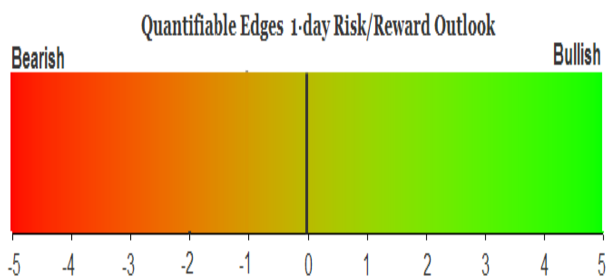
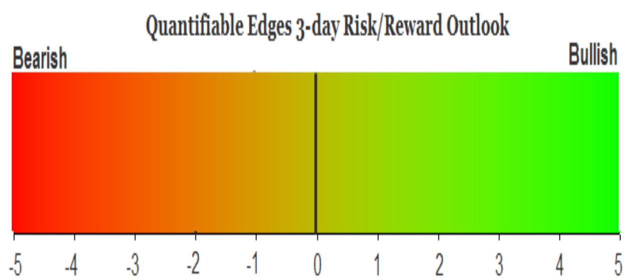
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 17, 2026 Volume 20 Issue 134

Market Overview





Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Opex Friday often struggles – especially in the 1st 30-90 minutes after the open.

Short-term Outlook

The Bottom Line
The Aggregator is neutral. That is where I am at as well.

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

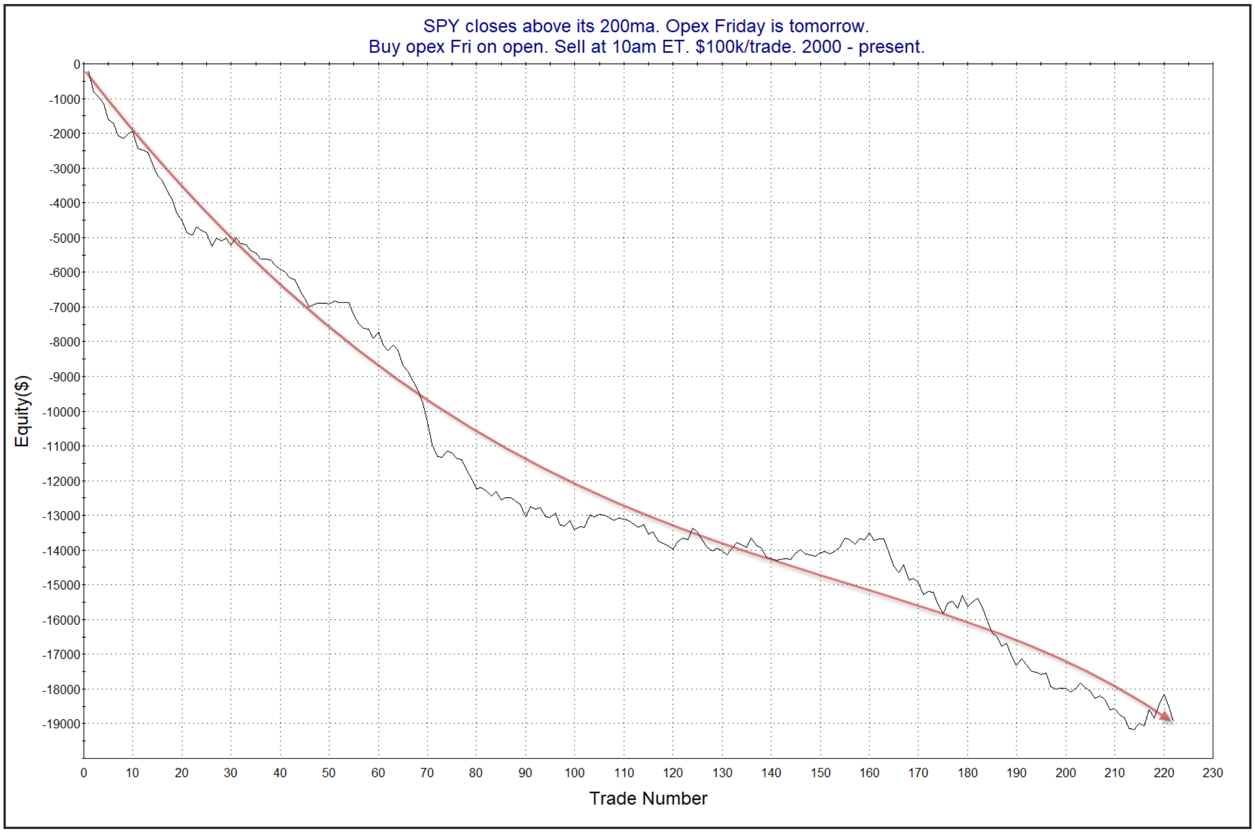
Thursday was a down day for the market. SPX dropped 0.5%, the NASDAQ lost 1.5%, and the Russell 2000 fell 0.06%. Interestingly, breadth was moderately positive as the NYSE Up Issues % closed at 55% and the NYSE Up Volume % posted a 58% reading. NYSE total volume rose some from Wednesday's level.

