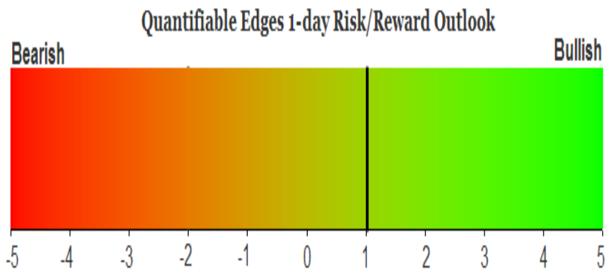
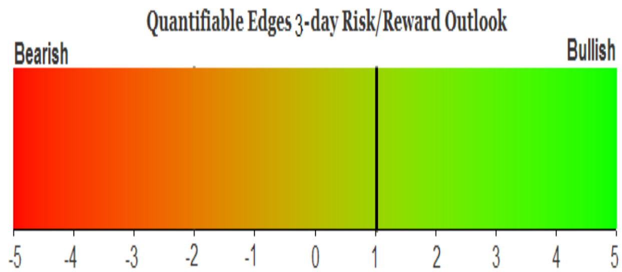
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 9, 2026 Volume 20 Issue 128

Market Overview





Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- 2 unfilled gaps down while above the 200ma has often been followed by a bounce the next day.

Short-term Outlook

The Bottom Line

The Aggregator is bullish, but it might only last a day unless additional bullish evidence emerges.

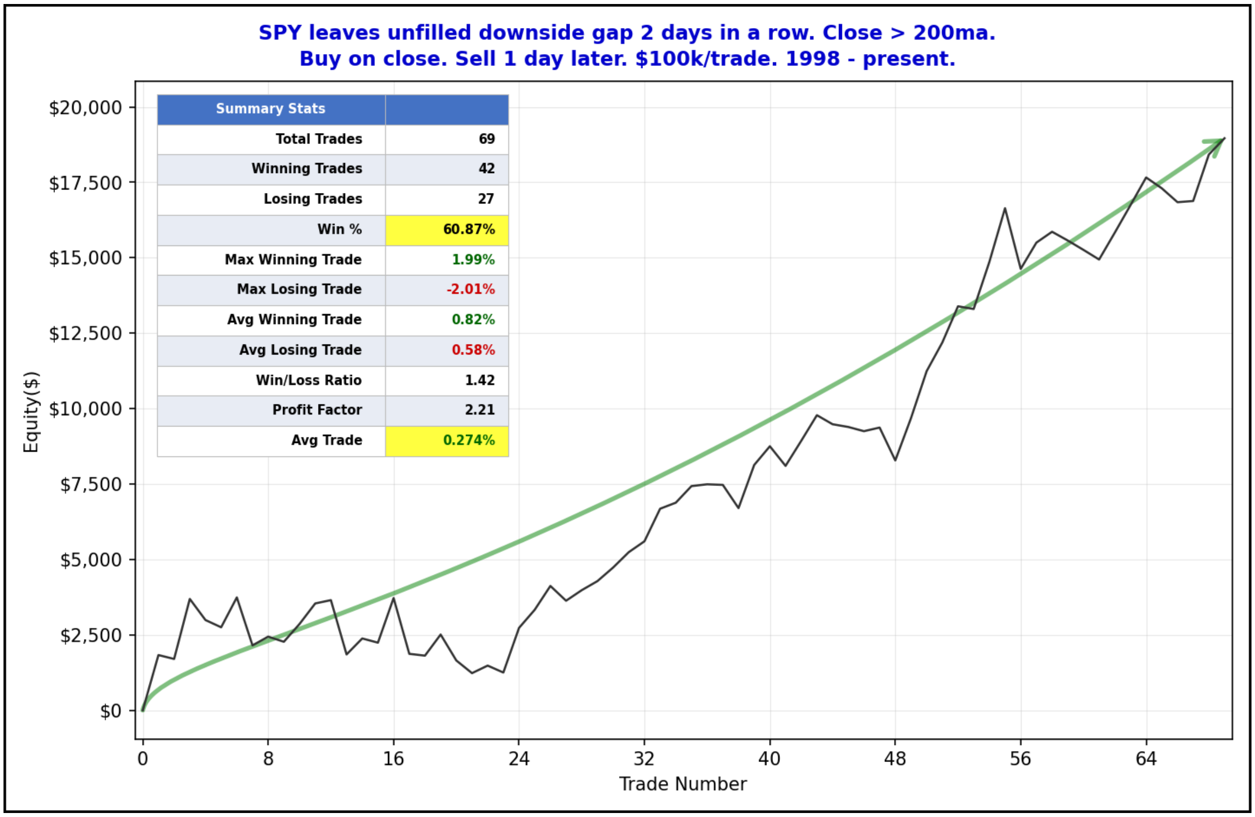
Summary of Recent Active Studies (see Letters from listed dates for details

