

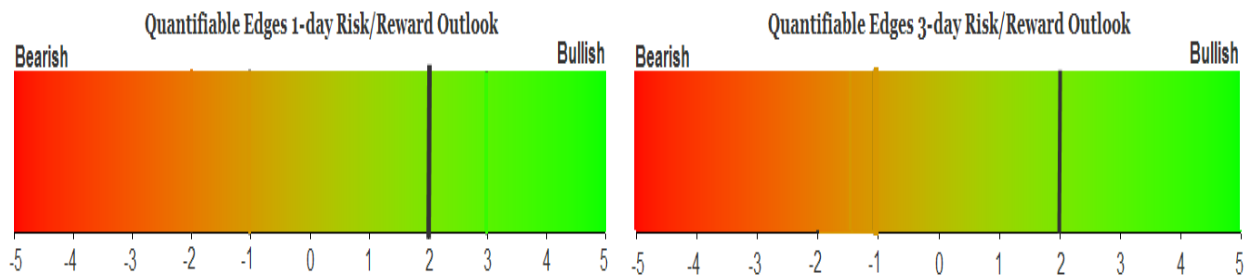
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

February 20, 2026

Volume 19 Issue 34

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	5

Tonight's Research Points

- Opex Friday has often seen selling after the opening bell.

Short-term Outlook

The Bottom Line

The Aggregator is back to bullish. There appears to be a moderate upside 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 19, 2026	SPY up 3 < 4 ago and > 200ma	1-2 days	Bullish			
February 18, 2026	4 lower lows, 20-day low > 200	1-8 days	Bullish	2.40%	-1.70%	-3.30%
February 13, 2026	Dn 1%. Bad breadth. 4-day low close.	1-5 days	Bullish	2.30%	-2.05%	-4.50%
February 13, 2026	Btm 10% rng 2 of 3 days. Cls < 10ma > 200	1-9 days	Bullish	3.05%	-1.30%	-2.70%
Active - Long Term						
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

Thursday saw mixed results. SPX declined 0.3%, the NASDAQ lost 0.3%, and the Russell 2000 climbed 0.2%. Breadth was mixed as the NYSE Up Issues % closed at 48.2% and the NYSE Up Volume % posted a 50.2% reading. NYSE total volume declined some from Wednesday’s level.

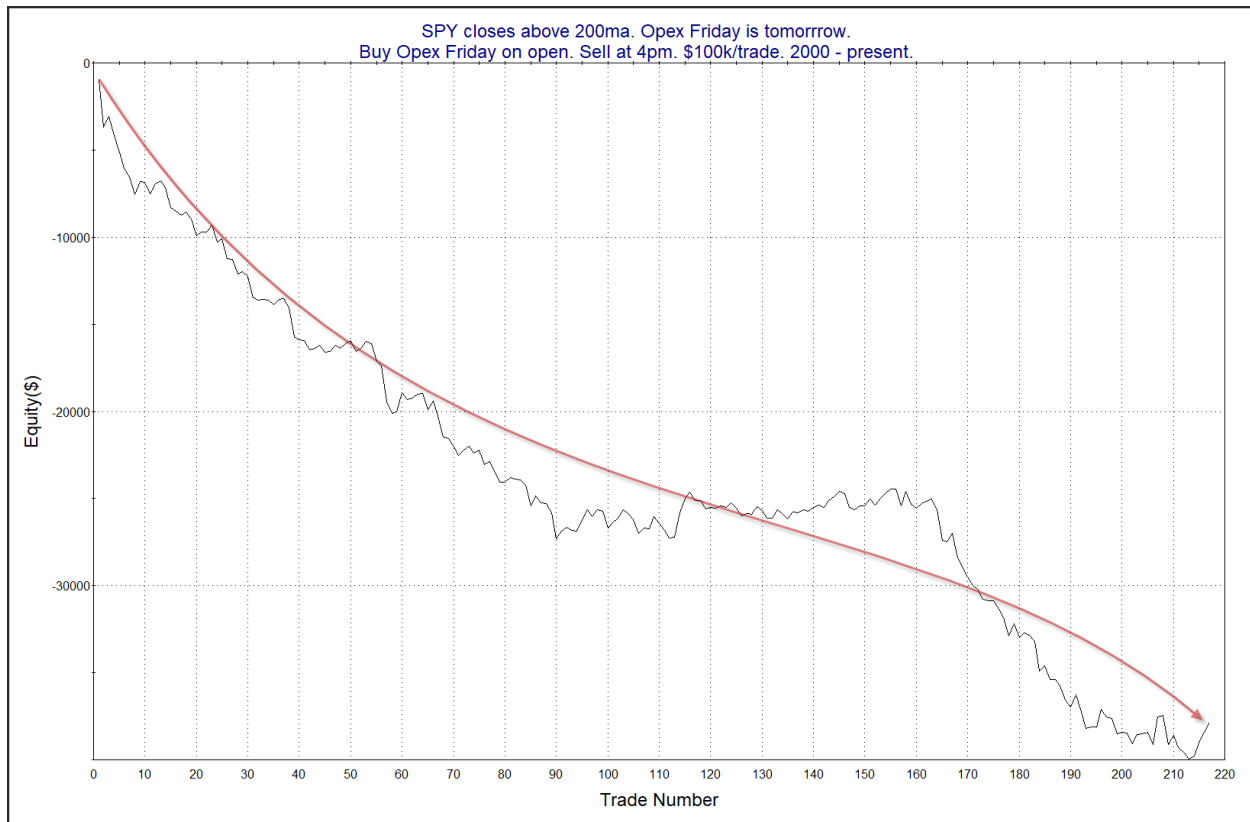
Price action did not generate anything in the way of new, compelling evidence. But Friday is options expiration. Options expiration has long been a day that has seen weakness after the opening bell. The studies below are some that I have shown several times over the years. Note I last updated them in the 1/16/26 letter last month. I did not update them tonight, but the 1/16/26 action saw both SPY and QQQ sell off between the open and the close. This first study shows results of purchasing SPY at the open and then exiting at different times during the day.

