

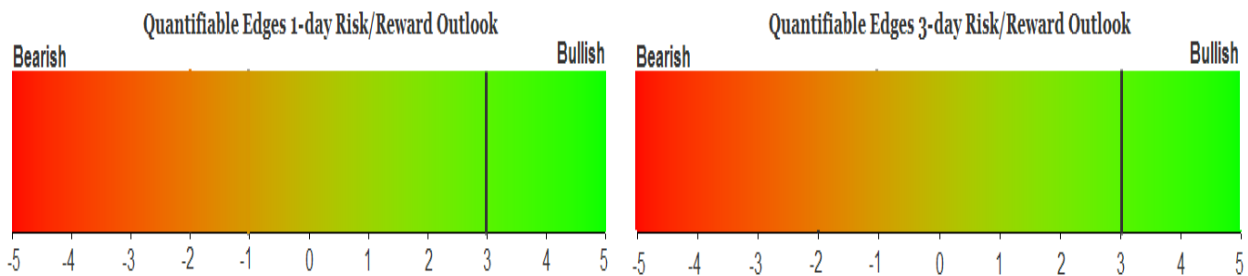
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

February 5, 2026

Volume 19 Issue 24

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	5

Tonight's Research Points

- No compelling new evidence emerged on Wednesday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. There appears to be a mild long-side edge.

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

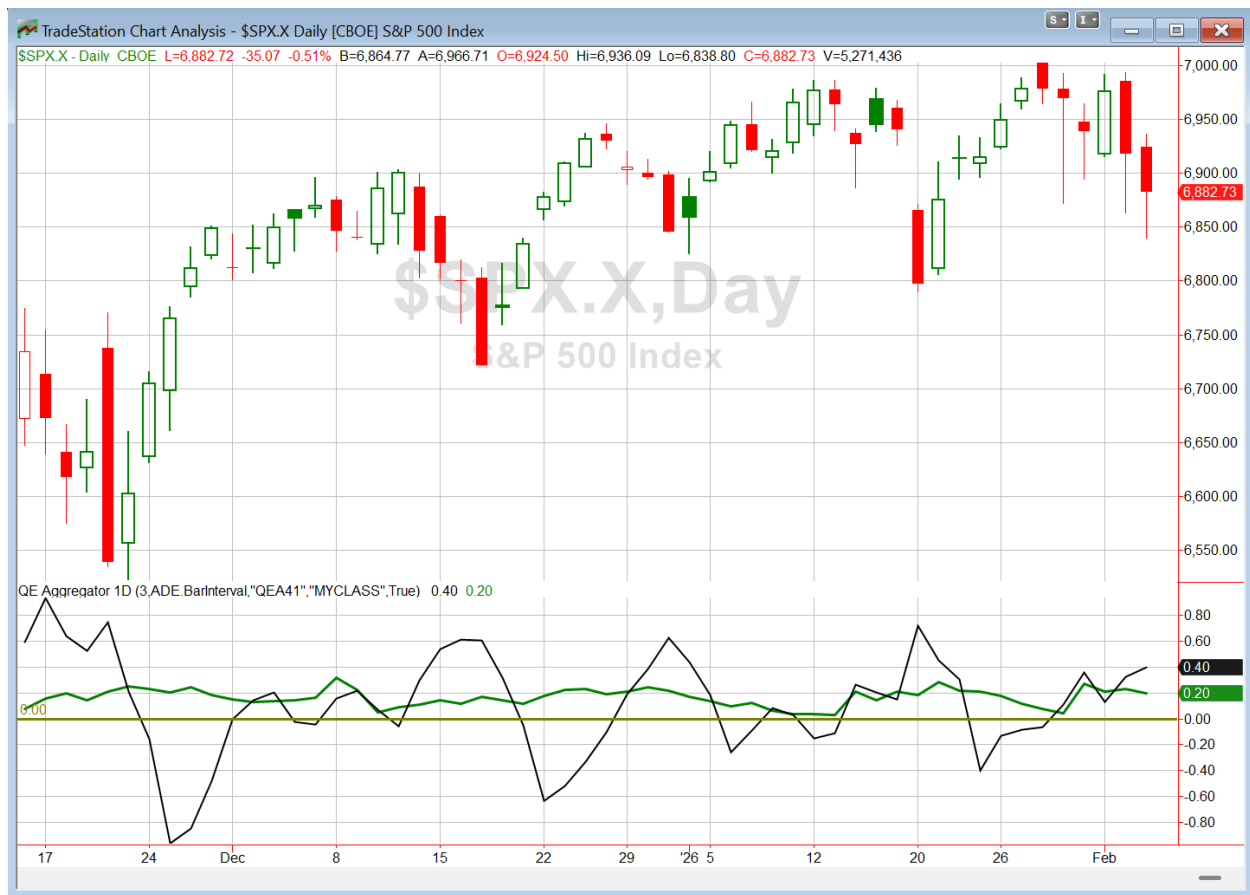
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
February 3, 2026	3-day high. 3-low. 3-low close. No 50 high	1-5 days	Bullish	2.00%	-1.20%	-2.50%
Active - Long Term						
January 20, 2026	SPY 50-high then sideways for 5 days	1-10 days	Bullish	2.10%	-1.10%	-2.40%
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