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. Tonight I have updated them from the 5/15/26 letter. This first study shows results of purchasing SPY at the open and then exiting at different times during the day.

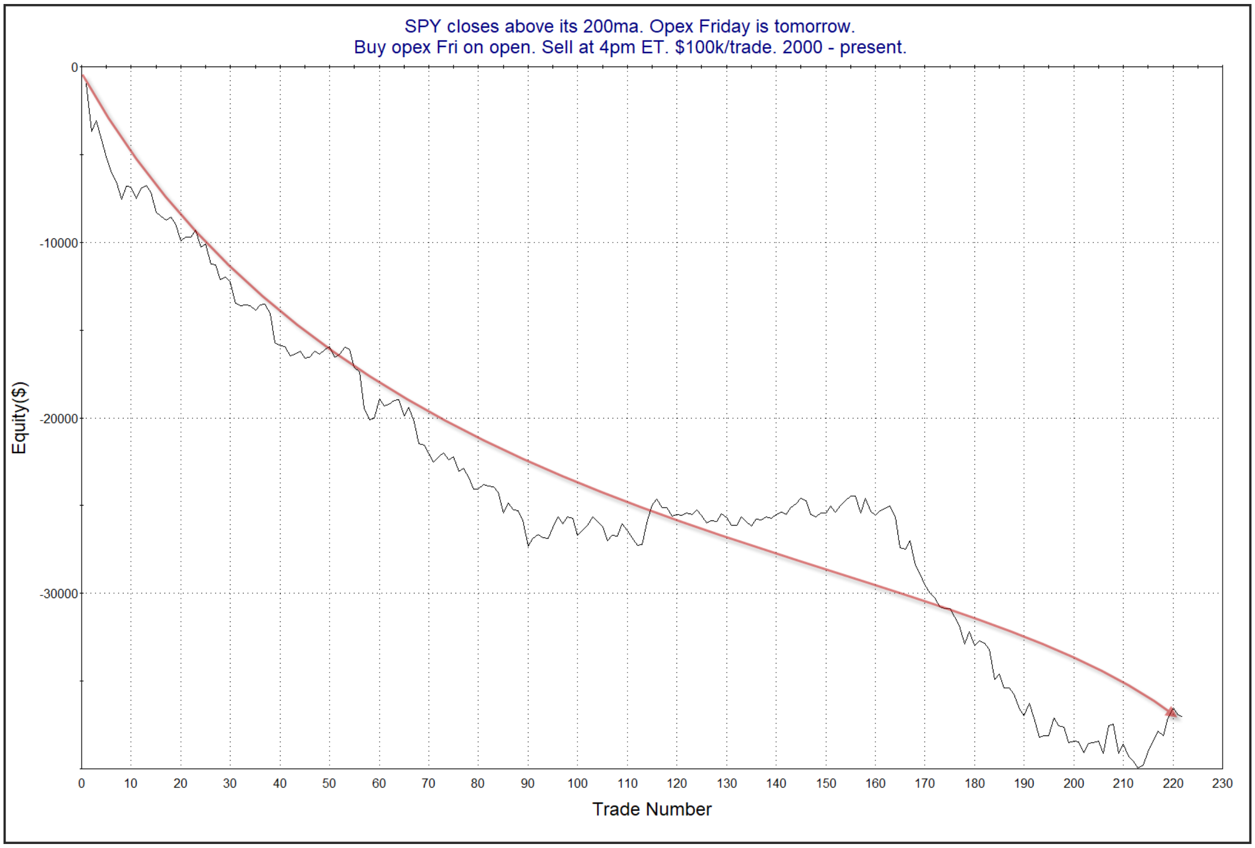
SPY closes above its 200ma. Opex Friday is tomorrow.
Buy opex Fri on open. Sell at time on left. $100k/trade. 2000 - present.

