QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 25, 2026 Volume 20 Issue 161

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- No compelling new evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. Short-term gains still appear likely.

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 21, 2026	SPY gaps below 5-day low close, then closes	1-5 days	Bullish	1.91%	-1.40%	-3.04%
August 21, 2026	SPY closes in bottom 25% of range 4 days in	1-5 days	Bullish	3.27%	-1.76%	-3.45%
August 19, 2026	SPX 3 days dn from a 50-high to a 10-low	1-8 days	Bullish	2.38%	-1.52%	-3.53%
Active - Long Term						
August 12, 2026	Hindenburg Omen - 4th signal in 30 days	1-35 days	Bearish	-6.54%	2.95%	4.86%
August 12, 2026	SPY inside the 50-day-high day's range 5 day	1-10 days	Bullish	2.06%	-1.25%	-2.63%
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

Monday was a down day for the market. SPX finished lower by 0.3%, the NASDAQ lost 0.8%, and the Russell 2000 declined 0.8%. Breadth was mildly positive as the NYSE Up Issues % closed at 50% and the NYSE Up Volume % posted a 51% reading. NYSE total volume dropped sharply from Friday's level.

Monday was the fourth day in a row now that SPX has changed direction. So yeah, we are still in a choppy environment. And as often happens during chop, not much tends to emerge as far as compelling edges. That was the case on Monday as the Quantifinder came up blank, and so did my individual efforts to uncover anything interesting to talk about. So this is going to be a quick letter. No new studies are being 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 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 Tuesday. This is unlikely to change. Meanwhile, the Differential Pivot will be 7682.31. That is 0.4% above Monday's close. Therefore, SPX will need to close up at least 0.4% on Tuesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. Despite the chop, I still like the long side. We have a few studies still active on the short-term list from the past few days and they all still have some time left. I have some long index exposure and I will continue to hold that for the time being. With no new evidence emerging tonight, I am not inclined to add to it. But I am still looking for a bounce and will hopefully be able to take advantage of it with the partial position that is currently on.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/24 – neutral

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

EMR @ $154.72 (buy 1/3 @ limit) – *not filled – cancel for now*

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

Additional New Trade Ideas

None.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	8/20/2026	$762.60	$763.47	0.11%	Aggregator

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