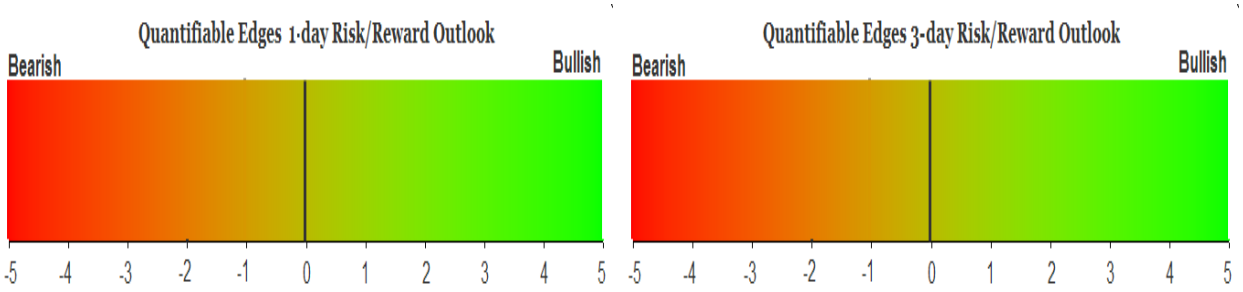
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 3, 2026 Volume 20 Issue 145

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- The VIX has quickly moved from overbought to oversold. In the past, that has been followed by short-term SPX strength.
- Rallying into month end on a strong close has wiped out the usual first-of-month upside edge rather than adding to it.
- The 1st trading day of August has been the weakest month-opener of the year, averaging a loss with fewer than 4 in 10 closing higher.
- When June and July have closed lower, August and September performance has often been weak, especially September.
- The SOMA declined this past week and the Fed still appears to be leaning hawkish.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. That's 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						
August 3, 2026	VIX quickly moves from overbought to overs	1-6 days	Bullish	1.65%	-1.15%	-2.49%
July 31, 2026	SPX 20-day low, then 4-day high	1-8 days	Bullish	2.47%	-1.41%	-3.01%
Active - Long Term						
August 3, 2026	Down June & down July -> weak Aug & Sep	1-2 months	Bearish			
July 31, 2026	SPX 20-day low, then 4-day high	1-20 days	Bullish	3.91%	-2.03%	-4.33%
July 30, 2026	SPX 3rd 1% down day in 10, above 200ma	1-20 days	Bullish	3.96%	-3.68%	-8.40%
July 30, 2026	QQQ 5th lower low, worst drop of the declin	1-20 days	Bullish	9.09%	-4.85%	-9.70%
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			
Dropped Tonight (target hit, or avg drawdown + 1 std dev exceeded)						
July 30, 2026	SPX weak close at a 20-day low, above 200m	1-5 days	Bullish	2.01%	-1.43%	-3.05%
July 30, 2026	SPX 20-day low, largest loss in 10 days	1-7 days	Bullish	2.38%	-1.58%	-3.39%

The Evidence

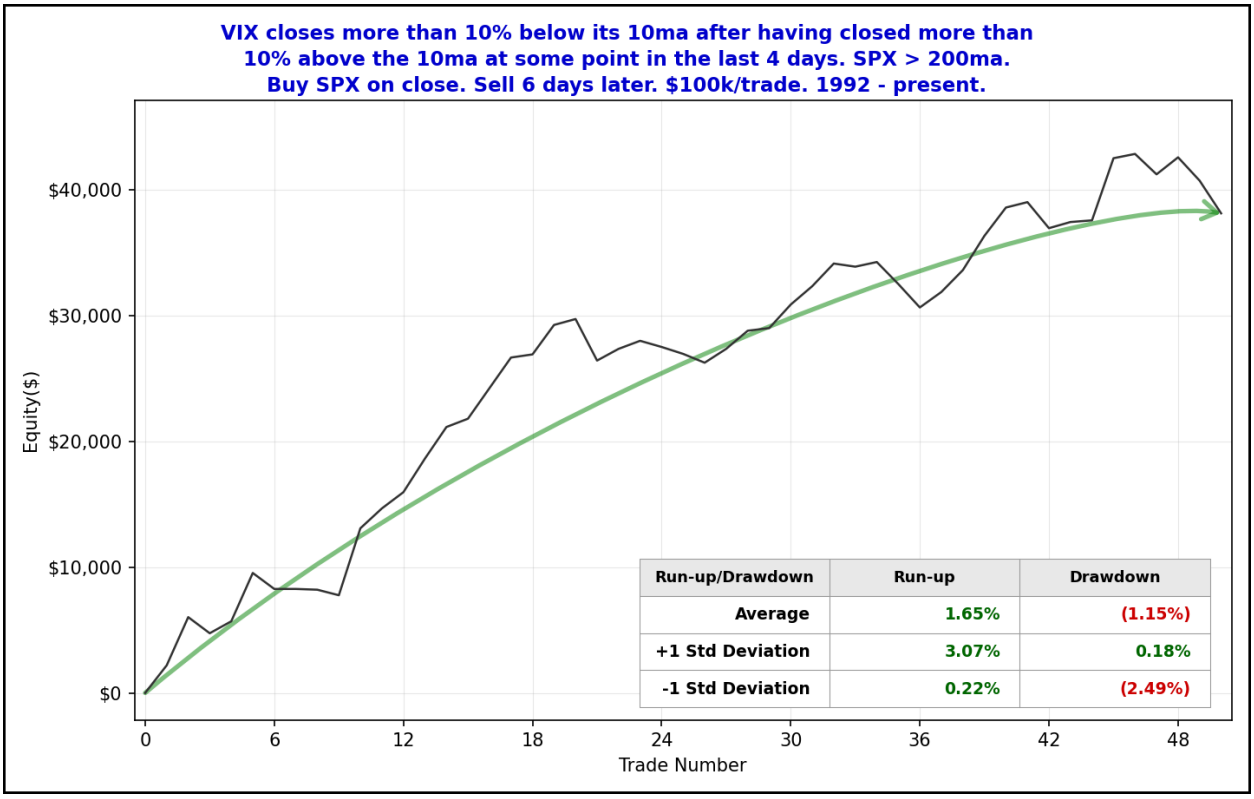
The market was mixed on Friday. SPX finished up 0.7%, the NASDAQ gained 1.0%, and the Russell 2000 declined 0.5%. Breadth was moderately negative as the NYSE Up Issues % closed at 46% and the NYSE Up Volume % posted a 44% reading. NYSE total volume rose from Thursday's level.

