

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

February 27, 2026

Volume 19 Issue 39

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	2

Tonight's Research Points

- SPX reversed lower on strong breadth, which has typically been followed by gains over the net few days.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. While evidence is pointing higher, SPX is a bit overbought.

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 24, 2026	Up yest. Outside day down 1% today	1-5 days	Bullish	2.00%	-1.20%	-2.60%
February 18, 2026	4 lower lows, 20-day low > 200	1-8 days	Bullish	2.40%	-1.70%	-3.30%
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			

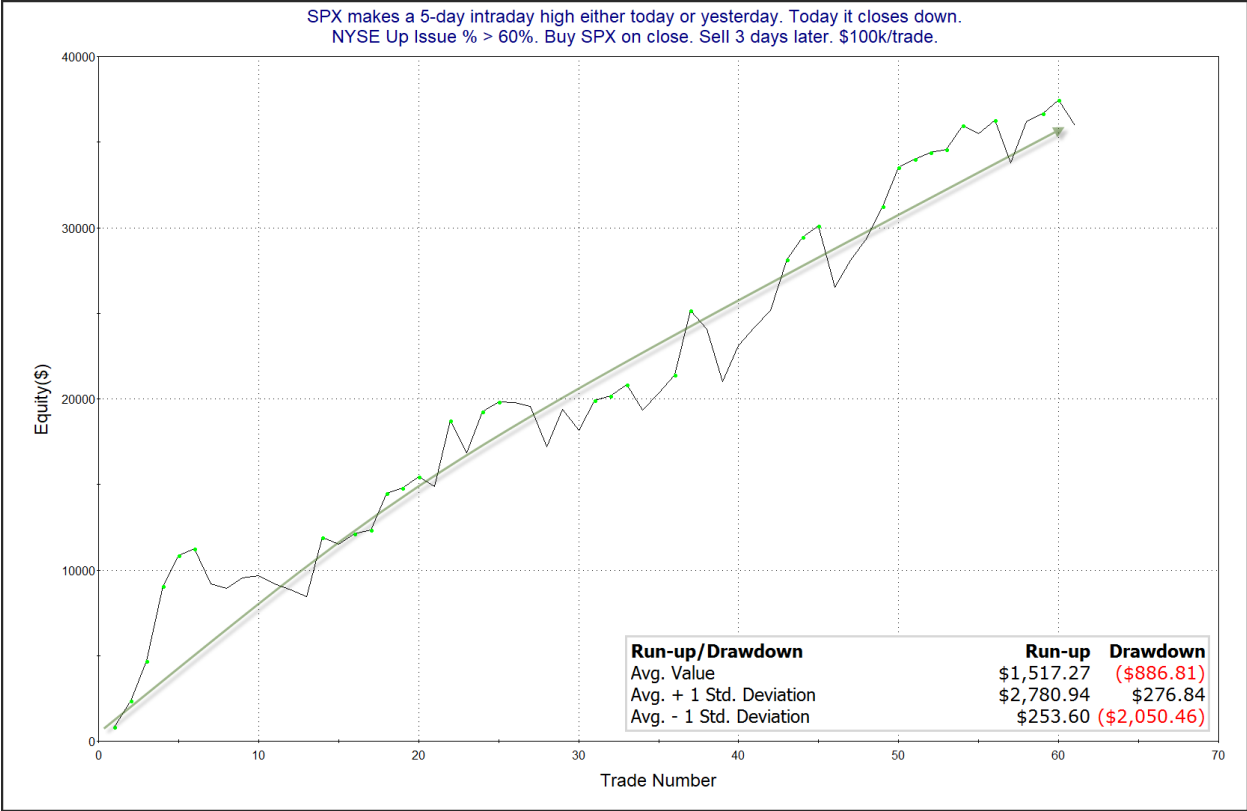
The Evidence

Thursday showed mixed results for the market. SPX closed down 0.5%, the NASDAQ fell 1.2%, and the Russell 2000 gained 0.5%. Breadth was positive as the NYSE Up Issues % closed at 61% and the NYSE Up Volume % posted a 67% reading. NYSE total volume rose some from Wednesday's level.

One study I found interesting was last seen just recently in the 2/11/26 letter. It examined other times the market made a recent short-term high, then pulled back but the breadth remained squarely positive. Results are updated below.

