QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

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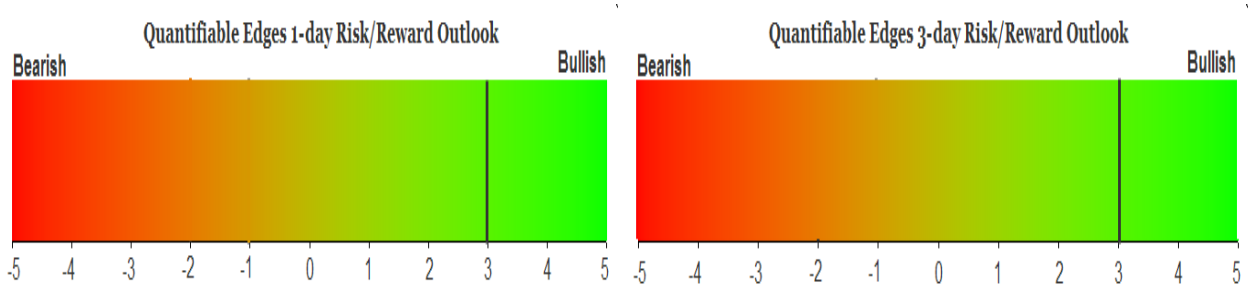
Market Overview



Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- No compelling new evidence emerged on Tuesday.

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

Tuesday saw modest gains for the indices. SPX finished up 0.3%, the NASDAQ gained 0.7%, and the Russell 2000 climbed 0.5%. Breadth was moderately positive as the NYSE Up Issues % closed at 58% and the NYSE Up Volume % posted a 56% reading. NYSE total volume declined some from Monday's level.

We are now at five days in a row with the SPX flipping direction. We almost, almost, almost got an interesting study tonight. In fact, it mistakenly appeared in the Quantifinder. But it required that SPY close below the top quartile of its daily range and unfortunately SPY closed between the 76th and 77th percentile. So that leaves us with nothing new again tonight. I've learned not to complain when this happens though. Inevitably, choppy quiet markets like this tend to end with a big bang, where I have too much to write about and too many studies to update. But that's not the case tonight, so no new studies are going to be 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 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 Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7716.83. That is 0.5% above Tuesday's close. Therefore, SPX will need to close up at least 0.5% on Wednesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is still bullish. To work off the oversold condition on Wednesday, SPX will need to close up for the 2nd day in a row. Perhaps it can break this streak of chopping back and forth. I continue to believe that a short-term move higher appears more probable than a short-term move lower. I have a partial long position from last week. I won't be looking to add to it on Wednesday but I am hoping that that small position can capture some upside in the next few days.

Intermediate-term Outlook (2 weeks – 2 months) – updated 8/24 – 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)	8/20/2026	$762.60	$765.91	0.43%	Aggregator

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