One study from the Quantifinder worth a review considered the sharp drop in the VIX over the last couple of days after a sharp rise just prior to that. It was last seen in the 3/18/26 subscriber letter. The results are updated.

VIX closes more than 10% below its 10ma after having closed more than 10% above the 10ma at some point in the last 4 days. SPX > 200ma. Buy SPX on close. Sell X days later. 1992 - present.

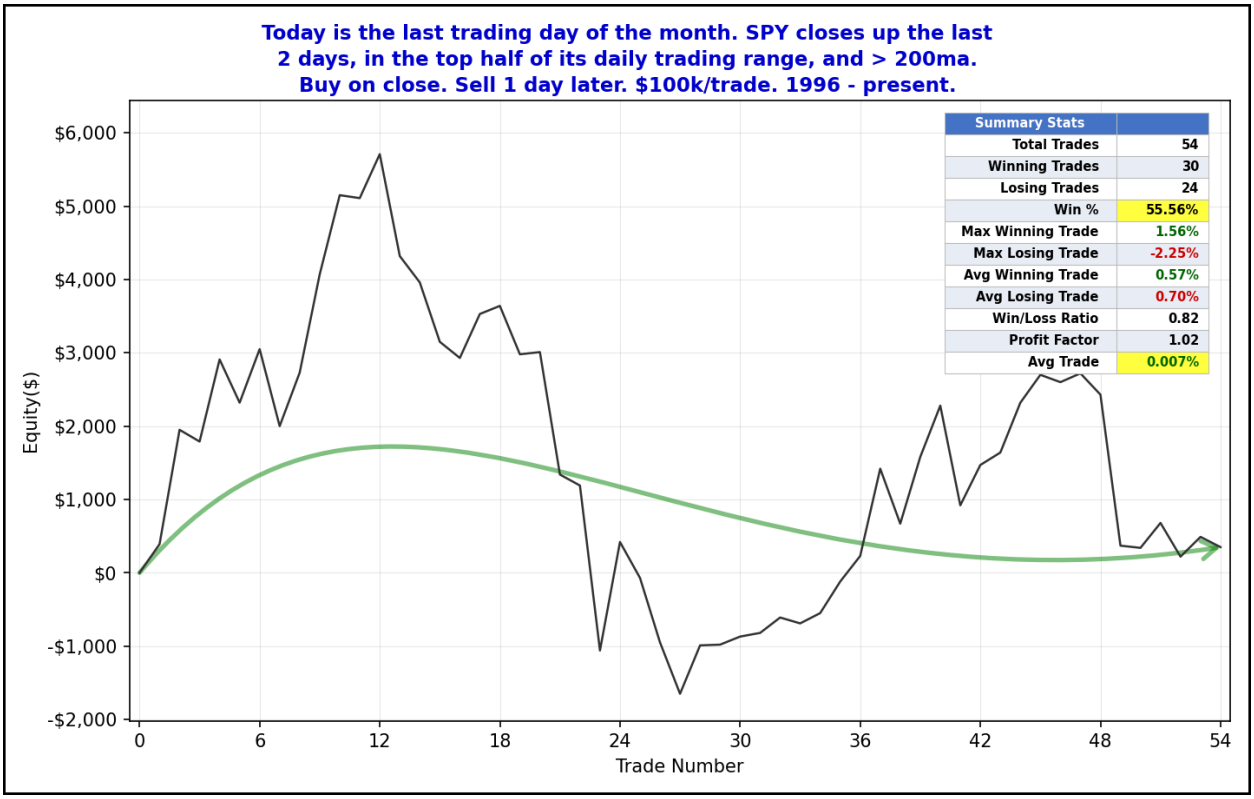
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
10	50	29	21	58.00%	8.14%	-4.32%	2.27%	1.58%	1.43	1.98	0.652%
9	50	31	19	62.00%	8.43%	-5.54%	1.99%	1.58%	1.26	2.05	0.631%
8	50	34	16	68.00%	8.11%	-5.17%	1.95%	1.60%	1.22	2.58	0.811%
7	50	34	16	68.00%	7.78%	-3.56%	1.88%	1.50%	1.26	2.67	0.799%
6	50	34	16	68.00%	5.32%	-3.30%	1.71%	1.26%	1.36	2.90	0.762%
5	50	31	19	62.00%	5.38%	-3.18%	1.71%	1.26%	1.36	2.22	0.582%
4	51	33	18	64.71%	5.00%	-2.96%	1.31%	1.33%	0.98	1.80	0.377%
3	52	31	21	59.62%	3.81%	-3.65%	1.06%	1.04%	1.01	1.50	0.209%
2	52	32	20	61.54%	3.85%	-5.34%	0.94%	1.00%	0.94	1.51	0.194%
1	52	31	21	59.62%	2.96%	-3.59%	0.72%	0.64%	1.12	1.66	0.170%

The market condition that would typically accompany such VIX movement is one where you see SPX post a strong rebound from a sharp decline during a long-term uptrend. Results over the first 2-3 days are not terribly consistent, but once you get out beyond that the bounce becomes more reliable and more powerful. Below I have provided the profit curve assuming an 6-day holding period.