SPY closes above 200ma. Opex Friday is tomorrow. Buy Opex Friday on open. Sell at time shown on left. \$100k/trade. 2000 - present.												
OE Op-Ex Fri Intra Short: timeofday	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
1,600	-37,829.52	217	90	127	41.47	1,547.00	-2,746.58	342.82	-540.82	0.63	0.45	-174.33
1,500	-31,552.26	217	90	126	41.47	1,824.10	-2,315.18	330.45	-486.45	0.68	0.49	-145.40
1,400	-31,031.38	217	78	139	35.94	1,751.00	-2,000.00	323.54	-404.80	0.80	0.45	-143.00
1,300	-27,323.84	217	81	135	37.33	2,172.60	-1,324.62	304.98	-385.39	0.79	0.47	-125.92
1,200	-25,736.59	217	77	140	35.48	2,150.50	-1,318.40	296.14	-346.71	0.85	0.47	-118.60
1,100	-23,210.77	217	81	135	37.33	1,103.30	-968.50	225.04	-306.96	0.73	0.44	-106.96
1,000	-18,592.39	217	63	154	29.03	473.34	-629.00	137.14	-176.83	0.78	0.32	-85.68

As you can see, the bearish implications primarily play themselves out by early afternoon. (1000 = 10am EST, 1200 = noon EST, 1400 = 2pm EST, etc.) A good chunk of the downside would have been achieved by exiting as early as 11am. Below is a look at a profit curve for the 11am exit.



The strong move from upper left to lower right supports the bearish case. Next is the 4pm exit.



