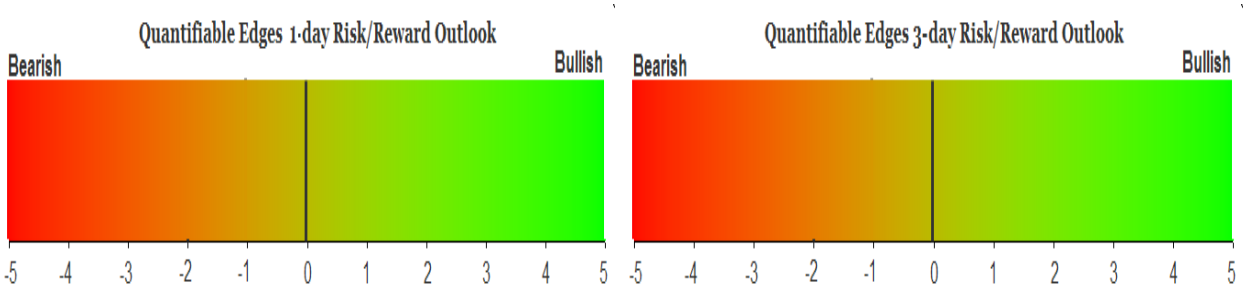
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 8, 2026 Volume 20 Issue 192

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	5

Tonight's Research Points

- No compelling new evidence emerged on Wednesday.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am as well.

Summary of Recent Active Studies (see Letters from listed dates for details

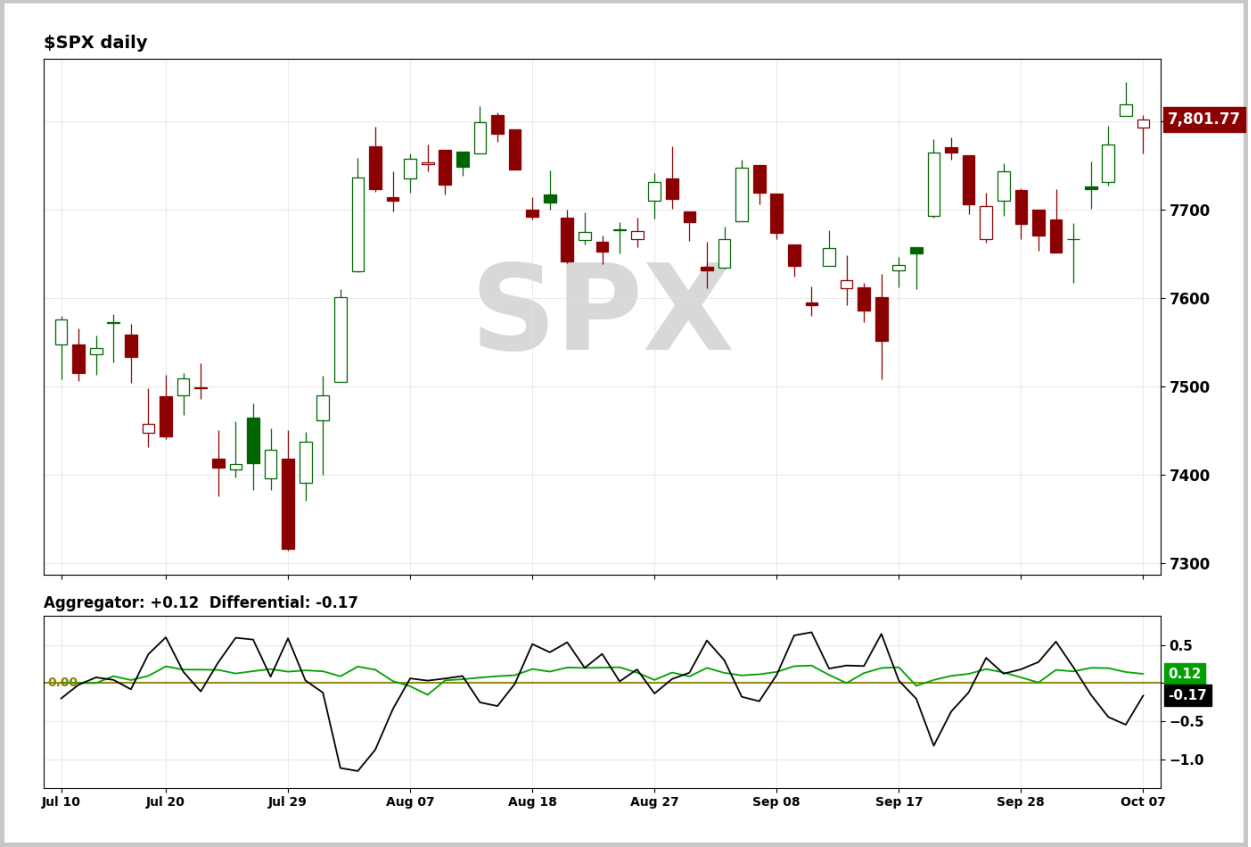
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
October 7, 2026	SPY 50-day high with unfilled gap up	1-5 days	Bullish	1.37%	-0.96%	-1.97%
October 7, 2026	SPX 50-day high, lower volume, 3+ up days	1-5 days	Bullish	1.54%	-0.91%	-1.90%
Active - 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 8, 2026	NASDAQ leading	int term	Bullish			
August 5, 2026	SPX 50-day %b crosses over 100	1-50 days	Bullish	4.91%	-4.26%	-8.73%
July 6, 2026	No QE. Rate rise probable. Fed hawkish	int term	Bearish			
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 was a down day for the market. SPX finished lower by 0.2%, the NASDAQ lost 0.2%, and the Russell 2000 tumbled 1.3%. Breadth was very weak as the NYSE Up Issues % closed at 21% and the NYSE Up Volume % posted a 25% reading. NYSE total volume rose some from Tuesday's level.