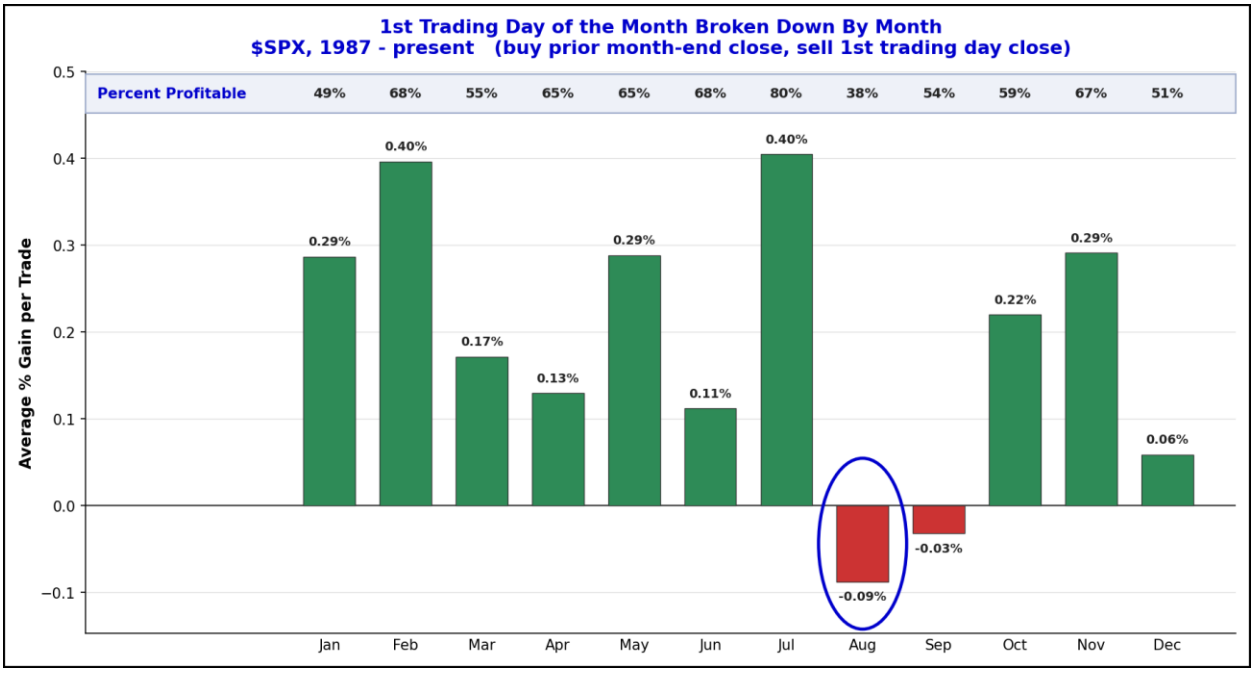
The last few instances have seen the curve fade a bit, but overall it has persisted higher over a long period of time. I have included this study on the Active List tonight.

Of course Monday is the first trading day in August. The turn of the month has an overall bullish tendency and because of that it often triggers numerous studies. A couple of things that weaken the turn-of-month edge tend to be: 1) if the market has closed higher a few days in a row, or 2) if it finishes in the top half of its intraday range on the last day of the month. There were a few studies showing this. I combined them and you can see the results below.



As you would expect there does not appear to be any substantial edge when these forces come together.

But not only does Monday's turn of month have recent the run higher working against it, but the fact that it's August is also a potential issue. The study below is one that I have shared several times in the past. It was last shown in the July 1, 2026 letter. It breaks down the first trade day of the month by month.



August has been the weakest month of all. Not only is the average loss of 0.09% the worst, but the 38% win rate falls well below every other month.

I also posted the August seasonality calendars over the weekend. Below is the SPX version.

Quantifiable Edges Seasonality Calendar $SPX S&P 500 Index			
Date	Win%	Profit Factor	Avg % Chg
8/3/2026	57.41	1.373	0.108
8/4/2026	50.92	1.008	-0.002
8/5/2026	57.51	1.368	0.094
8/6/2026	52.24	1.000	-0.003
8/7/2026	54.88	1.113	0.041
8/10/2026	55.64	1.276	0.072
8/11/2026	51.68	1.231	0.064
8/12/2026	55.46	1.304	0.090
8/13/2026	52.57	1.043	-0.001
8/14/2026	53.50	1.356	0.097
8/17/2026	59.54	1.157	0.037
8/18/2026	55.01	1.170	0.050
8/19/2026	56.15	0.940	-0.029
8/20/2026	54.50	0.980	-0.007
8/21/2026	52.00	0.955	-0.017
8/24/2026	57.50	1.381	0.102
8/25/2026	53.28	1.144	0.044
8/26/2026	53.42	1.134	0.041
8/27/2026	54.61	1.172	0.053
8/28/2026	54.30	1.089	0.029
8/31/2026	57.17	1.320	0.083
Baseline	***54.76***	***1.165***	***0.056***
	QuantifiableEdges.com		

There is a lot of green in August but most of the numbers are fairly mild. For whatever reason some of the days that look the best are all the Mondays: the 3rd, 10th(to a lesser degree), the 17th, 24th, and 31st. I'll take another look at August in the Intermediate Term section, where I examine August and September performance after negative closes to both June and July.

I have updated the Aggregator chart below.



With this weekend'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 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 Monday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7349.53. That is 1.9% below Friday's close. Therefore, SPX will need to close down at least 1.9% on Monday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. The bouce of the last two days was enough to turn the market overbought. And despite some new bullish evidence, reward/risk does not appear terribly favorable. SPX is quite overbought and it would take nearly a 2% decline on Monday to work off that overbought condition. So I'm content to stand aside and wait for a more compelling opportunity to emerge before putting short-term capital back to work.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/3 – neutral

Combo #1	Combo #2	Combo #3	Combo #4
Flat	Flat	Flat	Flat

Above is the status of the different Combination Signals from the Quantifiable Edges Market Dynamics Course. Signals are long-term in nature. All 4 can be either flat or long. None of them look to short. More information on these signals can be found in the Quantifiable Edges Market Dynamics Course, which is included with all annual subscriptions. *All four combo models are again flat.*