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	-37,072.45	222	92	130	41.44	1,547.00	-2,746.58	352.58	-534.69	0.66	0.47	-166.99
1,500	-30,568.54	222	92	129	41.44	1,824.10	-2,315.18	337.76	-477.85	0.71	0.50	-137.70
1,400	-29,518.56	222	81	141	36.49	1,751.00	-2,000.00	333.34	-400.84	0.83	0.48	-132.97
1,300	-26,265.94	222	83	138	37.39	2,172.60	-1,324.62	316.58	-380.74	0.83	0.50	-118.32
1,200	-24,721.83	222	79	143	35.59	2,150.50	-1,318.40	308.46	-343.29	0.90	0.50	-111.36
1,100	-22,140.79	222	83	138	37.39	1,103.30	-968.50	238.49	-303.88	0.78	0.47	-99.73
1,000	-18,913.84	222	65	157	29.28	473.34	-629.00	143.39	-179.83	0.80	0.33	-85.20

As you can see, the bearish implications primarily play themselves out by early afternoon. (1000 = 10am EST, 1200 = noon EST, 1400 = 2pm EST, etc.) Close to half of the downside would have been achieved by exiting after just 30 minutes. Below is a look at a profit curve for the 10am exit.



Overall, the strong move from upper left to lower right supports the bearish case. But we have seen a bump in the last several months that is worth keeping an eye on. Next is the 4pm exit.



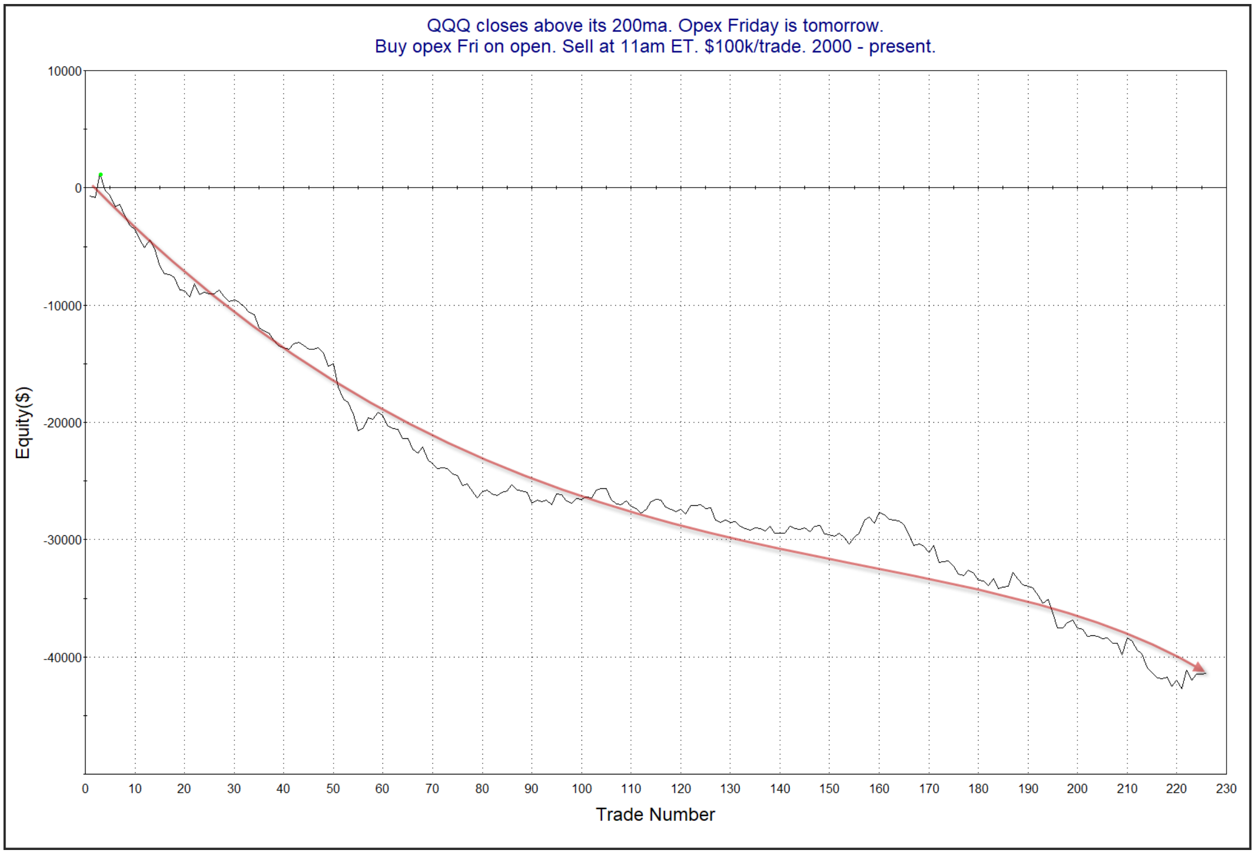
Again this is also impressive despite the last few instances not panning out.

