

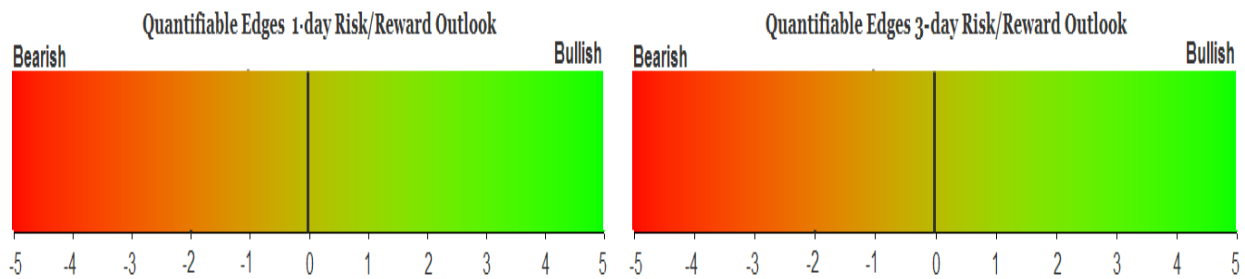
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

January 28, 2026

Volume 19 Issue 18

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- 2 unfilled up gaps and a 50-day high are a short-term positive.
- VXX hitting a 5-day high at the same time as SPX has been followed by SPX pullbacks in the following days.
- The Fed Day setup is not appealing.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. Same here.