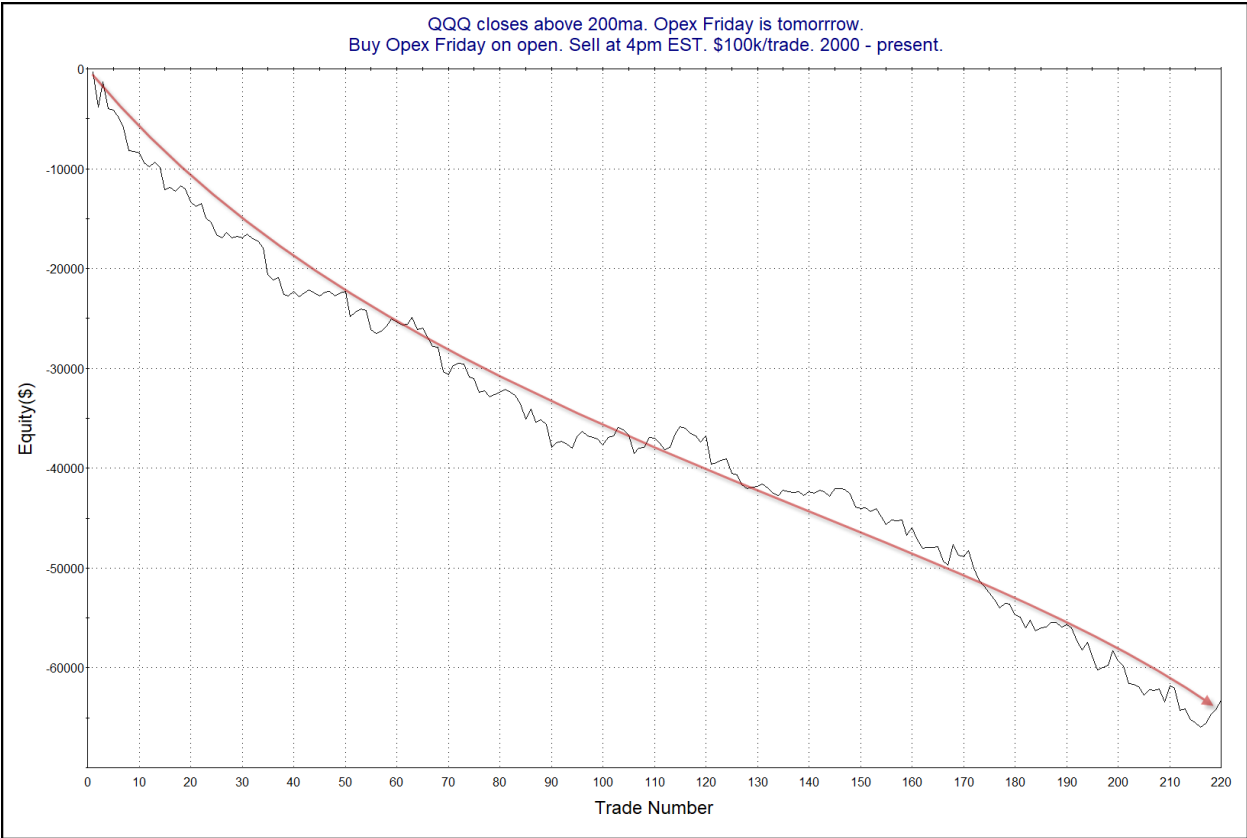
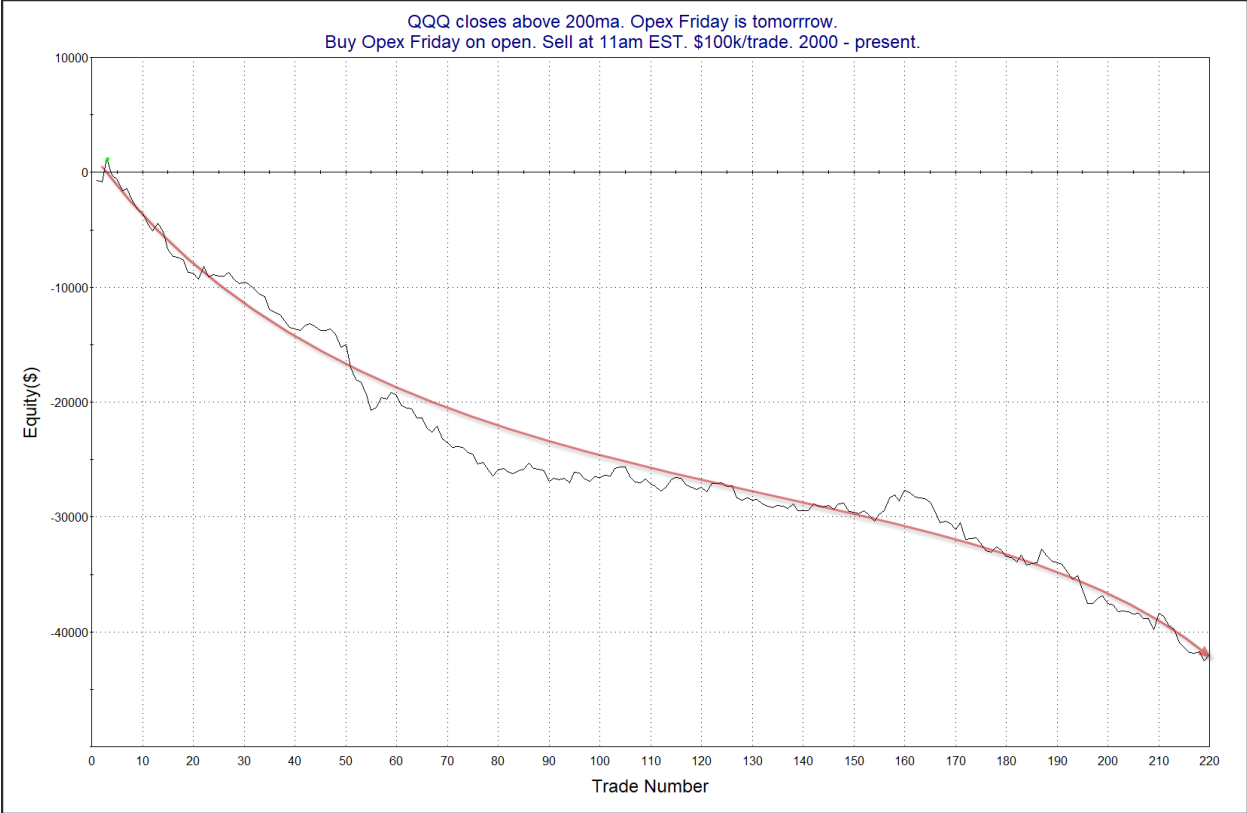
Despite the last few instances not panning out, this is also impressive.

