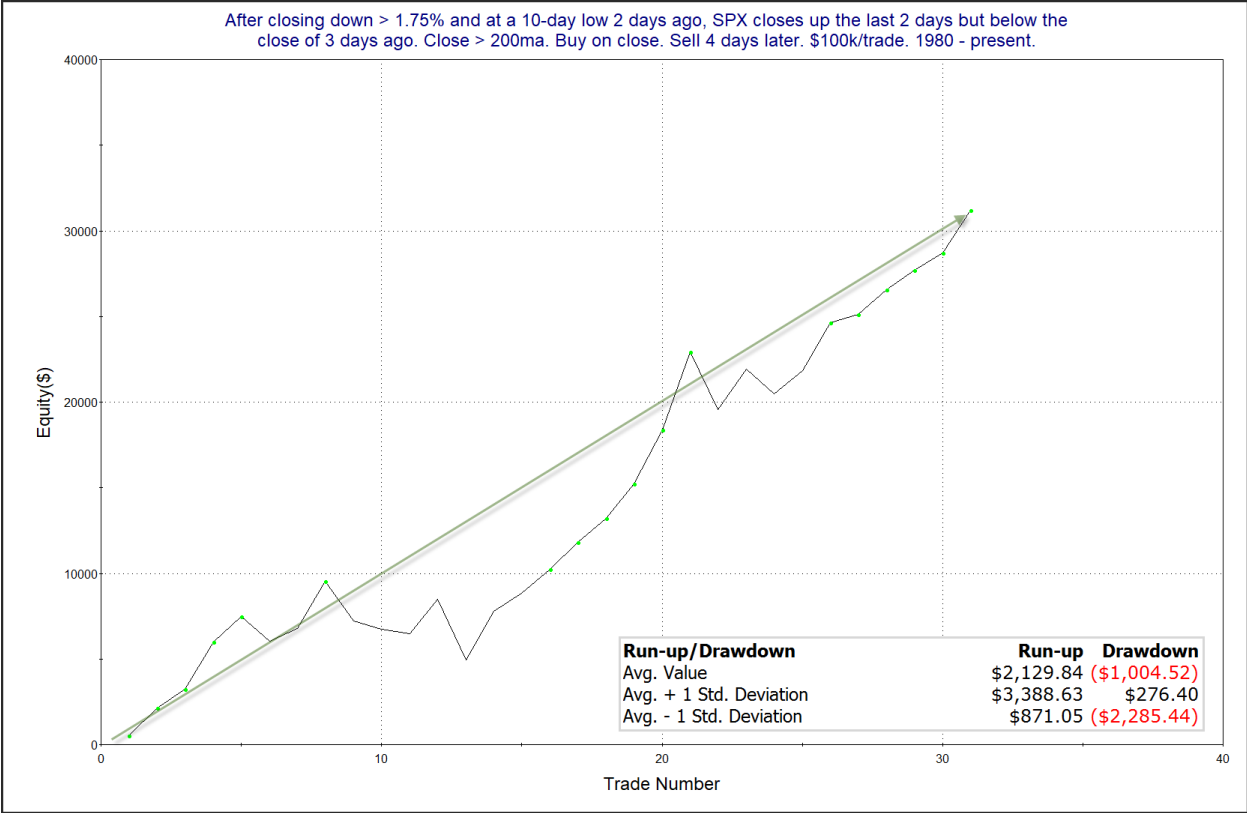
While the last 2 instances have faltered, the push higher still appears impressive. Overall, I like this study and have added it to the active list tonight.

This next study, from the 6/16/20 letter, looked at a times a sharp selloff was followed by a 2-day rally that failed to close above the close of 3 days ago. Results are updated.

After closing down > 1.75% and at a 10-day low 2 days ago, SPX closes up the last 2 days but below the close of 3 days ago. Close > 200ma. Buy on close. Sell X days later. \$100k/trade. 1980 - present.