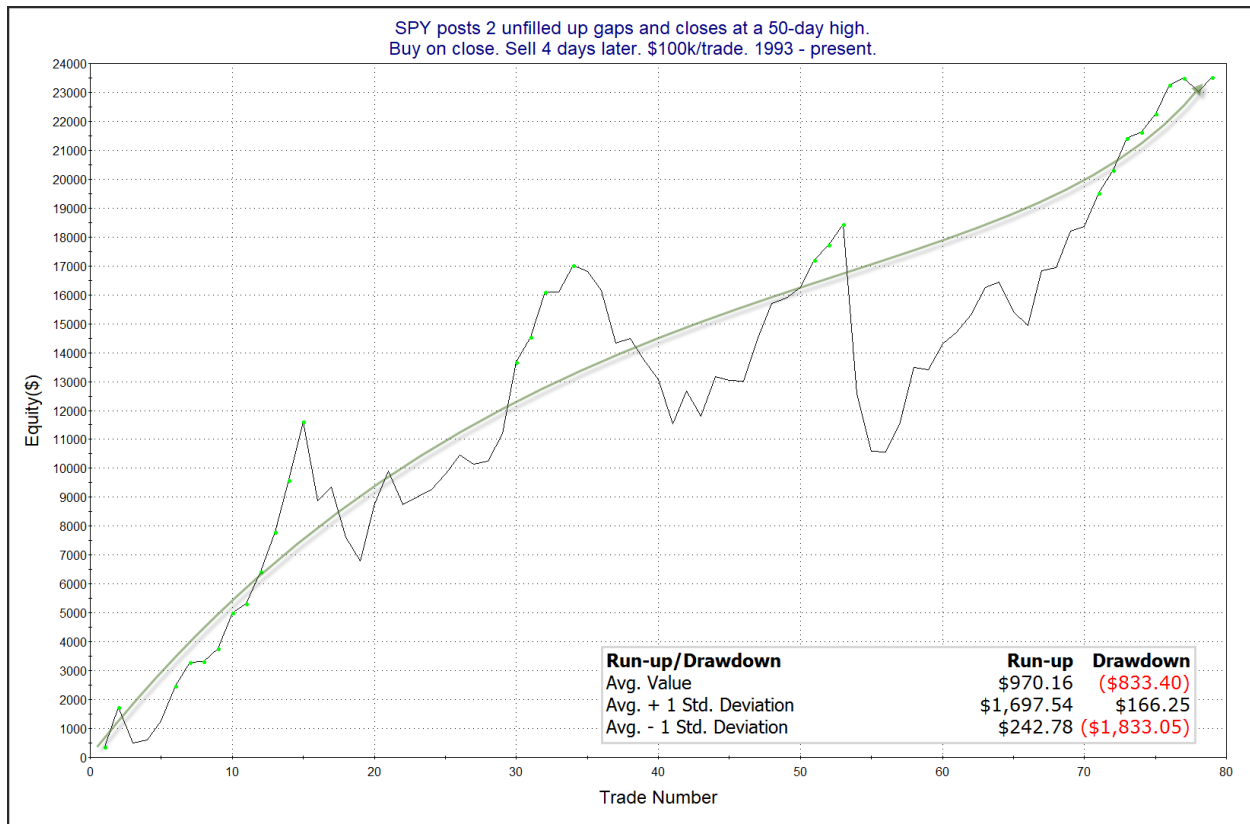
The Evidence

Tuesday saw stocks close mostly higher. SPX rose 0.4%, the NASDAQ finished up 0.9%, and the Russell 2000 gained 0.3%. Breadth was flat as the NYSE Up Issues % closed at 50.8% and the NYSE Up Volume % posted a 50.5% reading. NYSE total volume rose some from Friday's level.

Tuesday not only saw SPY make a new high, but it was also the 2nd day in a row with an unfilled gap up. The study below was last seen in the 1/7/26 letter. It examined other times SPY left at least 2 unfilled up gaps and closed at a 50-day high.

SPY posts 2 unfilled up gaps and closes at a 50-day high. 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	19,142.47	78	54	24	69.23	2,709.12	-4,990.35	886.55	-1,197.13	0.74	1.67	245.42
4	23,519.44	79	56	23	70.89	2,475.56	-5,867.91	859.09	-1,069.11	0.80	1.96	297.71
3	14,312.87	79	55	24	69.62	2,419.84	-6,980.31	631.83	-851.57	0.74	1.70	181.18
2	10,513.00	81	48	32	59.26	1,858.87	-1,729.75	533.11	-471.14	1.13	1.70	129.79
1	1,198.46	94	49	45	52.13	1,431.75	-1,942.24	328.20	-330.75	0.99	1.08	12.75

The size of the follow-through isn't terribly large, but the numbers appear consistent enough to warrant further examination. Below is the 4-day profit curve.



There were some sizable losers in 2020, including one in June of that year which lost nearly 6%. But the curve has certainly righted itself since then, rallying impressively since early 2021. I have decided to add this study to the active list.

