QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

August 27, 2026 Volume 20 Issue 163

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 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 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

The market saw mild losses on Wednesday. SPX finished down 0.02%, the NASDAQ lost 0.08%, and the Russell 2000 fell 0.1%. Breadth was moderately negative as the NYSE Up Issues % closed at 46% and the NYSE Up Volume % posted a 48% reading. NYSE total volume declined some from Tuesday's level.

Yawn. I'm feeling like a broken record the last few nights. SPX reversed direction on Wednesday for what is now the sixth day in a row. And the last four days have seen mild changes and narrow ranges. Perhaps the market was just biding its time, waiting for the NVDA earnings. Or perhaps the market is biding its time, waiting for Kevin Warsh's Jackson Hole speech on Friday morning. Or maybe we're not going to see any strong action until summer vacations are over and traders return in greater numbers following Labor Day. Whatever the case, Wednesday was a dud and no new compelling evidence emerged for the third night in a row.

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 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 easily change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7699.27. That is 0.3% above Wednesday's close. Therefore, SPX will need to close up a fairly mild 0.3% on Thursday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is still bullish. Evidence from a few days back is still suggesting some upside potential. And with all the chop the market has failed to realize expectations over the last few days. We still have a small index position listed in the trade ideas section. And there still does appear to be a moderate bullish edge. So I am hanging on to that position for now. I will look to close it out on Thursday afternoon if SPX closes substantially above its differential pivot. Otherwise, I will hold tight and see if tomorrow brings anything more actionable.

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	$766.08	0.46%	*sell @ $773.00 LIMIT ON CLOSE.*

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