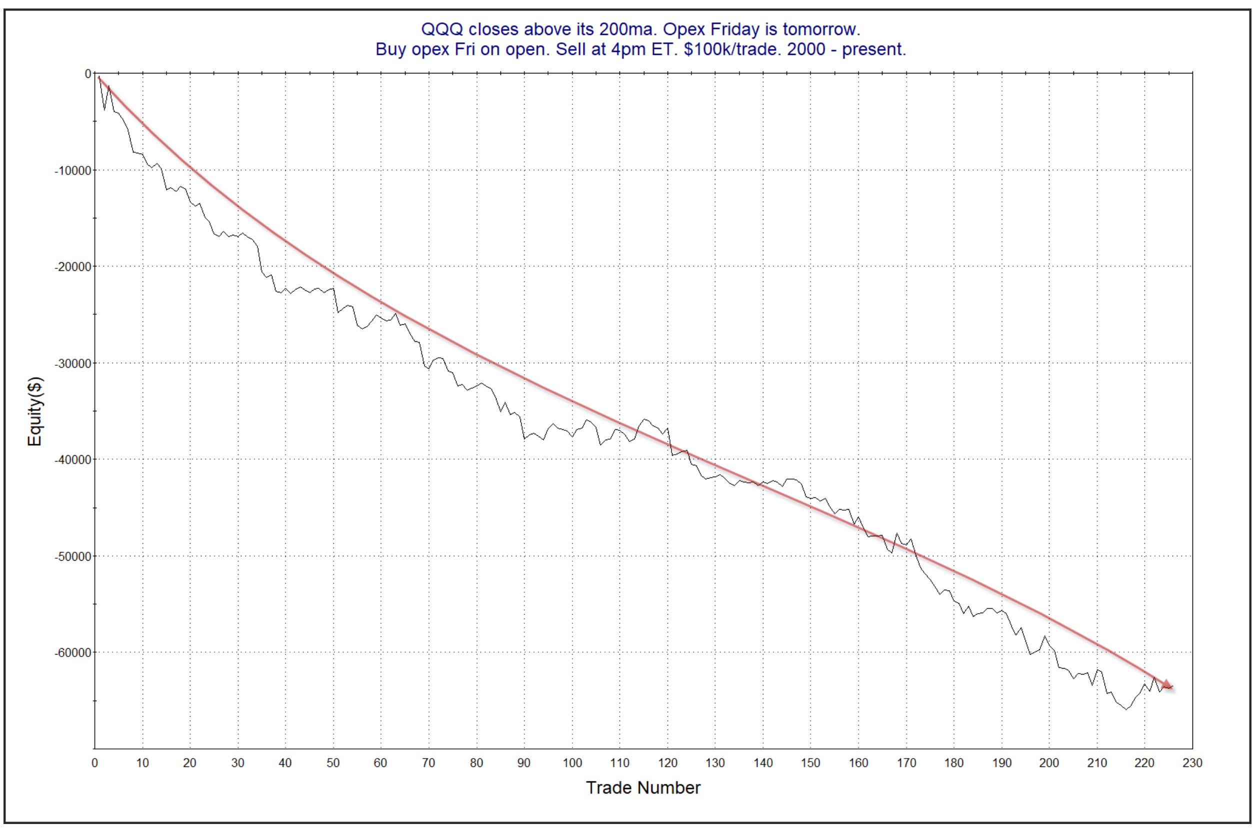
QQQ has seen an even stronger tendency to sell off. This can be seen in the table below.

QQQ closes above its 200ma. Opex Friday is tomorrow.
Buy opex Fri on open. Sell at time 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	-63,418.05	226	89	137	39.38	2,516.00	-3,525.88	476.02	-772.14	0.62	0.40	-280.61
1,500	-56,176.70	226	85	139	37.61	2,246.52	-2,590.84	460.72	-685.88	0.67	0.41	-248.57
1,400	-54,108.19	226	76	147	33.63	2,104.90	-2,431.68	458.00	-604.87	0.76	0.39	-239.42
1,300	-47,226.73	226	80	145	35.40	2,541.40	-2,382.80	418.37	-556.53	0.75	0.41	-208.97
1,200	-46,158.88	226	84	141	37.17	2,518.12	-1,843.43	375.29	-550.94	0.68	0.41	-204.24
1,100	-41,397.39	226	77	148	34.07	1,998.00	-1,936.40	375.64	-475.15	0.79	0.41	-183.17
1,000	-32,550.66	226	71	154	31.42	1,332.00	-1,198.29	225.81	-315.47	0.72	0.33	-144.03