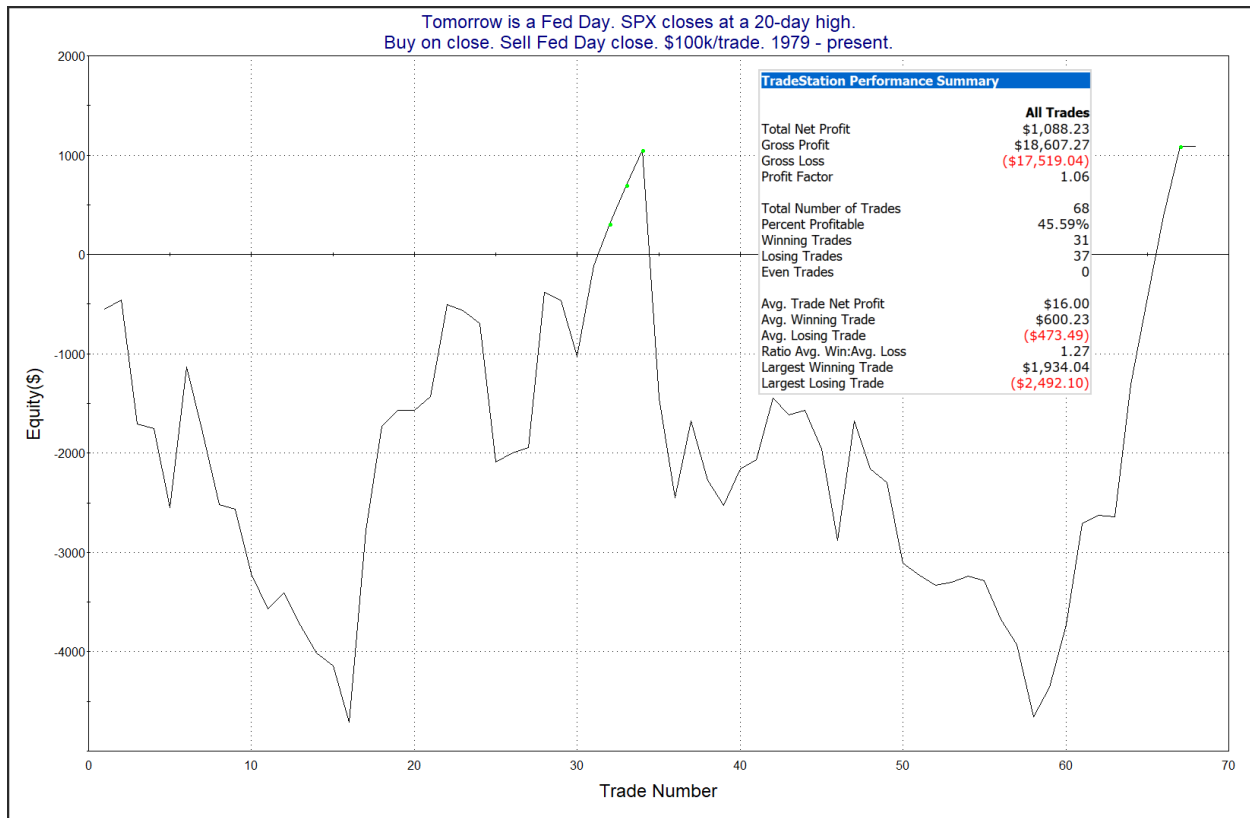
Also notable on Tuesday was that the VIX and VIX futures rose alongside the SPX. It is unusual that they are not only rising but both making short-term highs at the same time. I noticed this action could be a warning sign years ago when looking at the old XIV and SPX moving in opposite directions. In the 6/13/25 letter I looked at VXX (and the old VXX which expired in 2019) vs SPX. Results below are from that letter (not updated).

VXX and SPX both close at a 5-day high.
Forward SPX results shown. 2009 - present.

Date/Time	SPX Close	Next Day % Chg	2-Day %Chg	3-Day %Chg	4-Day %Chg	5-Day %Chg
8/26/2009	1028.12	0.28	0.08	-0.73	-2.93	-3.25
3/11/2010	1150.24	-0.02	0.02	0.8	1.39	1.36
2/17/2011	1340.43	0.19	-1.86	-2.46	-2.56	-1.53
12/7/2011	1261.01	-2.11	-0.46	-1.95	-2.8	-3.9
2/9/2012	1351.95	-0.69	-0.01	-0.11	-0.64	0.45
2/28/2014	1859.45	-0.74	0.78	0.77	0.95	1
8/27/2014	2000.12	-0.17	0.16	0.11	0.03	-0.12
11/14/2014	2039.82	0.07	0.59	0.44	0.63	1.16
12/13/2016	2271.72	-0.81	-0.43	-0.6	-0.4	-0.04
2/21/2017	2365.38	-0.11	-0.07	0.08	0.18	-0.07
11/30/2017	2647.58	-0.2	-0.31	-0.68	-0.69	-0.4
1/25/2018	2839.25	1.18	0.5	-0.59	-0.54	-0.61
12/27/2019	3240.02	-0.58	-0.29	0.55	-0.16	0.19
8/26/2020	3478.73	0.17	0.84	0.62	1.38	2.94
1/25/2021	3855.36	-0.15	-2.71	-1.76	-3.66	-2.11
7/7/2021	4358.13	-0.86	0.26	0.61	0.25	0.37
11/8/2021	4701.7	-0.35	-1.17	-1.12	-0.4	-0.4
3/28/2022	4575.52	1.23	0.59	-0.99	-0.65	0.16
8/3/2022	4155.17	-0.08	-0.24	-0.36	-0.79	1.33
12/18/2023	4740.56	0.59	-0.89	0.13	0.3	0.72
7/16/2024	5667.2	-1.39	-2.16	-2.86	-1.81	-1.97
8/21/2024	5620.85	-0.89	0.24	-0.07	0.09	-0.51
	Average	-0.25	-0.30	-0.46	-0.58	-0.24
	% Wins	32%	45%	41%	41%	45%

