QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 3, 2026 Volume 20 Issue 211

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- When SPY gaps up, reverses and closes near its low and at a 10-day closing low, there has typically been an upside edge over the next couple of days.
- 20-day lows have often been followed by bounces when they've occurred on Mondays.
- Weak closes at short and intermediate-term lows during a long-term uptrend have often seen a bounce in the following days.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I like the long side.

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						
November 3, 2026	SPX bottom 10% of range at 20-day low, abo	1-5 days	Bullish	2.08%	-1.41%	-3.03%
November 3, 2026	SPX 20-day low on a Monday, above 200ma	1-4 days	Bullish	1.73%	-1.30%	-2.95%
November 3, 2026	SPY failed gap up, weak close at 10-day low	1-2 days	Bullish	3.25%	-2.72%	-5.89%
November 2, 2026	Friday SPX drop > 1.5x 20-day ATR	1-8 days	Bullish	2.86%	-2.09%	-4.27%
November 2, 2026	SPX 20-day low, biggest loss in 10, high volu	1-7 days	Bullish	2.59%	-1.53%	-3.15%
Active - Long Term						
November 2, 2026	Best 6 months 3rd year of Presidential Cycle	1-6 months	Bullish			
October 23, 2026	SPX down 1%+ 3rd time in 10 days, > 200ma	1-20 days	Bullish	4.02%	-3.60%	-8.30%
October 19, 2026	NASDAQ lagging	int term	neutral			
October 19, 2026	QQQ 5+ lower lows, worst day of the decline	1-20 days	Bullish	9.15%	-4.70%	-9.55%
September 22, 2026	RUT low in 20-day range, SPX high in range	1-40 days	Bullish	5.17%	-3.67%	-6.92%
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%
June 30, 2025	SPX Golden Cross (7/1/25)	int term	Bullish			

The Evidence

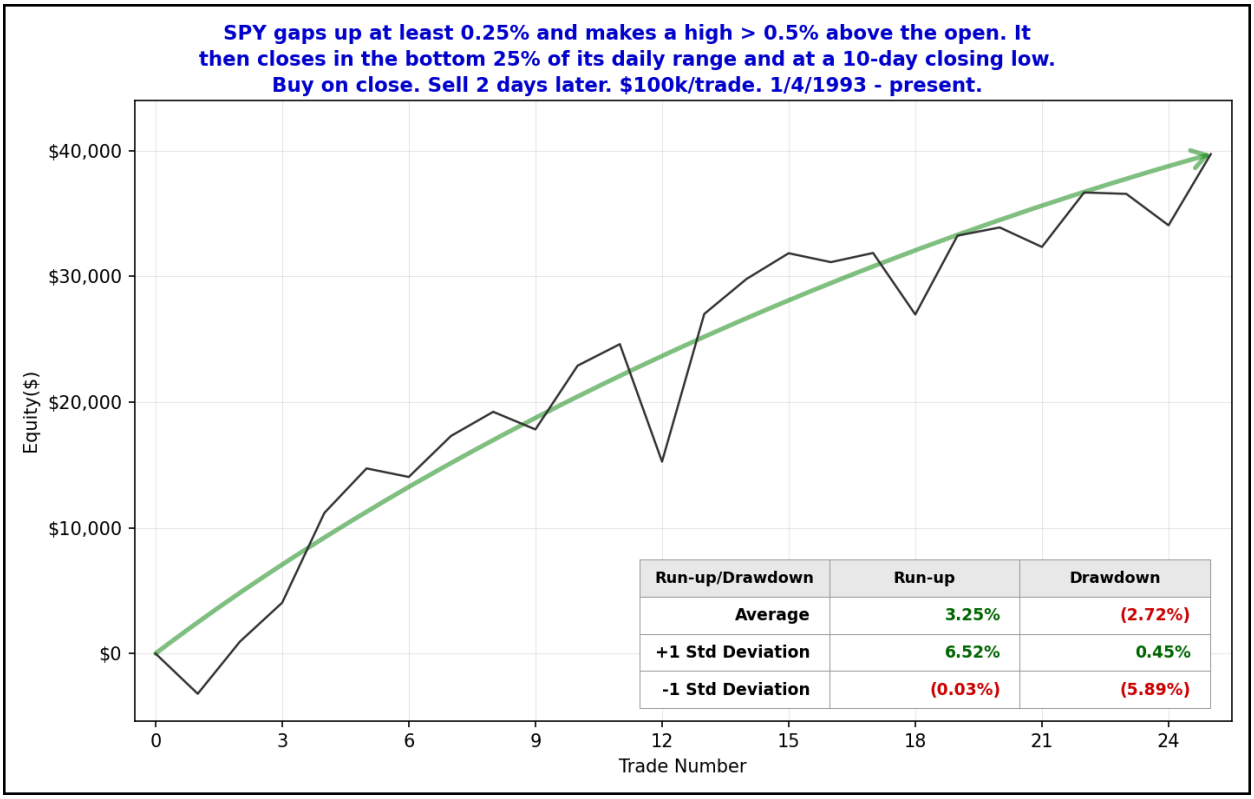
The bullish turn-of-the-month studies we saw over the weekend did not play out, and a good start to the day turned bad in the afternoon. SPX finished lower by 0.5%, the NASDAQ lost 1.1%, and the Russell 2000 fell 0.2%. Breadth was solid as the NYSE Up Issues % closed at 63% and the NYSE Up Volume % posted a 69% reading. NYSE total volume dropped sharply from Friday's level.