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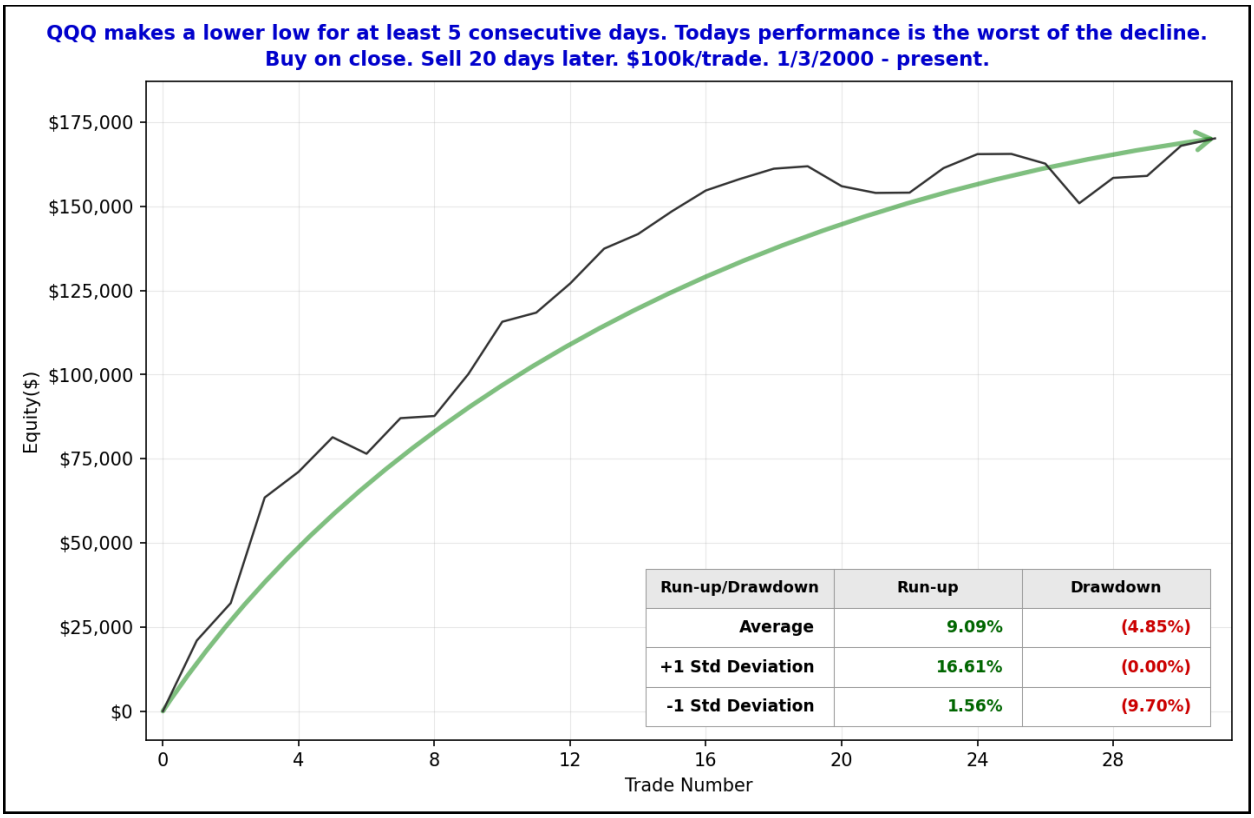
The bounce we saw on Thursday and Friday helped stocks finish this past week higher. The SPX closed the week up 1.05%, the NASDAQ gained 1.6%, and the Russell 2000 inched up 0.05%. Bonds had a bad week to end a bad month. The US Aggregate Bond ETF (AGG) lost 0.1%. TLT, the 20-year Treasury Bond ETF, declined a sizable 1.2%. The last two month-end numbers are now negative for SPX but really the market has just chopped back and forth since mid-May and made basically zero progress over that time. The NASDAQ has struggled more than the S&P over that time period and it lost its leading position several weeks ago. We did have some studies emerge over the last few days with potential intermediate-term implications. The two I have copied below are from the Wednesday night letter.

QQQ made its 5th straight lower low on Wednesday. It also suffered the worst decline of the short-term down move. Accelerations downwards from already oversold levels are often overreactions. This is exemplified in the study below from the 12/15/25 letter. Results are all updated.

QQQ makes a lower low for at least 5 consecutive days. Todays performance is the worst of the decline.
Buy on close. Sell X days later. 1/3/2000 - 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
20	31	26	5	83.87%	31.36%	-11.77%	7.60%	5.50%	1.38	7.19	5.490%
19	31	25	6	80.65%	30.95%	-12.83%	7.79%	5.01%	1.56	6.48	5.312%
18	31	25	6	80.65%	30.20%	-9.28%	7.70%	4.11%	1.87	7.81	5.414%
17	31	25	6	80.65%	25.37%	-8.18%	6.59%	4.12%	1.60	6.67	4.519%
16	31	22	9	70.97%	24.88%	-6.73%	6.76%	2.62%	2.58	6.30	4.034%
15	31	22	9	70.97%	22.63%	-9.26%	6.31%	4.34%	1.45	3.55	3.220%
14	31	24	7	77.42%	25.37%	-7.01%	6.43%	4.09%	1.57	5.39	4.053%
13	31	25	6	80.65%	21.13%	-8.11%	5.57%	4.62%	1.21	5.02	3.601%
12	31	23	8	74.19%	24.54%	-7.31%	5.85%	3.71%	1.58	4.53	3.383%
11	31	21	10	67.74%	23.79%	-7.64%	5.77%	3.71%	1.55	3.26	2.710%
10	31	20	11	64.52%	24.38%	-7.92%	5.98%	3.66%	1.63	2.97	2.557%
9	32	22	10	68.75%	21.63%	-7.12%	5.52%	2.91%	1.90	4.18	2.889%
8	33	20	13	60.61%	24.63%	-8.72%	5.57%	2.05%	2.71	4.17	2.568%
7	33	25	8	75.76%	24.13%	-8.11%	4.24%	2.84%	1.49	4.67	2.523%
6	33	24	9	72.73%	16.47%	-6.67%	4.19%	2.17%	1.93	5.16	2.457%
5	33	22	11	66.67%	13.01%	-5.10%	3.38%	1.50%	2.25	4.50	1.751%
4	33	17	16	51.52%	13.81%	-9.65%	4.16%	2.11%	1.97	2.10	1.122%
3	33	19	14	57.58%	11.68%	-7.15%	3.23%	2.20%	1.47	1.99	0.925%
2	35	23	12	65.71%	15.05%	-6.61%	2.74%	1.95%	1.40	2.69	1.131%
1	37	25	12	67.57%	11.60%	-5.19%	2.05%	1.47%	1.40	2.91	0.908%

Decent odds of a quick pop. But instances have really shown an edge over the intermediate-term. Below is the 20-day profit curve.