Action during the day wasn't terribly interesting. SPY gapped down substantially to open the day and it looked like it might lead to some strong selling. But the selling pressure faded. We saw upward/sideways movement for much of the afternoon, leaving the damage fairly minimal. The Quantifinder was quiet. Only one study triggered, and it is one that is already on the intermediate-term list from a few weeks ago that looks at times SPX is near intermediate-term highs while the Russell 2000 is near intermediate-term lows. That remains the case, and as I discussed in that letter, most of the time the divergence does not have a negative impact on the S&P 500.

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 below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of zero. Therefore, the Aggregator formation stayed flat 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* 7816.60. That is 0.2% *above* 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 up at least 0.2% on Thursday in order to remain overbought. Anything other than that and it will flip to oversold versus recent expectations as of Thursday's close.

So the Aggregator is neutral. It could easily turn long on Thursday if SPX closes flat or down. But we don't have any confirming evidence tonight and it's tough to tell how Thursday will play out and what new evidence might emerge. So I am not inclined to jump the gun and post a trade idea just yet. But some selling and some confirming evidence on Thursday could easily get me interested for Friday.

Intermediate-term Outlook (2 weeks – 2 months) – updated 10/5 – bullish

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

GD – 1/3 @ $336.29 (bought @ limit)
RTX – 1/3 @ $184.33 (bought @ limit)
RTX – 1/3 @ $183.29 (bought @ limit)
New
RTX – 1/3 @ $180.26 (buy @ limit)
CMCSA – 1/3 @ $20.94 (buy @ limit)

***Broad Market Large Cap CBI* – 5(GD, RTX-3, CMCSA)**

Additional New Trade Ideas

RTX – Buy 1/3 Catapult position @ $180.26 LIMIT. From the Catapult section above, this is the 3rd and final lot of RTX.

CMCSA – Buy 1/3 Catapult position @ $20.94 LIMIT. From the Catapult section above, this is the 1st of up to 3 possible lots of CMCSA.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
GD(1/3)	9/25/2026	$336.21	$326.63	-2.85%	Catapult
LMT(1/3)	***10/2/2026***	***$505.50***	***$509.58***	***0.81%***	***sold on open***
LMT(1/3)	***10/5/2026***	***$505.41***	***$509.58***	***0.83%***	***sold on open***
RTX(1/3)	10/6/2026	$183.55	$180.26	-1.79%	Catapult
RTX(1/3)	10/7/2026	$182.99	$180.26	-1.49%	Catapult

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