QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 13, 2026 Volume 20 Issue 153

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- No compelling new evidence emerged on Wednesday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. But SPX is primed to turn from oversold to overbought so I don't see much of an edge at this point.

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 7, 2026	SPX up 1.5% then 2 flat days	1-5 days	Bearish	-2.23%	1.15%	2.19%
August 5, 2026	SPY 50-day high breakout with unfilled gap	1-5 days	Bullish	1.38%	-0.97%	-1.98%
Active - Long Term						
August 6, 2026	SPX 20-day high, closes in bottom 10% of ra	1-10 days	Bullish	2.05%	-1.46%	-2.77%
August 5, 2026	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.91%	-4.26%	-8.73%
August 3, 2026	Down June & down July -> weak Aug & Sep	1-2 months	Bearish			
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			

The Evidence

Wednesday saw modest gains for the indices. SPX finished up 0.3%, the NASDAQ gained 0.5%, and the Russell 2000 climbed 0.6%. Breadth was mixed as the NYSE Up Issues % closed at 55% and the NYSE Up Volume % posted a 47% reading. NYSE total volume declined some from Tuesday's level.

This is gonna be a short one. The market barely moved all day today. It gapped up in the morning. It pulled back a little bit from that gap up, and the little move that it made over the first five minutes was as big as the range for the rest of the day. This action kept the S&P 500 in the sideways range it has been in for a little over a week now. Very quiet trading. And the VIX noticed as it closed at its lowest level since January, and just missed posting its lowest close of 2026. Not surprisingly I did not find anything new that emerged this evening suggesting a compelling edge. So no new studies will be added to the active list tonight.

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 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 stayed 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 slightly *inverted at* 7739.84. That is 0.1% *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 0.1% 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 I generally do not view set-ups with inverted pivots as opportune times to take on new positions. This is because reward is quite limited. Any close in the anticipated direction (this case long) would mean the end of the bullish set up. So I'll stand aside another day and see how Thursday plays out and what new evidence emerges before determining my next move.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/10 – slightly bullish

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

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