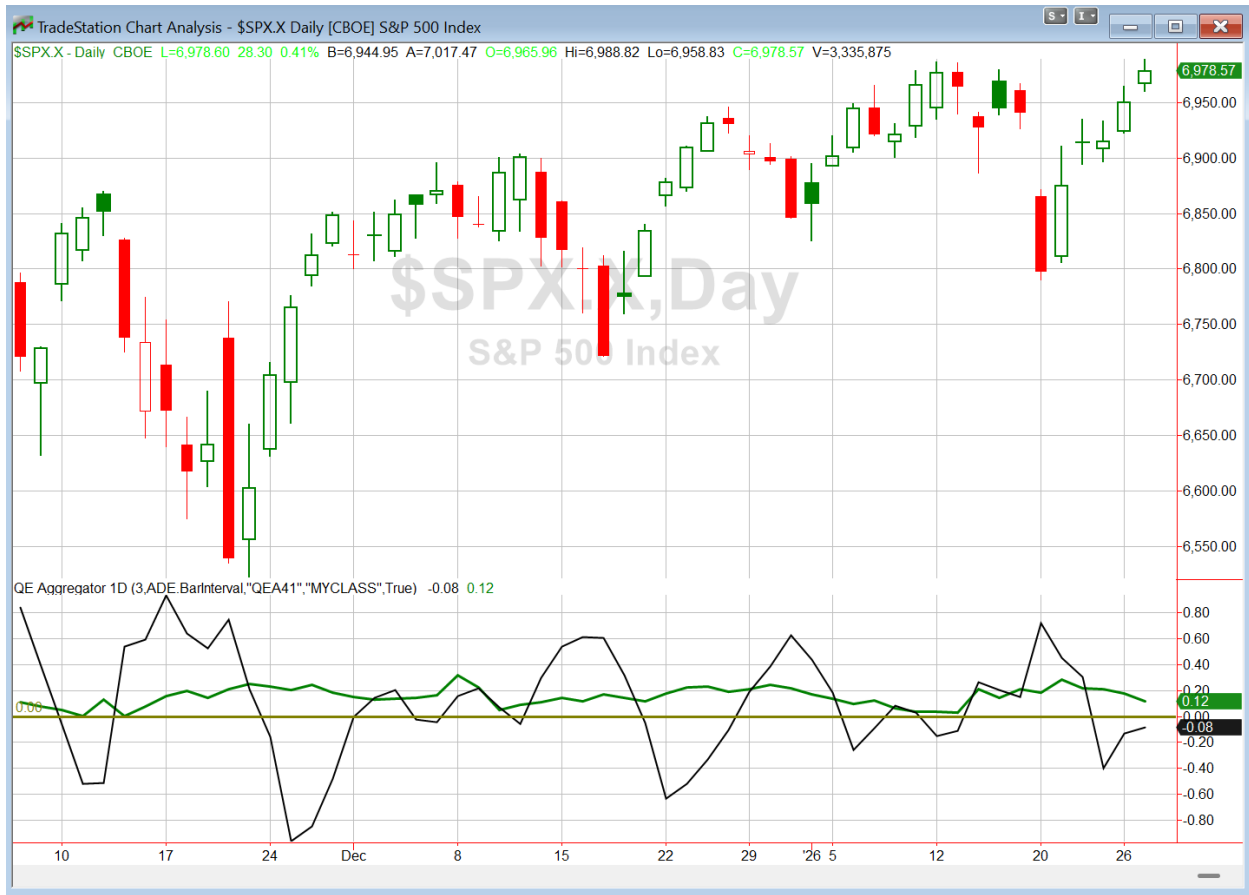
So you often see pullbacks in the following days. This study is a warning-light study in my view. Volatility might be spiking because someone “in the know” is buying it. More likely there is a bit of anxiety ahead of the Fed and some upcoming earnings reports. In any case, I’ve added this study to the active list.