QQQ has seen an even stronger tendency to sell off. This can be seen in the table below.

QQQ closes above 200ma. Opex Friday is tomorrow.
Buy Opex Friday on open. Sell at time shown on left. \$100k/trade. 2000 - present.

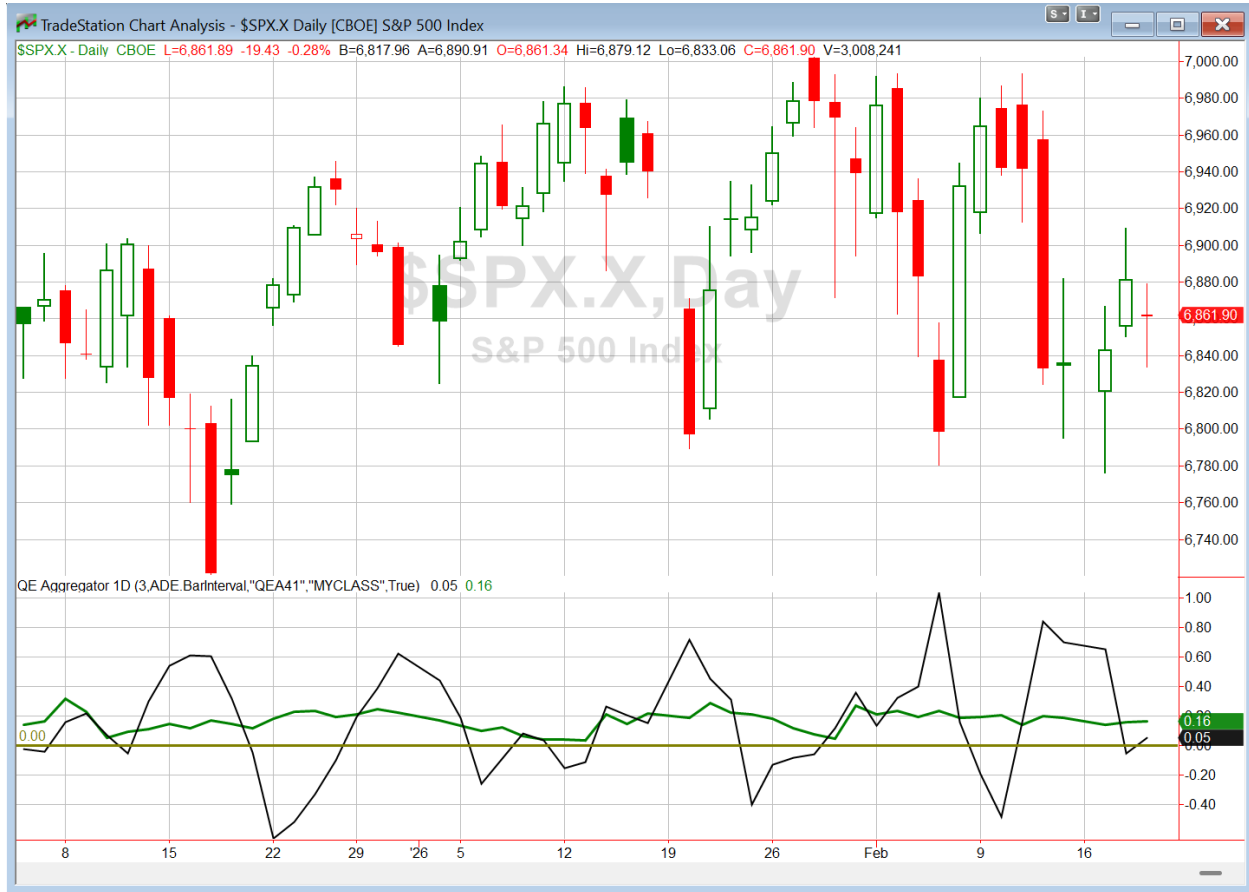
OE Op-Ex Fri Intra Short: timeofday	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
1,600	-63,289.26	220	86	134	39.09	2,516.00	-3,525.88	466.24	-771.53	0.60	0.39	-287.68
1,500	-56,207.45	220	81	137	36.82	2,246.52	-2,590.84	455.95	-679.85	0.67	0.40	-255.49
1,400	-55,270.58	220	72	145	32.73	2,104.90	-2,431.68	443.61	-601.45	0.74	0.37	-251.23
1,300	-47,871.05	220	76	143	34.55	2,541.40	-2,382.80	409.87	-552.60	0.74	0.39	-217.60
1,200	-46,952.66	220	80	139	36.36	2,518.12	-1,843.43	367.97	-549.57	0.67	0.39	-213.42
1,100	-42,014.57	220	73	146	33.18	1,998.00	-1,936.40	365.98	-470.76	0.78	0.39	-190.98
1,000	-31,228.55	220	69	150	31.36	1,332.00	-1,198.29	219.63	-309.22	0.71	0.33	-141.95

