QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 13, 2026 Volume 20 Issue 195

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. But SPX is primed to flip from oversold to overbought, which greatly reduces reward/risk potential. Therefore I am more neutral.

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

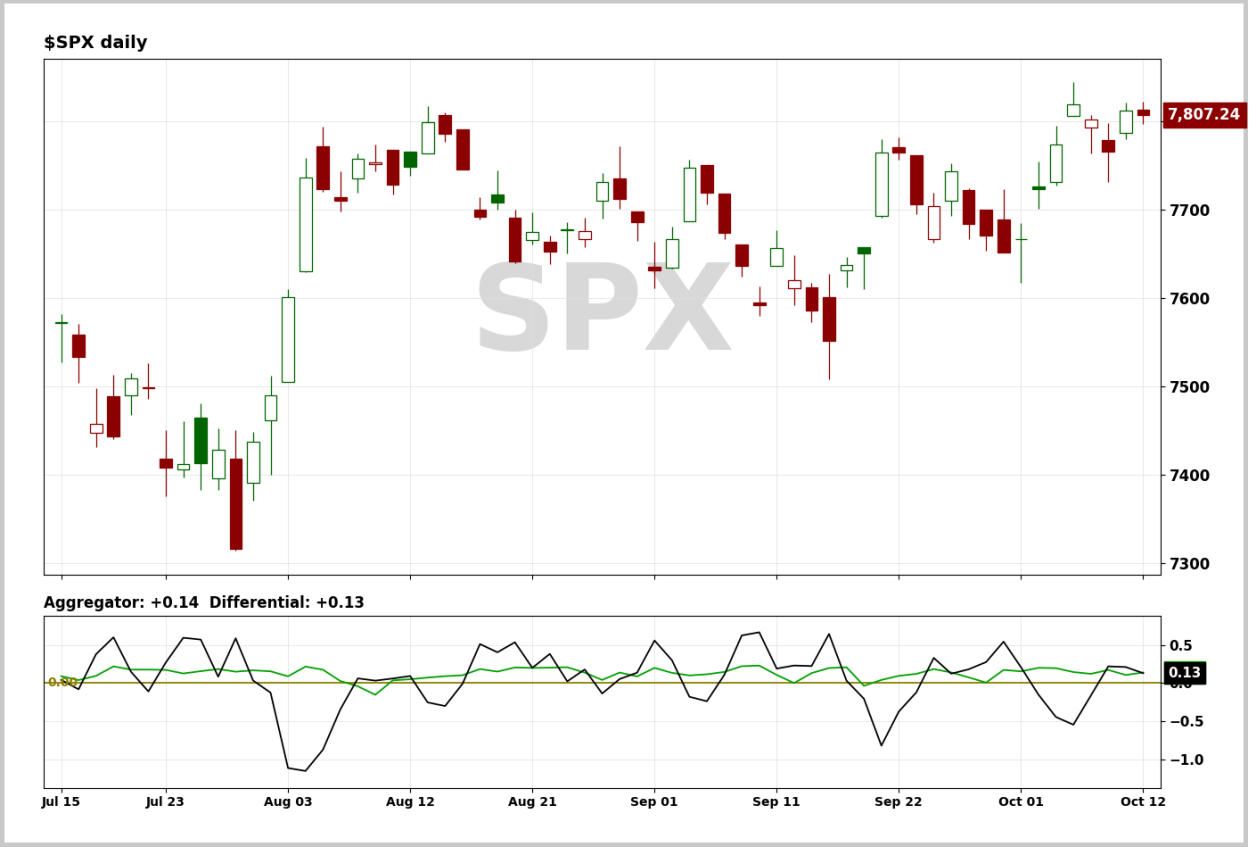
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
October 12, 2026	October opex week	1-4 days	Bullish	1.80%	-1.15%	-2.53%
October 7, 2026	SPY 50-day high with unfilled gap up	1-5 days	Bullish	1.37%	-0.96%	-1.97%
October 7, 2026	SPX 50-day high, 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

Monday was a mild down day on quiet trading. SPX finished lower by 0.06%, the NASDAQ lost 0.4%, and the Russell 2000 declined 0.4%. Breadth was mixed as the NYSE Up Issues % closed at 47% and the NYSE Up Volume % posted a 60% reading. NYSE total volume declined some from Friday's level.

With the bond market closed, the stock market volume came in quite light. That's something that is typical on days when the bond market is closed but the stock market is open. While there were a couple of studies that did manage to trigger in the Quantifinder, there was nothing new that suggested compelling odds. I'm going to keep the prose short tonight. No new studies are being added to the active list. But we do still have quite a few that are active from the past few days.

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 could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be slightly *inverted at* 7799.28. That is 0.1% *below* Monday'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 down at least 0.1% on Tuesday in order to remain oversold. Anything other than that and it will flip to overbought versus recent expectations as of Tuesday's close.

So the Aggregator is bullish. But the inverted pivot dampens reward potential. Any close in the expected direction (up) would mean the end of the signal. So reward/risk is not terribly favorable. This is why I generally view inverted pivots as opportune times to take profits, rather than take on new exposure. I did not manage to grab any index exposure over the last few days so there are no profits to take. I won't be looking for new positions either.

Intermediate-term Outlook (2 weeks – 2 months) – updated 10/12 – bullish

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

CMCSA – 1/3 @ $20.94 (bought @ limit)

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

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
GD(1/3)	9/25/2026	$336.21	$335.46	-0.22%	*sell on open*
RTX(1/3)	***10/6/2026***	***$183.55***	***$186.71***	***1.72%***	***sold on open***
RTX(1/3)	***10/7/2026***	***$182.99***	***$186.71***	***2.03%***	***sold on open***
RTX(1/3)	***10/8/2026***	***$180.25***	***$186.71***	***3.58%***	***sold on open***
CMCSA(1/3	10/8/2026	$20.91	$20.68	-1.10%	Catapult

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