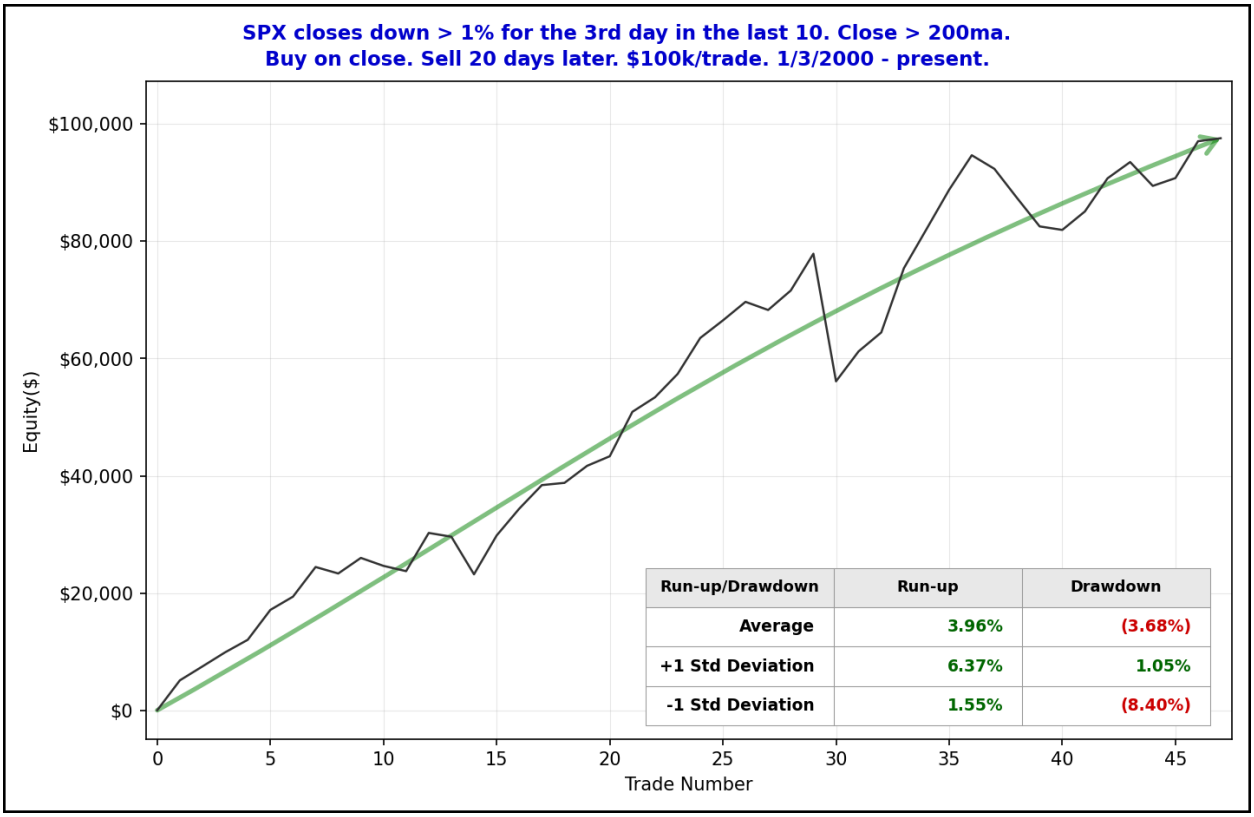
Twenty days out the average trade has produced a gain in QQQ of 5.5% (and the average run-up was over 9%). Often the outsized gains were partially due to the volatile environment that was present when the study triggered. Several of these occurred during the wild 2000 – 2002 bear market in the Nasdaq. Volatility is not quite at some of those levels, but July certainly has seen some oversized moves, and NDX is now down over 10% for the month. So a reversion upwards could certainly be worth a few percent, it appears. I have added this study to the intermediate-term active list.

The SPX has also made some sizable moves over the last couple of weeks as volatility has been high. It is unusual to see such high volatility when the SPX is trading above its 200ma. Wednesday marked the 3rd day in the last 10 in which SPX closed down over 1%. In the 4/6/22 letter I looked back at other times where SPX closed down more than 1% for the 3rd time in the last 10 days, but above its 200ma. Results appeared compelling. Below is an updated results table.

SPX closes down > 1% for the 3rd day in the last 10. Close > 200ma.
Buy on close. Sell X days later. 1/3/2000 - 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
20	47	35	12	74.47%	10.96%	-21.77%	4.23%	4.20%	1.01	2.94	2.076%
19	47	35	12	74.47%	11.14%	-28.48%	3.79%	5.57%	0.68	1.98	1.399%
18	47	34	13	72.34%	9.37%	-26.32%	3.63%	4.92%	0.74	1.93	1.268%
17	47	33	14	70.21%	8.76%	-22.98%	3.35%	4.07%	0.82	1.94	1.137%
16	49	37	12	75.51%	9.50%	-23.34%	3.27%	4.65%	0.70	2.17	1.332%
15	49	35	14	71.43%	9.07%	-19.15%	3.49%	4.09%	0.85	2.14	1.328%
14	49	34	15	69.39%	10.35%	-23.72%	3.32%	4.69%	0.71	1.61	0.871%
13	49	29	20	59.18%	10.88%	-13.34%	3.32%	2.66%	1.25	1.81	0.882%
12	50	33	17	66.00%	9.60%	-20.70%	2.90%	3.44%	0.84	1.64	0.743%
11	51	33	18	64.71%	8.13%	-12.37%	2.91%	2.69%	1.08	1.98	0.931%
10	51	33	18	64.71%	9.22%	-7.86%	2.76%	2.33%	1.18	2.17	0.961%
9	53	33	20	62.26%	8.39%	-12.20%	2.77%	2.28%	1.22	2.01	0.864%
8	53	33	20	62.26%	8.54%	-5.61%	2.56%	2.20%	1.16	1.92	0.764%
7	54	32	22	59.26%	7.29%	-5.48%	2.47%	2.21%	1.11	1.62	0.560%
6	54	32	22	59.26%	7.32%	-4.96%	2.10%	2.03%	1.03	1.51	0.418%
5	58	31	27	53.45%	5.27%	-4.82%	2.14%	1.85%	1.15	1.32	0.280%
4	59	32	27	54.24%	3.85%	-4.07%	1.69%	1.58%	1.07	1.27	0.194%
3	60	33	27	55.00%	3.40%	-5.56%	1.24%	1.68%	0.74	0.90	-0.073%
2	62	31	31	50.00%	2.76%	-4.78%	1.05%	1.19%	0.89	0.89	-0.068%
1	62	36	26	58.06%	2.72%	-3.00%	1.01%	0.69%	1.45	2.01	0.294%

The first few days have often been chop. But the 20-day numbers appear bullish. I also produced the profit curve.



This curve is impressive and suggestive of an upside edge. I have added this study to the intermediate-term active list.