As I discussed on Sunday, the worse SPY closes on Tuesday the better the Fed Day odds for Wednesday. Tuesday’s close was in the top half of the day’s range – so not great. Even worse is that SPX closed at a new high. The study below shows how Fed Days have performed following new 20-day highs.



Neither the curve nor stats are compelling. As far as Fed Day setups go, this does not appear to be a favorable one.

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 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 compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 6965.17. That is 0.2% below Tuesday's close. Therefore, SPX will need to close down at least 0.2 on Wednesday in order to flip from overbought to oversold versus recent.

So the Aggregator is neutral. I am flat and have no desire to change that immediately. I'll see how the market reacts to the Fed tomorrow, and what new evidence emerges before considering my next move.

Intermediate-term Outlook (2 weeks – 2 months) – updated 1/26 – *bullish*

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

None

Broad Market Large Cap CBI – 0

Additional New Trade Ideas

None.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
<i>AIG(1/3)</i>	<i>1/5/2026</i>	<i>\$83.56</i>	<i>\$73.80</i>	<i>-11.68%</i>	<i>sold on open</i>
<i>AIG(1/3)</i>	<i>1/7/2026</i>	<i>\$77.43</i>	<i>\$73.80</i>	<i>-4.69%</i>	<i>sold on open</i>
<i>AIG(1/3)</i>	<i>1/12/2026</i>	<i>\$75.43</i>	<i>\$73.80</i>	<i>-2.16%</i>	<i>sold on open</i>

DISCLAIMER: PAST PERFORMANCE, WHETHER ACTUAL OR TESTED, DOES NOT GUARANTEE FUTURE RESULTS, PROFITABILITY, OR CORRELATION TO ANY LISTED SECURITY OR TRADE IDEA.

This publication is produced by Quantifiable Edges, LLC (QE), and is intended solely for informational and educational purposes. It is a regularly issued impersonal financial research commentary, and should not be construed as personalized investment advice, a solicitation to buy or sell securities, or a recommendation tailored to any individual's financial circumstances. Data provided by Tradestation and Norgate Data. The information presented herein is believed to be accurate at the time of publication, but QE makes no representation or warranty as to its completeness or reliability. Opinions, data and analyses are subject to change without notice. Readers are encouraged to conduct their own due diligence and consult with a qualified financial professional before making investment decisions. There is a high degree of risk in trading and simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading or the results of a specific account or group of accounts. Because these trades may not have been executed, results could misrepresent the effects of market factors like liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve results like those shown. QE, its officers and employees do not accept responsibility for any direct or consequential loss resulting from the use of this information.

Mr. Robert Hanna, author of the publication, is separately affiliated with Eastsound Capital Advisors, LLC (ECA), doing business as Capital Advisors 360. ECA is registered as an investment adviser with the Securities and Exchange Commission (SEC). ECA provides individual client services only in states in which it is filed, or which an exemption or exclusion from such filing exists. Registration with the SEC does not imply a certain level of skill or training. Although ECA clients utilizing the approaches developed by Mr. Hanna incidentally receive the QE Gold Subscription at no charge, ECA does not sponsor, endorse or validate its content. Mr. Hanna and/or his clients may hold positions in securities (including derivatives) mentioned herein; however, such holdings are not intended as endorsements and may change without notice and/or differ from published study indications at the sole discretion of Mr. Hanna. No part of this publication may be reproduced, redistributed, or republished without prior written consent from QE.

Copyright © 2026 Quantifiable Edges, LLC.