Also notable is that nearly 2/3 of the downside edge has occurred in the 90 minutes of trading. So Below are profit curves for 11am and 4pm.



The bearish edge appears alive and well here. It is something traders may want to consider on Friday morning.

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 back 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 Friday. This is unlikely to change. Meanwhile, the Differential Pivot will be 6878.96. That is 0.25% above Thursday's close. Therefore, SPX will need to close up at least 0.25% on Friday in order to flip from oversold to overbought vs recent expectations.

So the Aggregator is back to bullish. While I put an exit order out there for the SPY trade idea, it never triggered on Thursday. This was thanks to the unfilled gap down for SPY. Therefore, there is still one lot of SPY remaining, and I will look to exit that lot at the same level I was looking for on Thursday, which is just a little above the Differential Pivot.

Intermediate-term Outlook (2 weeks – 2 months) – updated 2/17 – neutral

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

INTU @ \$487.12 (bought @ limit)

INTU @ \$434.09 (bought @ limit)

TMO @ \$509.82 (bought @ limit)

TMO @ \$504.82 (bought @ limit)

TMO @ \$501.59 (buy @ limit)

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

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
<i>PYPL(1/3)</i>	<i>2/3/2026</i>	<i>\$42.88</i>	<i>\$41.10</i>	<i>-4.15%</i>	<i>sold on open</i>
INTU(1/3)	2/3/2026	\$468.50	\$381.54	-18.56%	Catapult
INTU(1/3)	2/4/2026	\$427.94	\$381.54	-10.84%	Catapult
<i>PYPL(1/3)</i>	<i>2/4/2026</i>	<i>\$41.60</i>	<i>\$41.10</i>	<i>-1.20%</i>	<i>sold on open</i>
<i>PYPL(1/3)</i>	<i>2/5/2026</i>	<i>\$40.60</i>	<i>\$41.00</i>	<i>0.99%</i>	<i>sold on open</i>
SPY(1/4)	2/12/2026	\$691.95	\$684.48	-1.08%	<i>sell @ \$686.50 LIMIT</i>
TMO(1/3)	2/13/2026	\$509.82	\$515.12	1.04%	Catapult
TMO(1/3)	2/17/2026	\$502.58	\$515.12	2.50%	Catapult
TMO(1/3)	2/18/2026	\$500.52	\$515.12	2.92%	Catapult

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