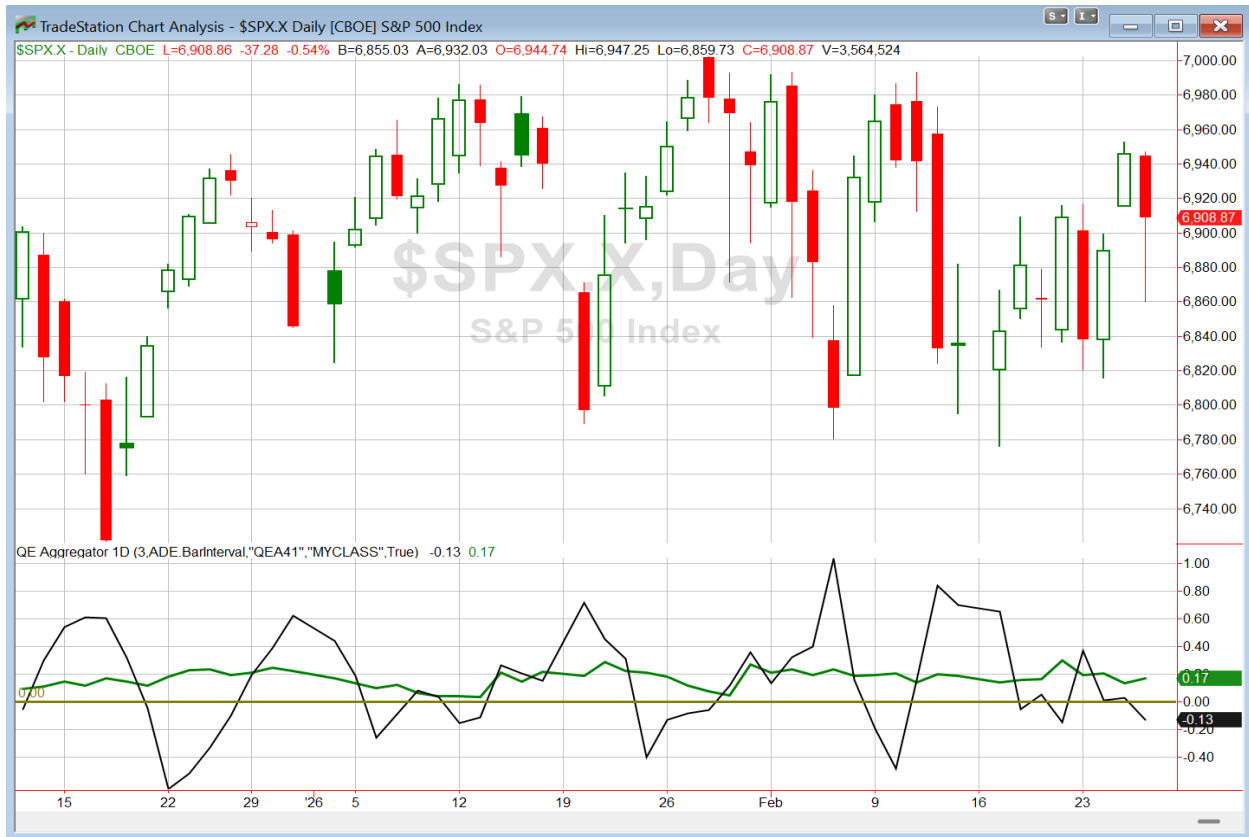
SPX makes a 5-day intraday high either today or yesterday. Today it closes down. NYSE Up Issue % > 60%. Buy SPX on close. Sell X days later. \$100k/trade.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	19,724.57	58	36	22	62.07	4,586.15	-6,119.33	1,642.38	-1,790.96	0.92	1.50	340.08
4	40,903.31	61	39	22	63.93	8,095.62	-6,253.50	1,879.20	-1,472.06	1.28	2.26	670.55
3	35,968.47	61	42	19	68.85	4,370.82	-3,593.26	1,428.02	-1,263.59	1.13	2.50	589.65
2	25,104.13	61	40	21	65.57	4,825.17	-4,128.74	1,224.80	-1,137.51	1.08	2.05	411.54
1	20,857.49	61	37	24	60.66	3,351.09	-1,606.00	909.40	-532.93	1.71	2.63	341.93

This suggests a possible upside edge over the next few days. Below is a look at the 3-day profit curve.



The curve has sloped upwards for a long time. This seems to offer some confirmation of the upside edge suggested by the stats table. I have added this study to the Active List.

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 fell 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 turned flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Friday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted* at 6937.92. That is 0.4% *above* 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 up over 0.4% in order to remain overbought. Anything other than that and it will flip to "oversold" versus recent expectations as of Friday's close.

So the Aggregator is flat. While evidence is pointing higher, SPX has already outperformed over the last few days. Of course with the inverted Differential Pivot, it could easily flip to oversold and trigger another bullish Aggregator formation on Friday. I am not inclined to try and get ahead of that with a new trade idea, but more aggressive traders could consider taking long exposure near the close on Friday if the market fails to rally and bearish studies don't trigger in the intraday Quantifinder.

Intermediate-term Outlook (2 weeks – 2 months) – updated 2/23 – neutral

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

ACN @ \$191.50 (buy @ limit) – not filled - cancel for now

New

GILD @ \$143.77 (buy @ limit)

Broad Market Large Cap CBI – 2 (ACN, GILD)

Additional New Trade Ideas

GILD – Buy 1/3 Catapult position @ \$143.77 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of GILD.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
<i>INTU(1/3)</i>	<i>2/3/2026</i>	<i>\$468.50</i>	<i>\$388.00</i>	<i>-17.18%</i>	<i>sold on open</i>
<i>INTU(1/3)</i>	<i>2/4/2026</i>	<i>\$427.94</i>	<i>\$388.00</i>	<i>-9.33%</i>	<i>sold on open</i>
<i>SPY(1/4)</i>	<i>2/24/2026</i>	<i>\$682.00</i>	<i>\$693.28</i>	<i>1.65%</i>	<i>sold on open</i>

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