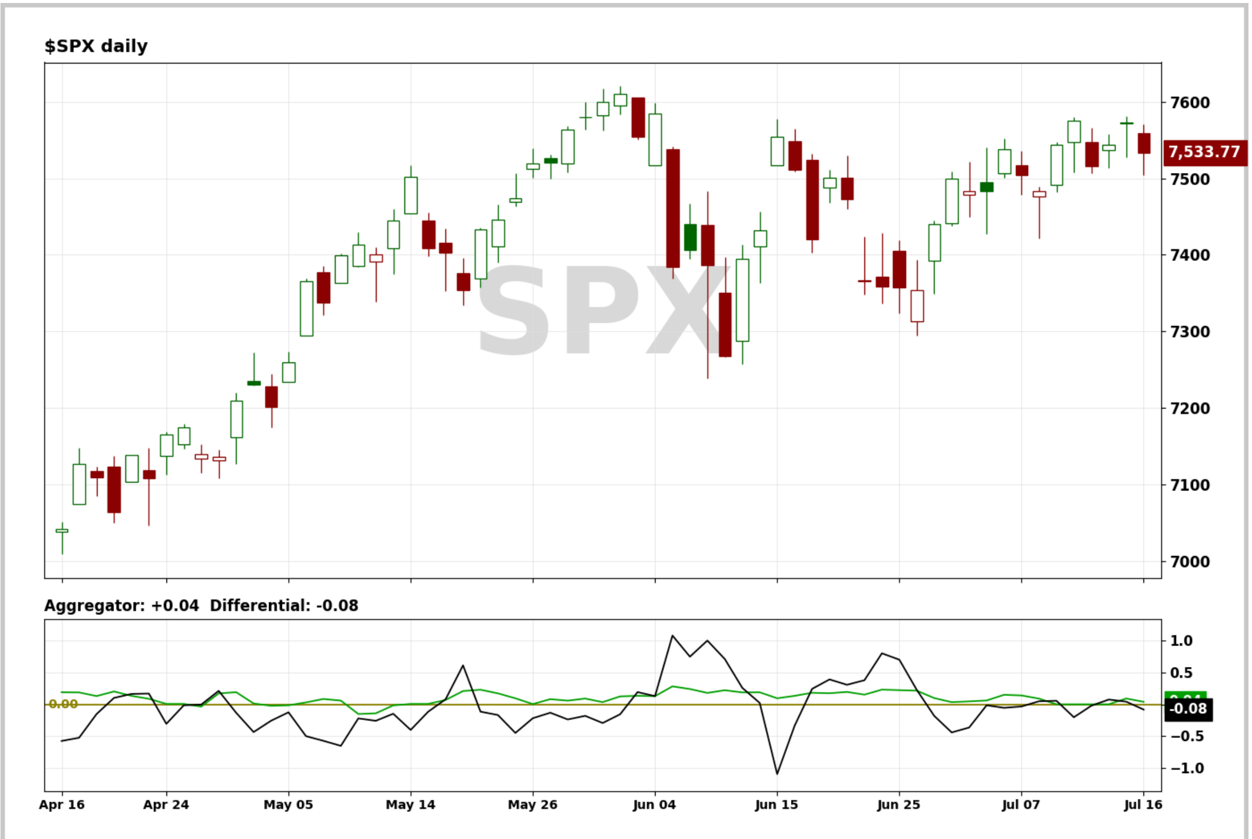
Also notable is that about 2/3 of the downside edge has occurred in the 1st 90 minutes of trading. Below are profit curves for 11am and 4pm.


QQQ closes above its 200ma. Opex Friday is tomorrow.
Buy opex Fri on open. Sell at 11am ET. $100k/trade. 2000 - present.
Equity($)
Trade Number


QQQ closes above its 200ma. Opex Friday is tomorrow.
Buy opex Fri on open. Sell at 4pm ET. $100k/trade. 2000 - present.
Equity($)
Trade Number

The bearish edge appears alive and well here. And the recent bump is barely noticeable for the QQQ 11am exit. Traders may want to keep this in mind Friday morning.

I have updated the Aggregator chart below.



Without any new studies being added, 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 slightly 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 turn flat on Friday. This could change if compelling new bullish evidence emerges. Meanwhile, the Differential Pivot will be slightly *inverted at* 7543.43. That is 0.1% *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 at least 0.1% on Friday 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 back to neutral. Friday during the day could be dicey, and we have little visibility beyond that. I won't try and anticipate my next move yet. I will wait to see how Friday plays out and what new evidence emerges, and then take a fresh look over the weekend.

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