There were many bullish studies that triggered tonight. I will feature a few of the more compelling ones. This first study was from the 12/2/21 subscriber letter. It examined SPY's big reversal. Stats are updated.

SPY gaps up at least 0.25% and makes a high > 0.5% above the open. It then closes in the bottom 25% of its daily range and at a 10-day closing low. Buy on close. Sell X days later. 1/4/1993 - present.

X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
5	24	15	9	62.50%	13.75%	-19.79%	5.67%	4.99%	1.14	1.89	1.670%
4	25	14	11	56.00%	14.16%	-17.80%	5.96%	4.02%	1.48	1.89	1.568%
3	25	16	9	64.00%	10.09%	-11.63%	4.49%	2.82%	1.59	2.83	1.857%
2	25	16	9	64.00%	11.74%	-9.34%	4.01%	2.71%	1.48	2.63	1.588%
1	25	16	9	64.00%	10.50%	-7.13%	2.31%	2.99%	0.77	1.37	0.402%

The numbers here are strong. Below is a look at the 2-day profit curve.



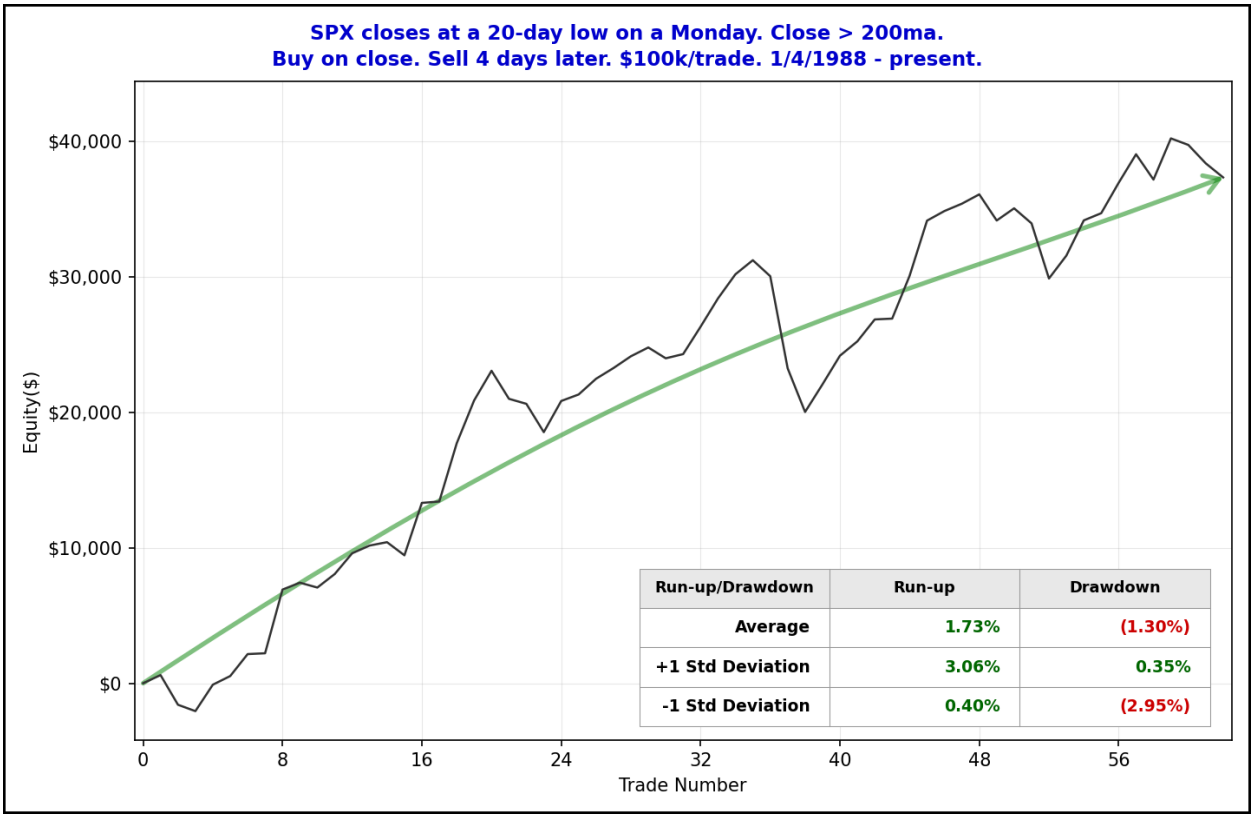
The curve has been a bit choppy, but it has continually persisted higher and is again at a new high. I have added this study to the active list tonight.

On another note, Tuesday's have a well-earned reputation for being days where bounces tend to begin. The study below is from the 10/5/21 letter. It examined other times that the SPX closed at a 20-day low on a Monday. Results have been updated.

SPX closes at a 20-day low on a Monday. Close > 200ma.
Buy on close. Sell X days later. 1/4/1988 - present.

X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
5	62	43	19	69.35%	7.07%	-13.01%	1.97%	2.49%	0.79	1.79	0.600%
4	62	44	18	70.97%	4.70%	-6.80%	1.59%	1.80%	0.88	2.15	0.603%
3	62	42	20	67.74%	3.95%	-6.75%	1.53%	1.87%	0.82	1.72	0.432%
2	62	39	23	62.90%	4.81%	-3.42%	1.17%	1.00%	1.17	1.98	0.363%
1	62	38	24	61.29%	5.12%	-3.62%	0.87%	0.77%	1.13	1.79	0.236%

Stats here appear squarely bullish. Below is a profit curve using a 4-day exit strategy.



