

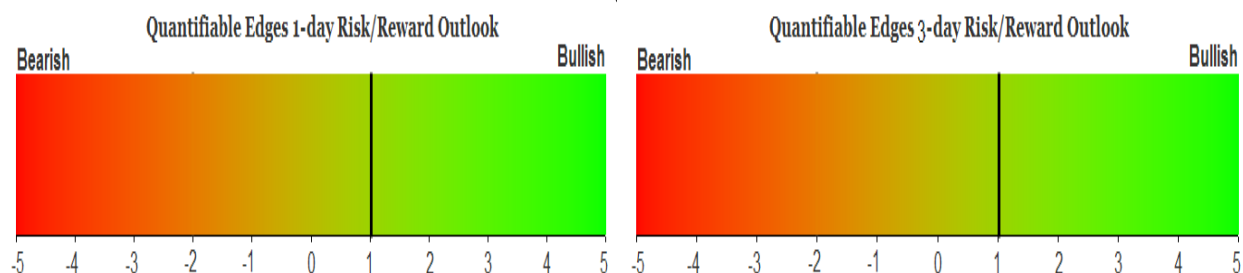
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 16, 2026

Volume 20 Issue 133

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- The SPY bounce looks like it should have further to go.

Short-term Outlook

The Bottom Line

The Aggregator is now bullish, but I'm still not terribly enthused.

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 16, 2026	SPY up 2 days but below close of 3 days ago	1-2 days	Bullish	0.96%	-0.74%	-1.50%
Active - Long Term						
July 6, 2026	No QE. Rate rise probable. Fed hawkish	int term	Bearish			
June 29, 2026	NASDAQ lagging	int term	weak			
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			

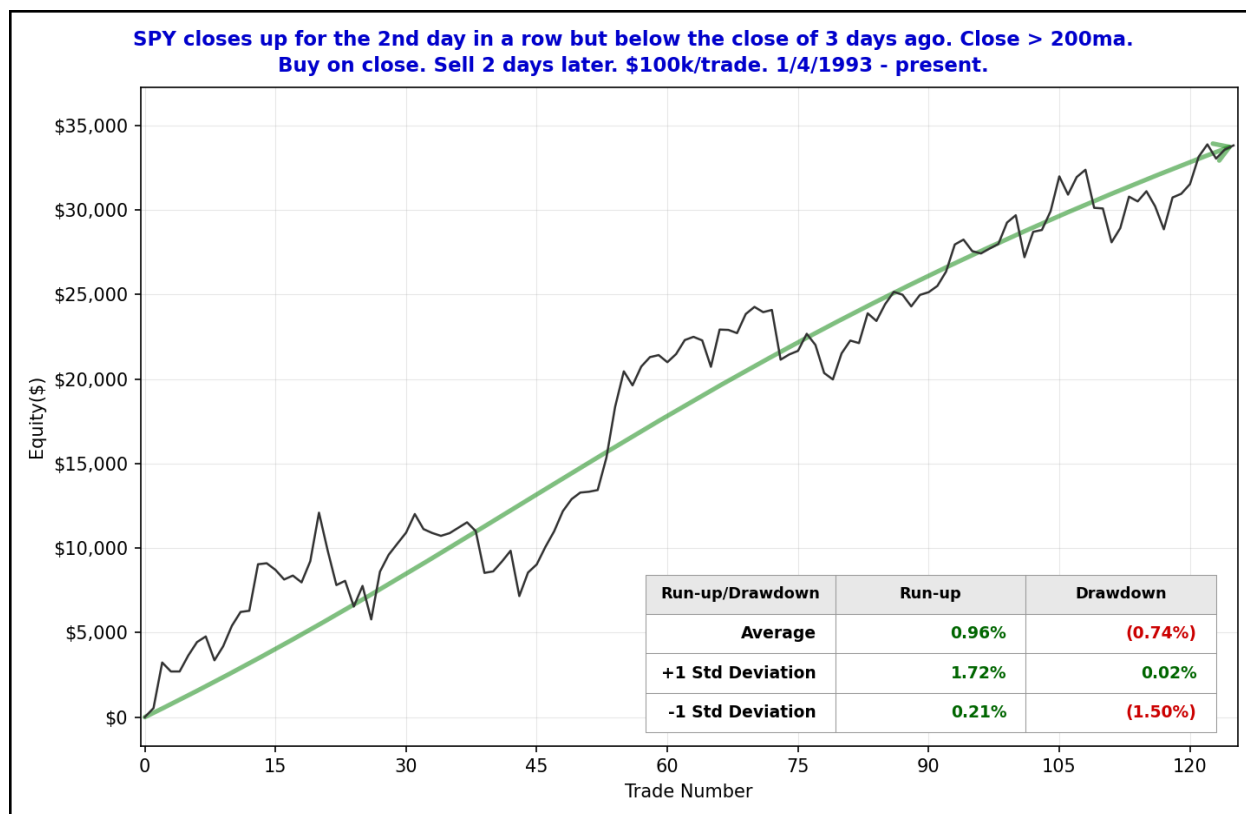
The Evidence

Wednesday saw modest gains for most indices. SPX finished up 0.4%, the NASDAQ gained 0.6% (though NDX was down 0.3%), and the Russell 2000 climbed 0.4%. Breadth was moderately positive as the NYSE Up Issues % closed at 57% and the NYSE Up Volume % posted a 53% reading. NYSE total volume rose some from Tuesday's level.