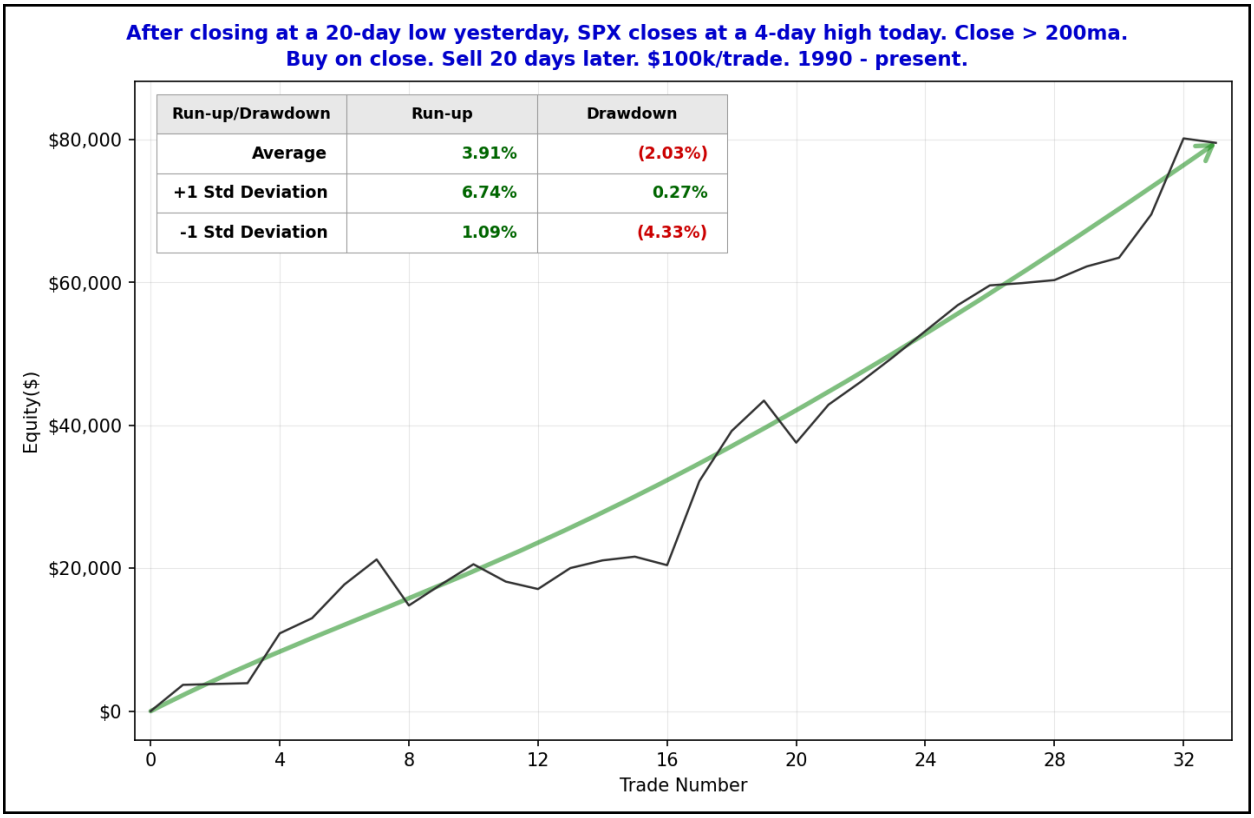
We also saw another intermediate-term study emerge on Thursday.

Thursday's move was big enough to flip SPX from a 20-day low close to a 4-day high close. In the 11/3/20 letter I looked at other times in which the market put in a strong thrust off at least a 20-day low like this. I have updated the results below.

After closing at a 20-day low yesterday, SPX closes at a 4-day high today. Close > 200ma.
Buy on close. Sell X days later. 1990 - 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
20	33	27	6	81.82%	11.77%	-6.44%	3.60%	2.93%	1.23	5.52	2.411%
19	33	25	8	75.76%	12.14%	-6.40%	3.80%	2.25%	1.69	5.27	2.330%
18	34	27	7	79.41%	10.66%	-4.17%	3.18%	2.22%	1.43	5.52	2.067%
17	34	26	8	76.47%	11.28%	-4.29%	3.29%	2.15%	1.53	4.99	2.014%
16	34	25	9	73.53%	11.61%	-4.35%	3.26%	1.69%	1.93	5.35	1.948%
15	34	24	10	70.59%	11.27%	-4.77%	3.18%	1.53%	2.08	4.98	1.795%
14	35	27	8	77.14%	9.59%	-7.97%	3.00%	2.21%	1.36	4.58	1.807%
13	35	26	9	74.29%	9.51%	-7.43%	2.85%	2.10%	1.36	3.92	1.576%
12	35	24	11	68.57%	8.22%	-5.74%	2.95%	1.62%	1.82	3.98	1.515%
11	35	27	8	77.14%	9.04%	-5.77%	2.73%	1.73%	1.58	5.32	1.712%
10	35	25	10	71.43%	9.57%	-8.81%	2.93%	1.77%	1.65	4.13	1.587%
9	35	24	11	68.57%	8.68%	-6.43%	2.74%	1.26%	2.18	4.76	1.484%
8	35	24	11	68.57%	8.35%	-4.96%	2.69%	1.47%	1.83	3.99	1.382%
7	35	23	12	65.71%	7.93%	-4.17%	2.56%	1.56%	1.63	3.13	1.143%
6	35	21	14	60.00%	7.11%	-5.39%	2.47%	1.36%	1.82	2.73	0.941%
5	35	22	13	62.86%	7.26%	-5.40%	2.12%	1.38%	1.54	2.60	0.821%
4	36	25	11	69.44%	6.02%	-4.63%	1.86%	1.66%	1.12	2.55	0.786%
3	36	25	11	69.44%	6.05%	-4.78%	1.68%	1.67%	1.01	2.30	0.660%
2	37	27	10	72.97%	4.02%	-3.19%	1.22%	1.44%	0.85	2.28	0.499%
1	37	19	18	51.35%	2.54%	-2.07%	0.77%	0.68%	1.14	1.21	0.068%

Day 1 is a bit iffy, but after that there appears to be a strong and consistent edge over the next 4 weeks. This suggests a decent chance that Thursday's rally was the beginning of a continued move higher… Now the 20-day curve.



... it has been strong lately. With volume declining from Wednesday's level, I also decided to do a quick check and see if that mattered. I found the number of instances were about half when requiring volume comes in lighter than the day before. Results appeared slightly better with the lower volume than with higher volume. It wasn't enough to make a big difference but it was still worth checking, and gives me confidence that the light volume is not a potential problem. This study has been added to both the short and long term active lists.

As I mentioned earlier, both June and July saw SPX close lower. Seasonality for those two months it is generally favorable. Two of the weakest months are August and September. So I was curious to see how August and September fared when we already had June and July slipping. The table below gives us an answer going back to 1950.

SPX August & September Performance After a Down June AND a Down July
$SPX monthly closes, 1950 - 2025. Aug+Sep is the compounded two-month return.