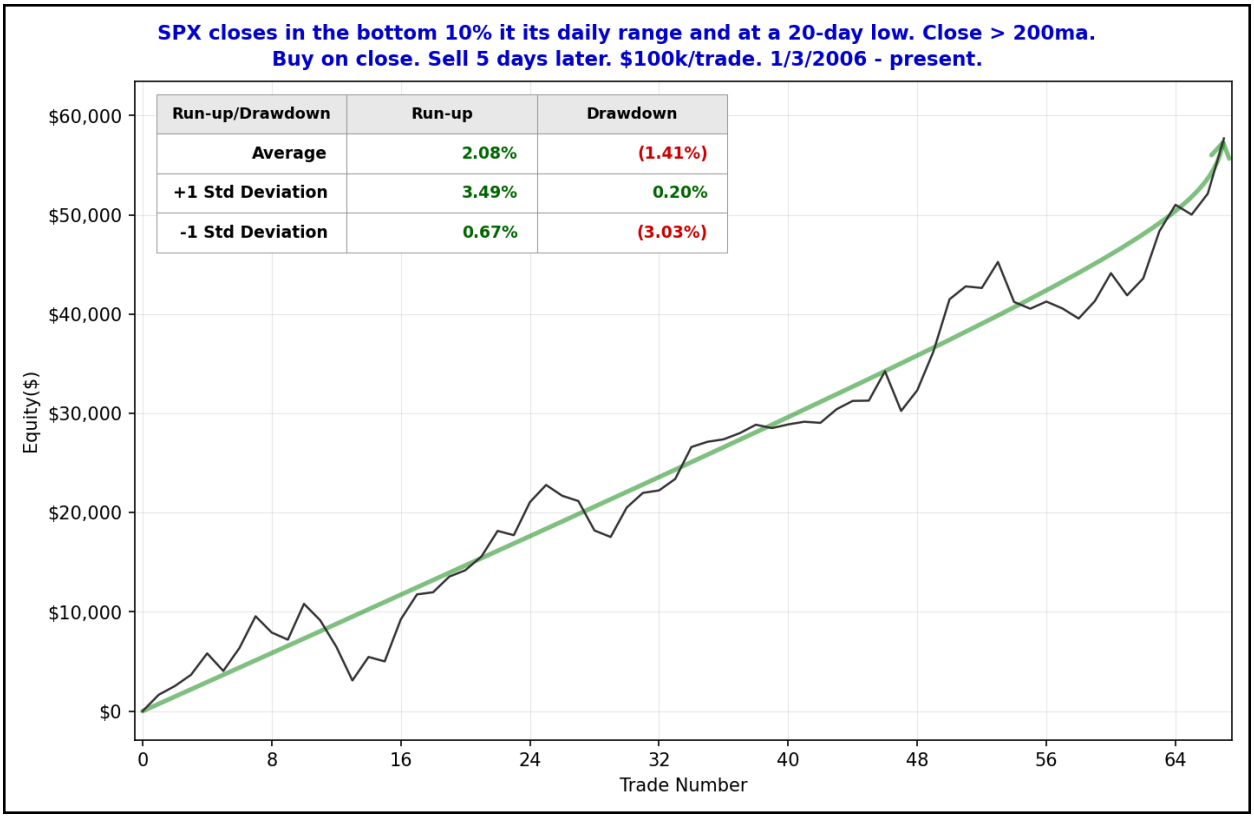
Not quite as powerful as the "failed bounce" studies, but the solid numbers and strong move from lower left to upper right suggest an edge worth paying some attention to. I have added this study to the active list as well.

Over the last several years when SPX has closed near the bottom of its daily range and at a short-term low, it has typically been followed by a bounce in the next few days. This can be seen in the study below, from the 5/29/19 letter.

SPX closes in the bottom 10% it its daily range and at a 20-day low. Close > 200ma.
Buy on close. Sell X days later. 1/3/2006 - present.