More selling on Wednesday, but again the market closed well off its intraday lows. SPX finished down 0.5%, the NASDAQ dropped 1.5%, and the Russell 2000 lost 0.9%. But even with the major indices down, breadth was positive as the NYSE Up Issues % closed at 59% and the NYSE Up Volume % posted a 64% reading. NYSE total volume rose some from Tuesday's level.

Nothing compelling triggered in the Quantifinder. I did find it interesting that we have seen the market pull back 5 of the last 6 days, but none of those days has the market closed in the bottom quarter of its intraday range. Every bout of strong intraday selling has been met with an afternoon bounce that lessened the damage. I looked back at other similar instances where bouts of down days did not close poorly. I was not able to find any compelling evidence that suggested a possible edge. No new studies are being added to the active list tonight.

I have updated the Aggregator chart below.



Without any new studies being added 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 long at the close.

Based on the current list of active studies, expectations are set to remain positive on Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7011.48. That is a hefty 1.9% above Wednesday's close. Therefore SPX will need to close up 1.9% on Thursday in order to flip from oversold to overbought versus recent expectations.

The Aggregator is bullish. SPX is strongly oversold, so reward potential appears good. But short-term evidence is minimal and nothing confirming emerged on Wednesday. I like the long side, but I am not inclined to add to the current position just yet.

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

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

INTU @ \$487.12 (bought @ limit)

PYPL @ \$52.33 (bought @ limit)

INTU @ \$434.09 (buy @ limit)

PYPL @ \$41.70 (buy @ limit)

New

PYPL @ \$41.03 (buy @ limit)

Broad Market Large Cap CBI – 5(INTU-2, PYPL-3)

Additional New Trade Ideas

PYPL – Buy 1/3 Catapult position @ \$41.03 LIMIT. From the Catapult section above, this is the 3rd and final lot of PYPL.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
BA(1/3)	1/30/2026	\$233.50	\$235.95	1.05%	<i>sell on open</i>
BA(1/3)	2/2/2026	\$232.64	\$235.95	1.42%	<i>sell on open</i>
COST(1/3)	2/2/2026	\$940.25	\$983.31	4.58%	<i>sold on open</i>
BA(1/3)	2/3/2026	\$233.02	\$235.95	1.26%	<i>sell on open</i>
PYPL(1/3)	2/3/2026	\$42.88	\$41.03	-4.31%	Catapult
INTU(1/3)	2/3/2026	\$468.50	\$445.64	-4.88%	Catapult
INTU(1/3)	2/4/2026	\$427.94	\$445.64	4.14%	Catapult
PYPL(1/3)	2/4/2026	\$41.60	\$41.03	-1.37%	Catapult
SPY(1/4)	2/4/2026	\$689.53	\$686.19	-0.48%	Aggregator

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