The moderate rise for SPY meant the last 2 days of gains have failed to make up for the losses of the 1-day drop on Monday. This triggered the below study, last seen in the 2/12/25 letter.

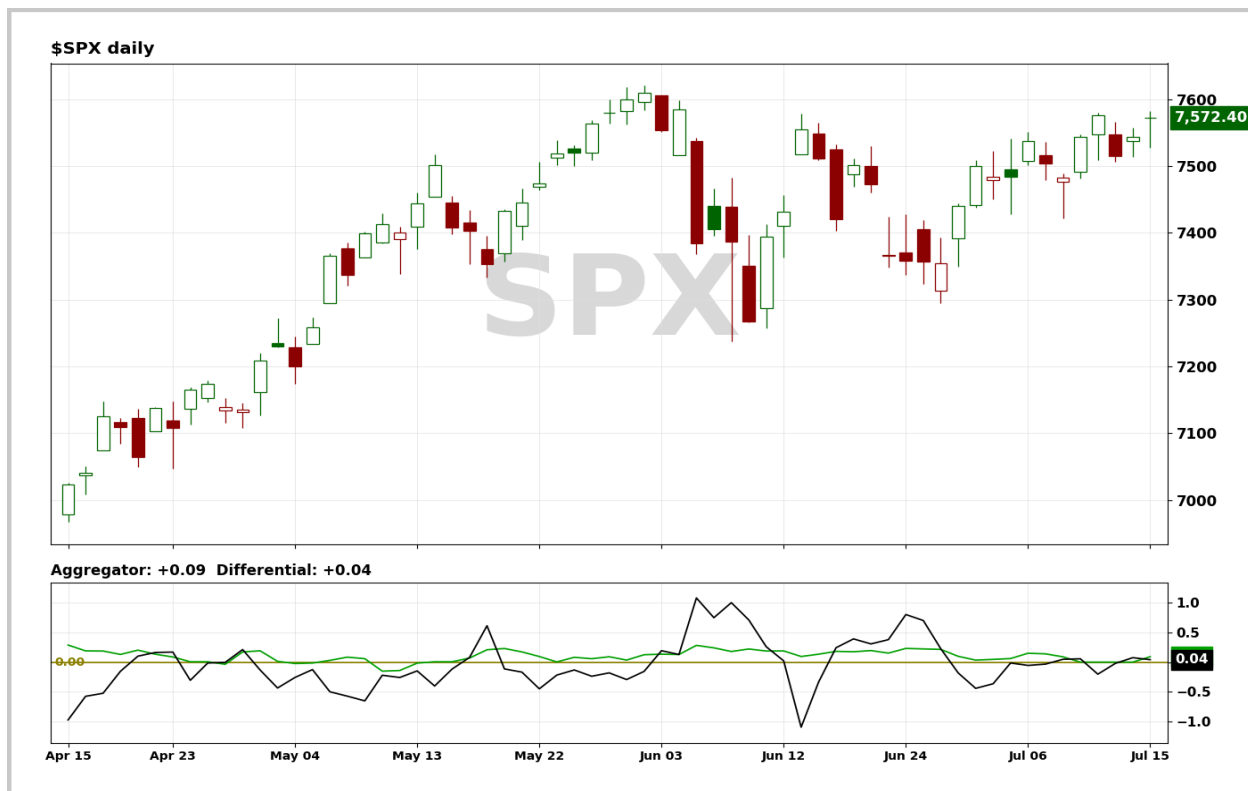
SPY closes up for the 2nd day in a row but below the close of 3 days ago. Close > 200ma. Buy on close. Sell X days later. 1/4/1993 - present.												
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor		Avg Trade
5	123	70	53	56.91%	4.72%	-6.55%	1.56%	1.48%	1.06	1.40		0.254%
4	124	80	43	64.52%	4.70%	-4.39%	1.35%	1.48%	0.91	1.69		0.357%
3	125	79	44	63.20%	3.00%	-4.12%	1.16%	1.25%	0.93	1.66		0.292%
2	125	83	41	66.40%	3.01%	-2.94%	0.90%	0.99%	0.90	1.83		0.271%
1	125	75	48	60.00%	2.17%	-1.78%	0.65%	0.61%	1.06	1.66		0.154%

This suggests a 2-day upside edge. Let's check the curve for confirmation.



This is an appealing curve. So it appears this bounce has a pretty good chance of continuing higher over the next day or two. This study has been added to the short-term active list. There was nothing else that stood out tonight suggesting a compelling edge. But at least we got some directional hint today!

I have updated the Aggregator chart below.



With tonight's evidence considered, the green Aggregator Line moved 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 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 remain positive on Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted at 7515.51*. That is 0.8% *below* Wednesday'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 down at least 0.8% on Thursday in order to remain oversold. Anything other than that and it will flip to overbought versus recent expectations as of Thursday's close.

So the Aggregator is bullish. But reward/risk isn't great here. If SPX moves up, like our study suggests, then the bullish signal will expire at the close on Thursday. In order for the bullish signal to persist, SPX would need to lose over 0.8%. When we see an inverted pivot like this, I often view it as a good time to take profits if I am already in a trade. Obviously I'm not. And I don't view inverted pivots as opportune times to enter new positions. So while we could see a bump higher over the next day or two, I'll continue to wait for a more compelling setup to emerge before looking for my next short-term index trade.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 7/13 – **neutral***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

None

Broad Market Large Cap CBI – 0

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

None

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.