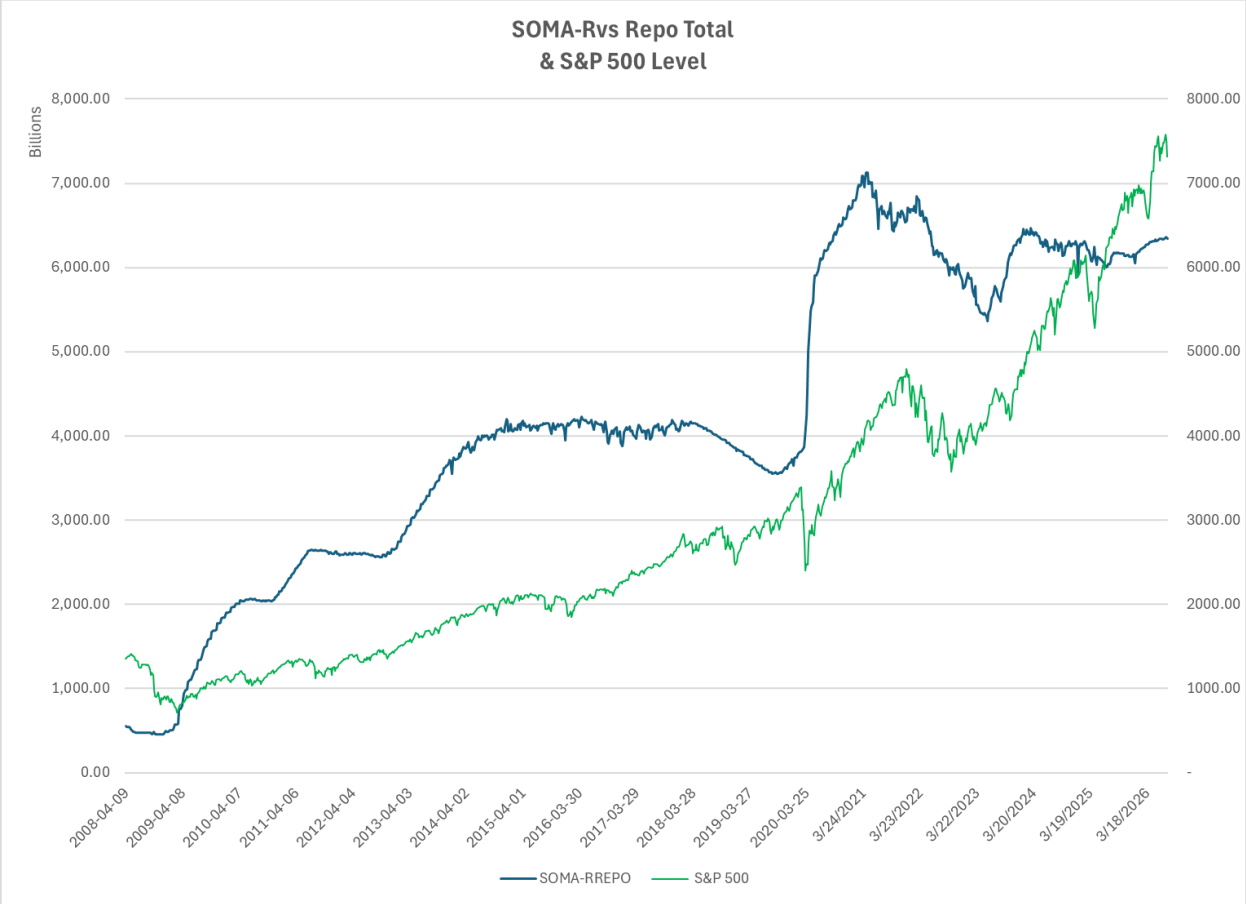
Year	Jun %	Jul %	Aug %	Sep %	Aug+Sep %
1963	-2.02	-0.35	+4.87	-1.10	+3.72
1966	-1.61	-1.35	-7.78	-0.70	-8.42
1969	-5.56	-6.02	+4.01	-2.50	+1.40
1971	-0.93	-3.16	+3.61	-0.70	+2.89
1974	-1.47	-7.78	-9.03	-11.93	-19.88
1981	-1.04	-0.22	-6.21	-5.38	-11.26
1982	-2.03	-2.30	+11.60	+0.76	+12.45
1990	-0.89	-0.52	-9.43	-5.12	-14.07
2001	-2.50	-1.07	-6.41	-8.17	-14.06
2002	-7.25	-7.90	+0.49	-11.00	-10.57
2007	-1.78	-3.20	+1.29	+3.58	+4.91
2008	-8.60	-0.99	+1.22	-9.08	-7.97
2011	-1.83	-2.15	-5.68	-7.18	-12.45
Down June AND July (13 years)					
Average	—	—	-1.34	-4.50	-5.64
Median	—	—	+0.49	-5.12	-8.42
Win %	—	—	53.8%	15.4%	38.5%
All Other Years (63 years)					
Average	—	—	+0.33	+0.17	+0.47
Median	—	—	+1.13	+0.13	+0.97
Win %	—	—	55.6%	50.8%	60.3%

After down closes in both June and July. August has generally been a toss-up. Sometimes it got a bit of a rebound and sometimes it didn't. But regardless of whether August rebounded or not, September numbers look pretty terrible. Eleven out of the thirteen Septembers closed lower and many of them by sizable amounts. So while we got some studies the last few days suggesting we could get a bounce over the next few weeks, this table suggests that might be all it is: a temporary bounce. This seems worth keeping in mind while we consider other intermediate-term evidence that emerges over the next 3-4 weeks.

The Fed posted the latest update to the SOMA holdings on Thursday. It can be found below.

Domestic Security Holdings as of 2026-07-29	
SECURITY TYPE	TOTAL ($Thousands)
US Treasury Bills	514,518,926.7
US Treasury Notes and Bonds	3,605,789,260.7
US Treasury FRNs	18,382,825.8
US Treasury TIPS	273,754,527.0
Federal Agency Securities	2,347,000.0
Agency MBS	1,923,337,226.0
Agency CMBS	7,517,477.2
Total SOMA Holdings	**6,345,647,243.5**
Change From Prior Week	**-10,480,609.9**

The SOMA declined by about $10.5 billion this week, draining liquidity from the system. Meanwhile, reverse repos increased by $2.2 billion for the week ending 7/29/26. A rise in reverse repos can act as a liquidity reduction. Combined for the week, SOMA and reverse repo action accounted for a liquidity drain of about $12.7 billion (through Wednesday the 29th). Below is an updated SOMA-Reverse Repo and SPX chart looking back to 2008.



Reverse repos remain quite low. So unless that changes, they will not be providing too much influence on liquidity flows. Quantitative Easing had been providing some support for the bulls, but that no longer appears to be the case since Warsh took over. Fed policy seems to be getting more hawkish and we will likely see a rise in rates within the next few meetings.