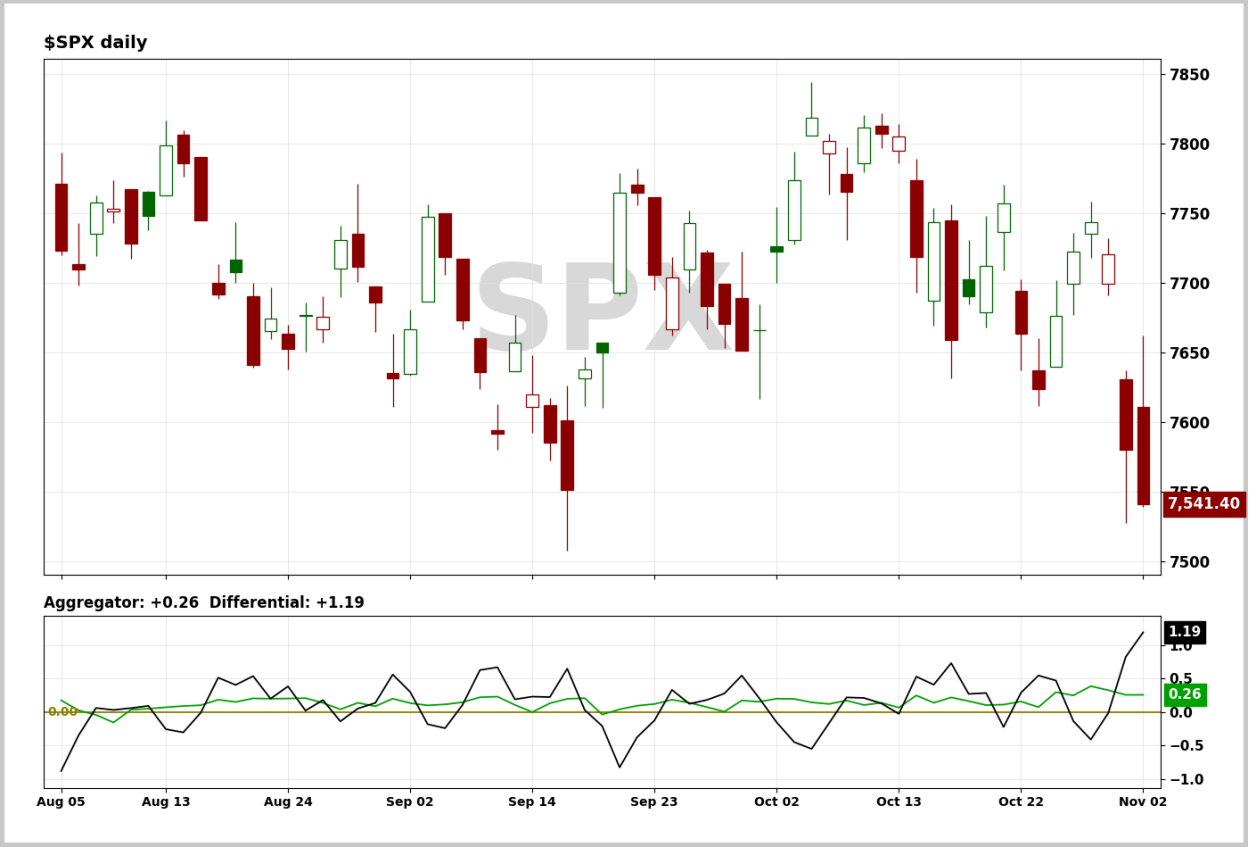
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
5	67	45	22	67.16%	5.57%	-4.03%	2.00%	1.46%	1.36	2.79	0.861%
4	71	44	27	61.97%	5.75%	-3.90%	1.90%	1.42%	1.34	2.19	0.640%
3	74	46	28	62.16%	4.96%	-5.56%	1.58%	1.34%	1.18	1.94	0.475%
2	79	49	30	62.03%	4.49%	-4.78%	1.29%	0.97%	1.33	2.17	0.432%
1	94	59	35	62.77%	2.72%	-2.10%	0.98%	0.73%	1.34	2.26	0.341%

The stats here appear to suggest a pretty solid upside tendency over the last 20+ years. Below is a look at the profit curve assuming a 5-day holding period.



There were a few dips, but overall this is a strong move higher. I have included this on the Short-Term Active List tonight.

I have updated the Aggregator chart below.



With tonight's evidence considered, 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 is now far above above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is strongly 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 is unlikely to change. Meanwhile, the Differential Pivot will be 7789.34. That is 3.3% above Monday's close. Therefore, SPX will need to close up a sizable 3.3% on Tuesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. There is plenty suggesting a bounce, and with ample room to the upside before SPX would turn overbought, reward/risk appears quite favorable. I like the long side. I have posted a new limit order in the Trade Ideas section near the bottom of the letter.

Intermediate-term Outlook (2 weeks – 2 months) – updated 11/2 – somewhat bullish

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

NOW – 1/3 @ $105.12 (but @ limit)

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

Additional New Trade Ideas

SPY - Buy ¼ index position @ $752.00 LIMIT. Based on the short-term outlook above. This would be the 2nd lot of SP. It will be filled on Tuesday with just a small dip below Monday's close.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	10/30/2026	$755.72	$752.10	-0.48%	Aggregator
NOW(1/3)	11/2/2026	$104.85	$106.01	1.11%	Catapult

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