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
July 9, 2026	SPY 2 unfilled down gaps, close > 200ma	1 day	Bullish			
July 1, 2026	NYSE Up Vol % < 40% w/ SPX up, > 200ma	1-6 days	Bullish	1.51%	-1.39%	-2.74%
Active - Long Term						
July 6, 2026	No QE. Rate rise probable. Fed hawkish	int term	Bearish			
June 29, 2026	1st two weeks of July bullish - NDX	1-10 days	Bullish	4.26%	-2.66%	-5.95%
June 29, 2026	NASDAQ lagging	int term	weak			
June 18, 2026	SPX -1% while SOX finishes positive	1-17 days	Bullish	5.37%	-2.79%	-5.71%
May 27, 2026	NDX > 18% above 200ma	1-90 days	Bullish	13.80%	-9.37%	-18.64%
May 13, 2026	SPX historically strong 6-week rally	1-12 months	Bullish	18.96%	-8.29%	-10.88%
April 27, 2026	Sell in May 2nd yr Pres Cycle & 5% pullback	1-6 months	Bearish			
June 30, 2025	SPX Golden Cross (7/1/25)	int term	Bullish			

The Evidence

The market was mixed on Wednesday. SPX finished down 0.3%, the NASDAQ gained 0.2%, and the Russell 2000 declined 0.9%. Breadth was weak as the NYSE Up Issues % closed at 29% and the NYSE Up Volume % posted a 30% reading. NYSE total volume rose some from Tuesday's level.

Notable about Wednesday's action is that it was the 2nd day in a row that SPY left an unfilled gap down. The study below suggested bullish implications when this has occurred during a long-term uptrend. Last featured in the 9/3/25 letter, results are updated.



The curve is certainly choppy, but the last instance again put it at a new high, and I find the overall evidence strong enough to add it to the Active List as a 1-day edge.

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 moved above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is slightly 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 change to flat on Thursday. This is because both current short-term studies are set to expire, and the intermediate-term outlook is currently neutral. So any new evidence that emerges over the next few days is likely to have a strong impact on short-term expectations. Meanwhile, the Differential Pivot will be 7556.20. That is 1.0% above Wednesday's close. Therefore, SPX will need to close up at least 1.0% on Thursday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is now bullish. But without new evidence emerging on Thursday, that won't last. While there is a decent chance of a 1-day pop, I am not inclined to bet on an edge that is primed to expire tomorrow. I'll continue to wait for a more favorable reward/risk opportunity to emerge before taking on a fresh short-term index trade.

Intermediate-term Outlook (2 weeks – 2 months) – updated 7/6 – neutral

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

New

MMM - 1/3 @ $154.70 (buy @ LIMIT)

***Broad Market Large Cap CBI* – 1(MMM)**

Additional New Trade Ideas

MMM – Buy 1/3 Catapult position @ $154.70 LIMIT. From the Catapult section above, this is the 1st of up to 3 lots of MMM.

Current Open Trade Ideas

None