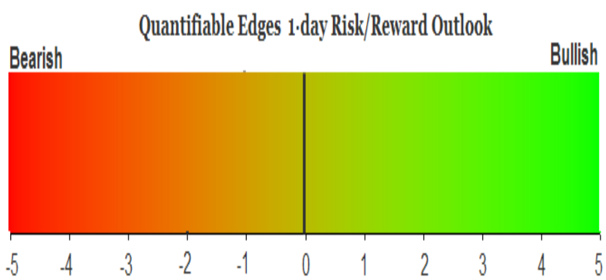
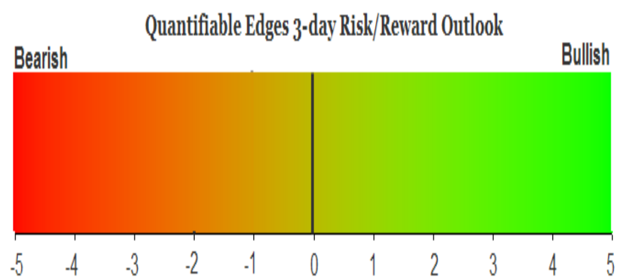
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 23, 2026 Volume 20 Issue 138

Market Overview





Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- No new compelling evidence emerged on Tuesday.

Short-term Outlook

The Bottom Line

The Aggregator is back to neutral. That is where I am at as well.

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

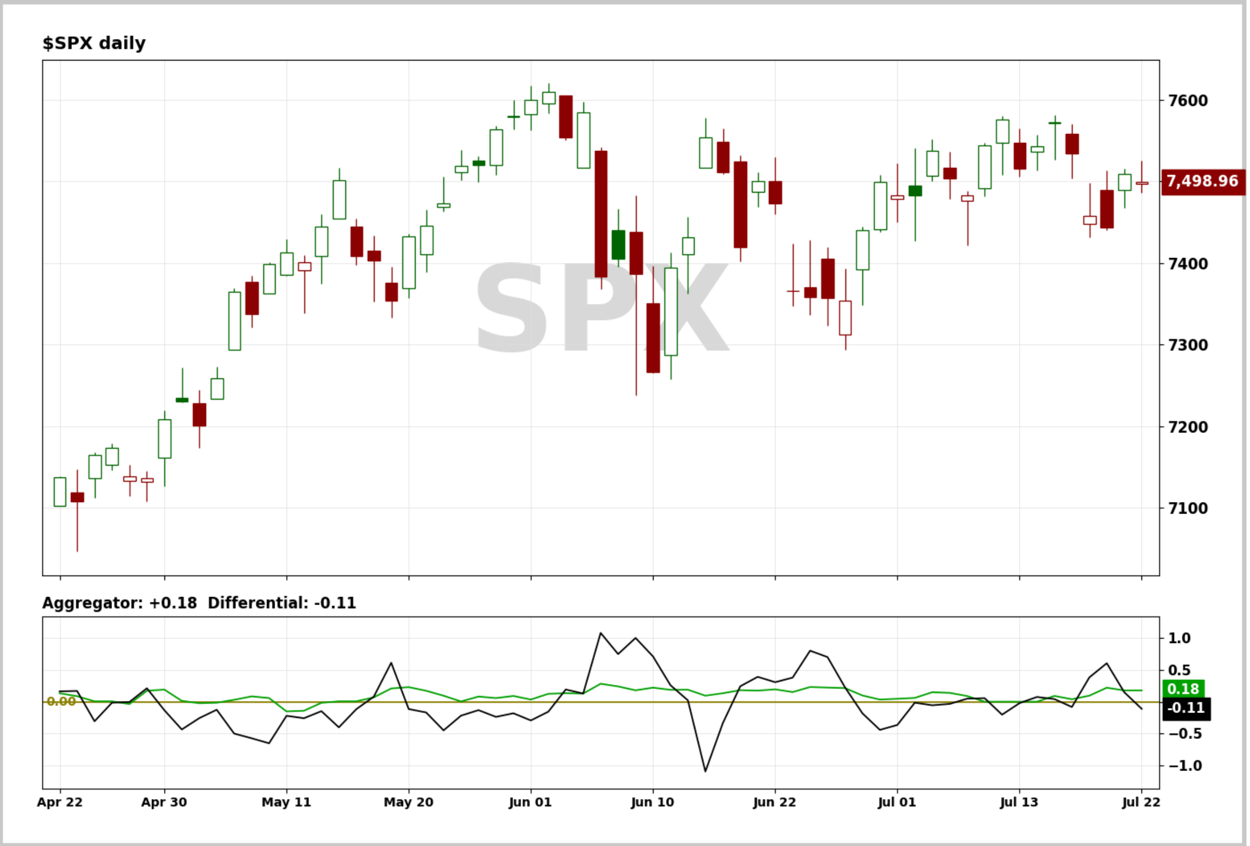
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
July 21, 2026	SPX weak close at a 5-day low on a Monday,	1-5 days	Bullish	1.97%	-1.09%	-2.22%
Active - Long Term						
July 6, 2026	No QE. Rate rise probable. Fed hawkish	int term	Bearish			
June 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

Wednesday was a down day for the market. SPX finished lower by 0.1%, the NASDAQ lost 0.6%, and the Russell 2000 declined 0.9%. Breadth was mixed as the NYSE Up Issues % closed at 43% and the NYSE Up Volume % posted a 51% reading. NYSE total volume declined some from Tuesday's level.

The summer doldrums continue. After popping higher on Tuesday, SPX chopped back the other way on Wednesday. Sometimes I hate writing letters in July and August. During these months we always seem to go through periods of choppiness where there doesn't appear to be many substantial edges. We did get a decent signal a few days ago that a bounce was likely, and we did get a bit of a bounce, so things could be worse. But as far as interesting action to discuss, there just isn't much. So once again tonight I will keep the letter fairly short.

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 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 Thursday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7469.18. That is 0.4% below Wednesday's close. Therefore, SPX will need to close down at least 0.4% on Thursday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is now flat. We have a small amount of short-term evidence still pointing higher, but SPX is already overbought. So reward/risk is not really favorable. The Trade Ideas section had a fortunate exit on Wednesday, selling within three cents of the intraday high. I don't see a good reason to jump back into a new index trade right here. I will wait for a more compelling reward/risk opportunity to emerge.

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*	*$749.99*	*1.06%*	*sold at limit*