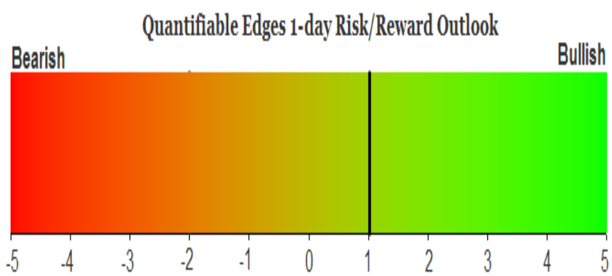
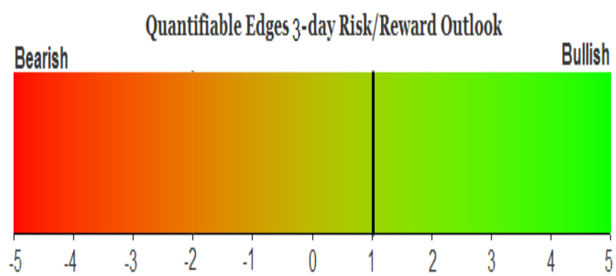
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 22, 2026 Volume 20 Issue 137

Market Overview





Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- No new compelling evidence emerged on Tuesday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. But SPX could easily flip to overbought on Wednesday. I'll be looking to sell into strength.

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

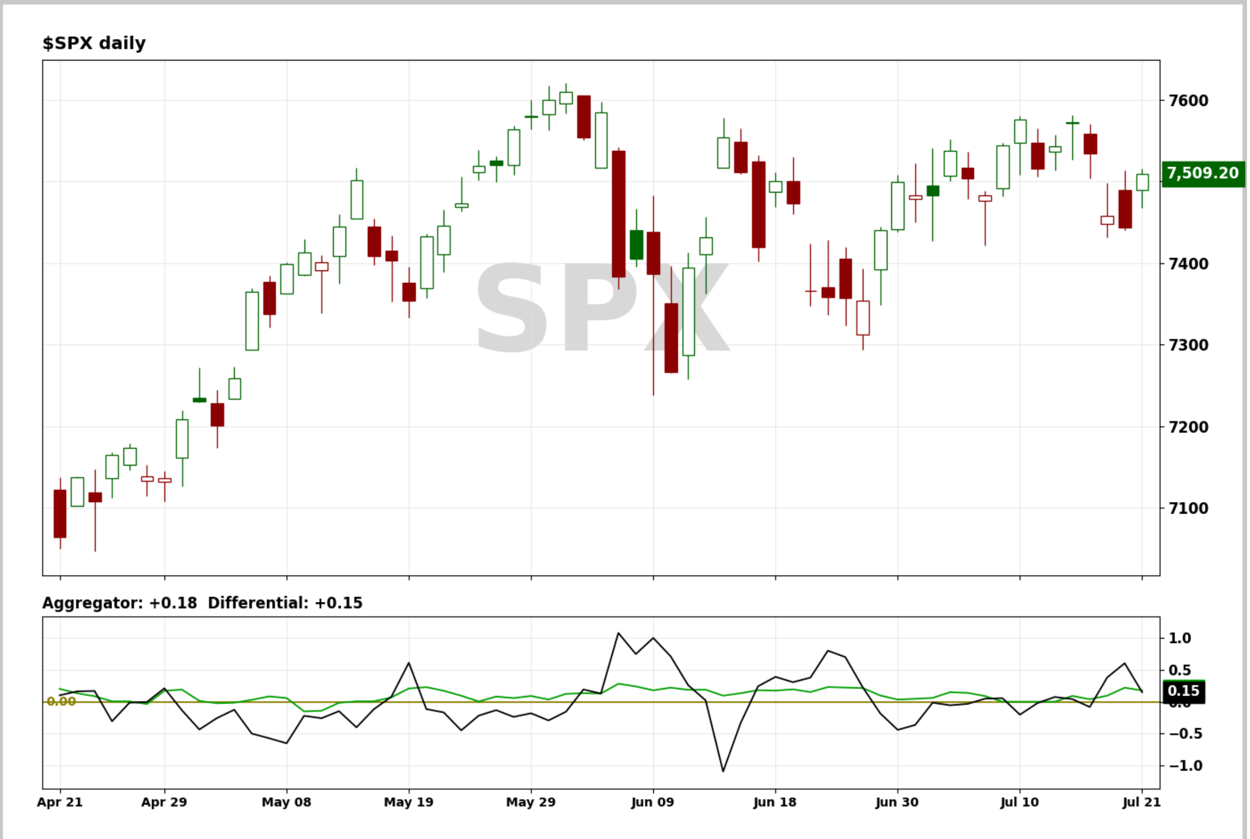
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
July 21, 2026	SPX 3+ lower closes, mildest drop, lowest vo	1-2 days	Bullish	1.28%	-0.77%	-1.52%
July 21, 2026	SPX weak close at a 5-day low on a Monday,	1-5 days	Bullish	1.97%	-1.09%	-2.22%
Active - 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

Tuesday was a good day for the market. SPX finished up 0.9%, the NASDAQ gained 1.3%, and the Russell 2000 rallied 1.5%. Breadth was moderately positive as the NYSE Up Issues % closed at 55% and the NYSE Up Volume % posted a 60% reading. NYSE total volume was slightly higher than Monday's level.

While the bounce was strong on Tuesday, all it did was bring SPX back near the middle of the tight range it has been trading in for the last few weeks. Mid-range is not a place where we often see strong edges emerge, and Tuesday did not generate any compelling Quantifinder studies, nor did it inspire anything from me that suggested a substantial edge. So we are back to a short letter tonight. No new studies are being added to the Active List.

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 also held 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 stayed long at the close.

Based on the current list of active studies, expectations are set to remain positive on Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted at* 7474.01. That is 0.5% *below* Tuesday'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 0.5% on Wednesday in order to remain oversold. Anything other than that and it will flip to overbought versus recent expectations as of Wednesday's close.

So the Aggregator is bullish. But reward/risk is no longer strongly favorable due to the inverted pivot. That is because reward potential is only 1-day if SPY closes higher (or even a bit lower). I often view inverted pivots as opportune times to take profits if favorable fills are available. And that is what I will look to do on Wednesday if SPY manages even a moderate-sized rally.

Intermediate-term Outlook (2 weeks – 2 months) – updated 7/20 – 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.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	7/20/2026	$742.09	$748.28	0.83%	*sell @ $749.99 LIMIT*

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