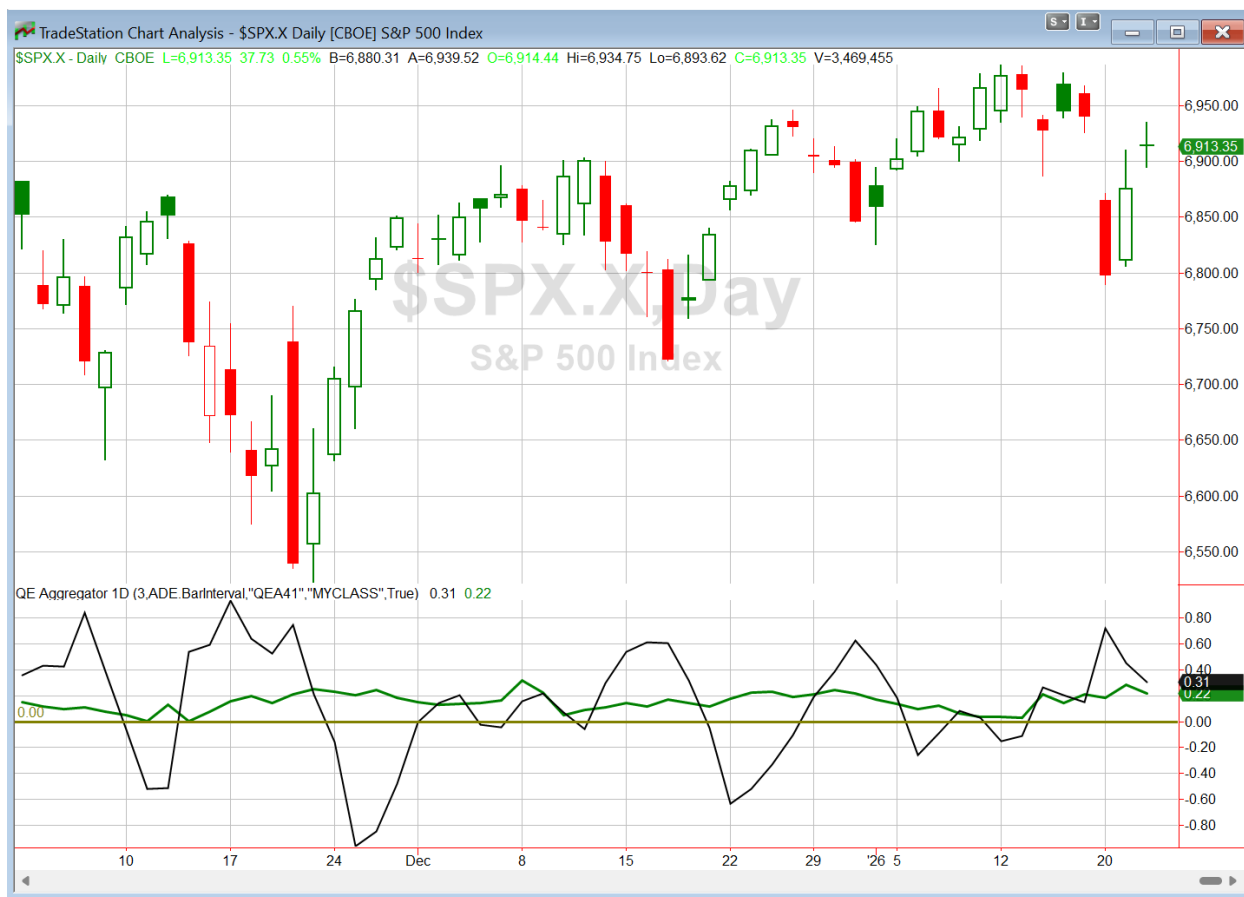
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	28,191.79	31	22	9	70.97	5,601.62	-6,447.66	2,134.59	-2,085.46	1.02	2.50	909.41
4	31,189.02	31	24	7	77.42	4,528.65	-3,541.48	1,837.32	-1,843.82	1.00	3.42	1,006.10
3	26,944.88	31	24	7	77.42	3,269.52	-3,973.16	1,579.82	-1,567.26	1.01	3.46	869.19
2	23,256.96	31	22	9	70.97	3,844.65	-1,919.22	1,382.45	-795.21	1.74	4.25	750.22
1	12,506.54	31	20	11	64.52	2,699.42	-1,647.38	1,037.14	-748.74	1.39	2.52	403.44

Results look very favorable for the bulls. Below is a look at a 4-day profit curve.



That is an impressive curve, and serves as some confirmation of the bullish edge suggested by the stats table.

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 also 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 long at the close.

Based on the current list of active studies, expectations are set to remain positive on Friday. This is unlikely to change. Meanwhile, the Differential Pivot will be *strongly inverted* at 6832.81. That is 1.2% *below* Thursday'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 at least 1.2% in order to remain oversold. Anything other than that and SPX will flip from oversold to overbought versus recent expectations as of Friday's close.

So the Aggregator is bullish. But the strongly inverted pivot greatly reduces reward/risk potential. I often view inverted pivots as opportune times to take profits. This seems like such a time. I will look to exit the SPY trade idea on Friday if it rallies some and I can get a favorable fill during the day.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 1/20 – **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)

NOW – 1/3 @ \$127.31 (bought @ limit)

NOW – 1/3 @ \$125.40 (bought @ limit)

GM – 1/3 @ \$77.81 (buy @ limit) - *not filled – cancel for now*

NOW – 1/3 @ \$125.30 (bought @ limit)

INTU – 1/3 @ \$524.92 (buy @ limit) - *not filled – cancel for now*

Broad Market Large Cap CBI – 8 (AIG-3, NOW-3, GM, INTU)

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

AIG(1/3)	1/5/2026	\$83.56	\$72.31	-13.46%	Catapult
AIG(1/3)	1/7/2026	\$77.43	\$72.31	-6.61%	Catapult
AIG(1/3)	1/12/2026	\$75.43	\$72.31	-4.14%	Catapult
NOW(1/3)	1/20/2026	\$126.57	\$128.56	1.57%	Catapult
SPY(1/4)	1/20/2026	\$677.58	\$688.98	1.68%	<i>sell @ \$690.00 LIMIT</i>
NOW(1/3)	1/21/2026	\$125.40	\$128.56	2.52%	Catapult
NOW(1/3)	1/22/2026	\$125.30	\$128.56	2.60%	Catapult

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