With regards to rates, odds shifted again this past week. The September meeting now shows about a 67% chance of a rate increase. That's down a bit from the 82% reading we saw last week. Looking out to October, odds currently show a 77% chance that rates are elevated vs today's rates. This can be seen in the graphics below, courtesy of the CME Fedwatch tool.

FedWatch Tool

Target Rate
Current
Compare
Probabilities
Aggregated

Historical
Historical
Downloads
Prior Hikes

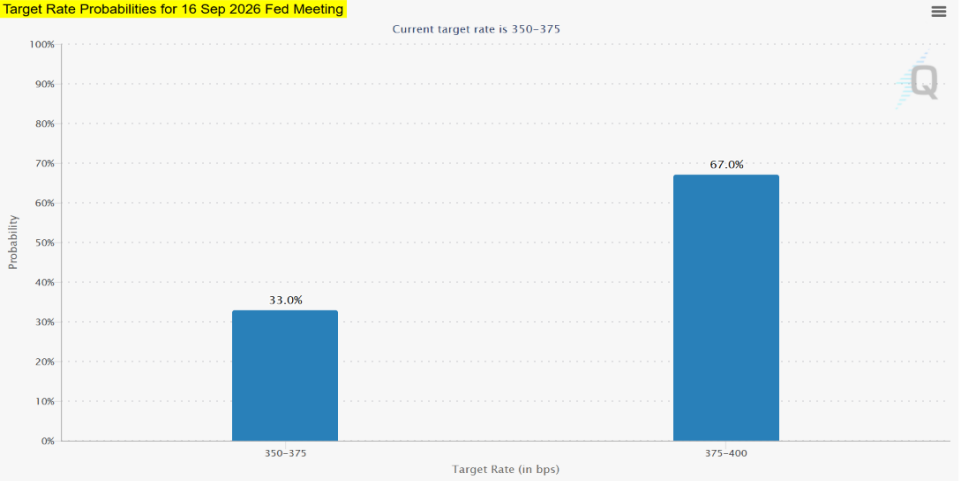
Dot Plot
Chart
Table

Tools
CVOL
SOFR Watch
ESTR Watch

16 Sep26 | 28 Oct26 | 9 Dec26 | 27 Jan27 | 17 Mar27 | 28 Apr27 | 9 Jun27 | 28 Jul27 | 15 Sep27 | 27 Oct27

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
16 Sep 2026	ZQU6	30 Sep 2026	96.2900	33,079	221,871	0.0 %	33.0 %	67.0 %

Target Rate Probabilities for 16 Sep 2026 Fed Meeting



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 30 JUL 2026	1 WEEK 24 JUL 2026	1 MONTH 1 JUL 2026
350-375 (Current)	33.0%	36.6%	18.0%	35.8%
375-400	67.0%	63.4%	55.3%	49.8%
400-425	0.0%	0.0%	26.6%	14.3%

* Data as of 1 Aug 2026 01:48:00 CT

1/1/2028 and forward are projected meeting dates

FedWatch Tool

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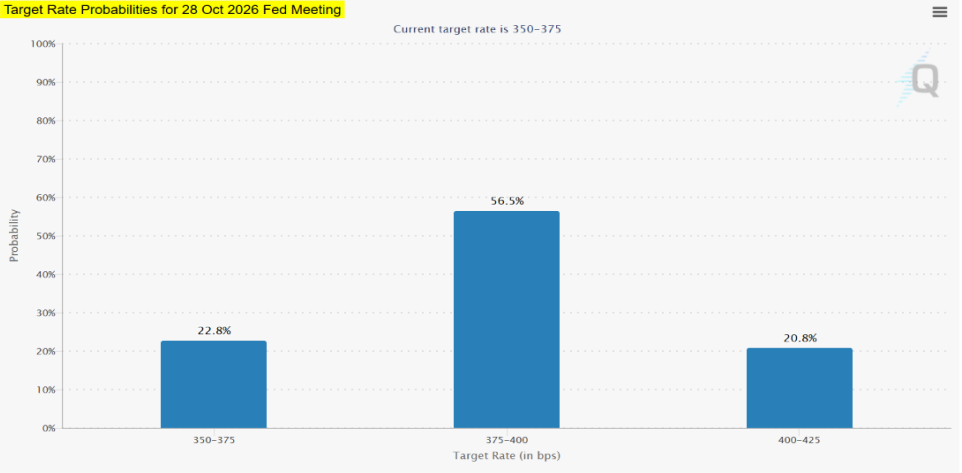
MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
28 Oct 2026	ZQV6	30 Oct 2026	96.1950	127,015	453,698	0.0 %	22.8 %	77.2 %

Target Rate Probabilities for 28 Oct 2026 Fed Meeting



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 30 JUL 2026	1 WEEK 24 JUL 2026	1 MONTH 1 JUL 2026
350-375 (Current)	22.8%	26.9%	12.8%	27.1%
375-400	56.5%	56.3%	44.6%	46.4%
400-425	20.8%	16.9%	34.9%	23.0%
425-450	0.0%	0.0%	7.7%	3.5%

* Data as of 1 Aug 2026 01:48:00 CT

1/1/2028 and forward are projected meeting dates

As we have seen over and over, odds continually shift, so we will likely see further refinement as we get closer to these meeting dates. But at this point it certainly seems that the next Fed move is quite a bit more likely to be a hike in rates than it is to be a cut. And that move very well could come in the next few months.

Intermediate-term evidence remains mixed. We did get some bullish indications this week as several studies noted the market was oversold to a point where a multi-week bounce appeared likely. We also still have price thrust type studies from May suggesting more gains to come. But the overall market trend is questionable. The Nasdaq being in a lagging position is discouraging. The Fed now appears more hawkish, or at best neutral. Breadth was poor for much of the rally out of the March lows. While some breadth indicators have improved, I would like to see the new high percent gain substantially if SPX is to move on to a new high. Long-term seasonality is now bearish through October, and the study I showed earlier suggests September could be especially dangerous. Geopolitical risks can pop up at any time. Overall, there is still some bullish evidence, and the long-term trend has not rolled over. But no leading NASDAQ, no dovish Fed, middling breadth, weak intermediate-term seasonality, and a questionable long-term trend could combine for some tough times. I remain neutral for the intermediate-term. I will likely trade more conservatively both to the long and the short side.

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

BNY @ $152.50 (buy 1/3 @ limit) – *not filled, cancel for now*

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

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	*7/24/2026*	*$738.18*	*$747.03*	*1.20%*	*sold on close*

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