QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

October 14, 2026 Volume 20 Issue 196

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- No compelling new evidence emerged on Tuesday.

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

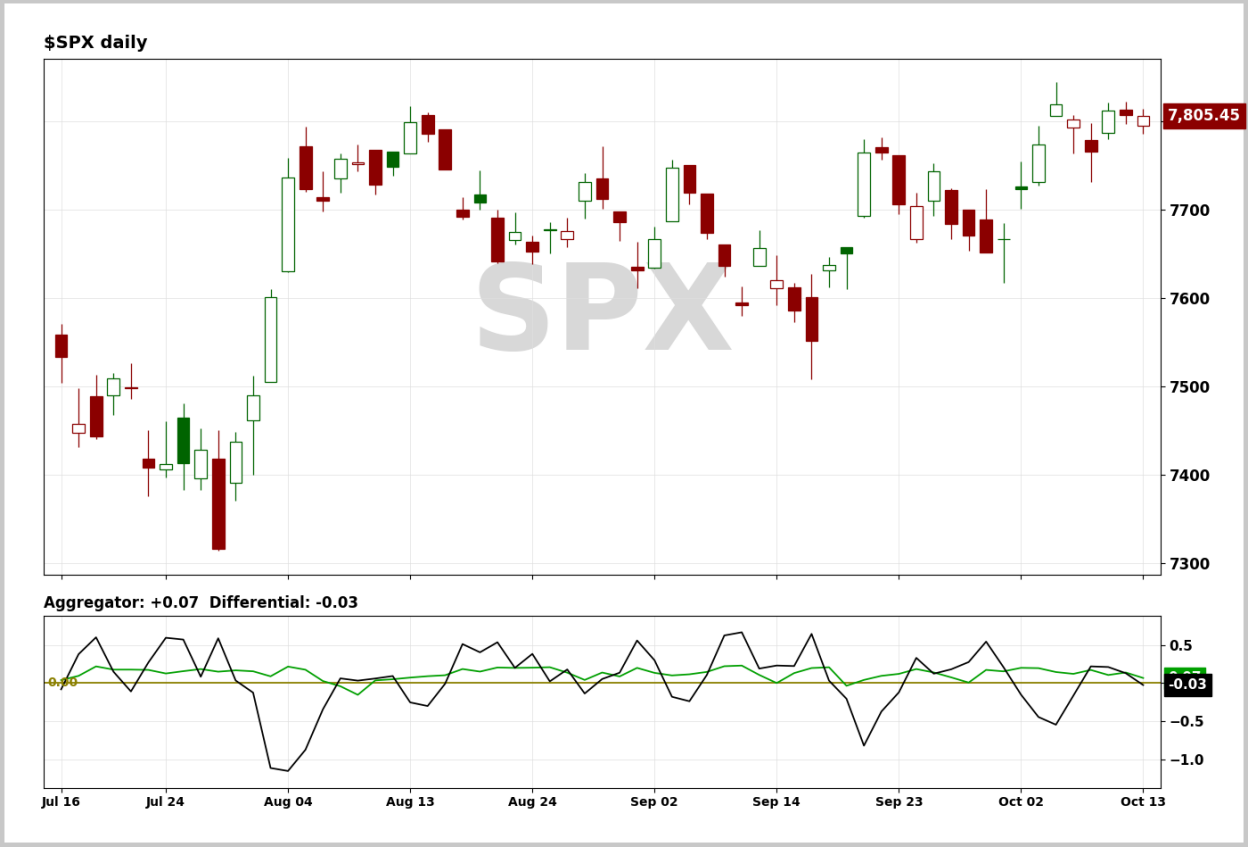
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
October 12, 2026	October opex week	1-4 days	Bullish	1.80%	-1.15%	-2.53%
Active - Long Term						
September 22, 2026	RUT low in 20-day range, SPX high in range	1-40 days	Bullish	5.17%	-3.67%	-6.92%
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

Tuesday was a down day for the market. SPX finished lower by 0.02%, the NASDAQ lost 0.2%, and the Russell 2000 declined 0.4%. Breadth was mildly positive as the NYSE Up Issues % closed at 55% and the NYSE Up Volume % posted a 50% reading. NYSE total volume rose from Monday's level.

Tuesday was another quiet day for the market. October has historically been an extremely volatile month, with many big swings occurring in both directions. But to this point, October of 2026 has been a dud. Fairly low volume and really tight ranges are what we've seen. Wednesday morning the CPI report will be released. And maybe Tuesday was quiet because traders didn't want to make big adjustments ahead of the report. If numbers surprise on Wednesday morning, we could certainly see a strong reaction in either direction. So perhaps CPI will trigger something that will take us out of these doldrums. Of course it could come in right around expectations and we could see volatility dry up even more. But tonight the lack of action meant a lack of strong evidence appearing in the Quantifinder. No new and compelling studies emerged, and nothing will be added to the active list. If we don't get strong action on Wednesday, I'm confident it will arrive at some point, and I will be ready to take note of it and compare it to other historical precedents when it does.

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 fell below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is slightly 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 turned flat 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 *inverted at* 7842.63. That is 0.5% *above* Tuesday'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 0.5% on Wednesday in order to remain overbought. Anything other than that and it will flip to oversold versus recent expectations as of Wednesday's close.

So the Aggregator is neutral. Evidence is a bit lacking with just one seasonal study on the short-term list. And with the differential pivot inverted, SPX isn't greatly overbought or oversold. I'm not seeing a compelling reward/risk setup here. I'm content to sit and wait until a more favorable opportunity emerges before putting new capital to work.

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*	*$335.50*	*-0.21%*	*sold on open*
CMCSA(1/3	10/8/2026	$20.91	$20.88	-0.14%	Catapult

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