QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

September 25, 2026 Volume 20 Issue 182

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	7

Tonight's Research Points

- The CBI is getting very close to bullish territory. It could reach there on Friday with a bit more selling.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I remain somewhat cautious.

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						
September 18, 2026	SPX 20-day low close to 4-day high close	1-8 days	Bullish	2.53%	-1.39%	-2.97%
Active - Long Term						
September 22, 2026	RUT low in 20-day range, SPX high in range	1-40 days	Bullish	5.17%	-3.67%	-6.92%
September 18, 2026	SPX 20-day low close to 4-day high close	1-20 days	Bullish	3.95%	-1.99%	-4.27%
September 14, 2026	SPX up after 21-day low, on a Friday	1-15 days	Bullish	3.99%	-2.95%	-6.45%
September 8, 2026	NASDAQ leading	int term	Bullish			
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			
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 closed mixed and mild on Thursday. SPX finished down 0.02%, the NASDAQ gained 0.01%, and the Russell 2000 fell 0.1%. Breadth was negative as the NYSE Up Issues % closed at 34% and the NYSE Up Volume % posted a 37% reading. NYSE total volume declined some from Wednesday's level.

There were not any compelling studies that triggered in the Quantifinder this evening. While SPX has had a 3-day pullback and those will often generate bullish signals, the parameters under which this one has occurred have not triggered anything suggesting a strong edge.

But while there weren't any compelling Quantifinder studies to speak of, we did see a sizable spike in the Quantifiable Edges Capitulative Breadth Index (CBI). It jumped from 2 to 7 on Thursday. Seven can be a mildly bullish number on its own. To look for a more reliable bullish signal I generally wait until it reaches 10. But the CBI has not reached 10 since March of 2025. It often will get there once or twice a year so having gone 18 months without a reading of 10 or higher is quite an extended period of time. Further selling on Friday could easily generate a 10+ reading. I will be highly attentive to that possibility. For those that are interested in seeing some research on the CBI, there is a huge list of studies and they can be found on the blog using the link below:

https://quantifiableedges.com/category/cbi/

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 moved 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 turned long at the close.

Based on the current list of active studies, expectations are set to remain positive on Friday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7771.84. That is 0.9% above Thursday's close. Therefore, SPX will need to close up at least 0.9% on Friday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. Evidence is still fairly weak but the rising CBI is somewhat encouraging. I'd like to see more selling before getting excited about a long position. I will only look to take advantage of the bullish aggregator formation if Friday closes down a bit more.

Intermediate-term Outlook (2 weeks – 2 months) – updated 9/21 – neutral

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

CVS – 1/3 @ $87.10 (bought @ limit)
CVS – 1/3 @ $85.86 (bought @ limit)
New
CVS – 1/3 @ $85.05 (buy @ limit)
FDX – 1/3 @ $279.54 (buy @ limit)
GD – 1/3 @ $336.29 (buy @ limit)
NEE – 1/3 @ $75.62 (buy @ limit)
SO – 1/3 @ $82.89 (buy @ limit)

***Broad Market Large Cap CBI* – 7(CVS-3, FDX, GD, NEE, SO)**

Additional New Trade Ideas

CVS – Buy 1/3 Catapult position @ $85.05 LIMIT. From the Catapult section above, this is the 3rd and final lot of CVS.

FDX – Buy 1/3 Catapult position @ $279.54 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of FDX.

GD – Buy 1/3 Catapult position @ $336.29 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of GD.

NEE – Buy 1/3 Catapult position @ $75.62 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of NEE.

SO – Buy 1/3 Catapult position @ $82.89 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of SO.

SPY – Buy ¼ index position @ $764.50 LIMIT ON CLOSE. Based on the short-term section above I will look to start taking on some long index exposure if we see a decent-sized drop on Friday.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
CVS(1/3)	9/23/2026	$86.70	$85.05	-1.90%	Catapult
CVS(1/3)	9/24/2026	$85.83	$85.05	-0.91%	Catapult

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