QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 12, 2026 Volume 20 Issue 218

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- The VIX has quickly moved from overbought to oversold. In the past, that has been followed by short-term SPX strength.

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						
November 12, 2026	VIX from 10% over 10ma to 10% under, > 20	1-6 days	Bullish	1.69%	-1.13%	-2.46%
November 10, 2026	SPY up 2 days off 10-day low, < 50ma	1-4 days	Bullish	1.90%	-1.09%	-2.30%
November 10, 2026	SPX up 2 days after 1.75% drop to 10-day low	1-4 days	Bullish	2.12%	-0.99%	-2.26%
November 9, 2026	SPX up on lower vol after high-vol 50-day lo	1-7 days	Bearish	-4.96%	2.21%	3.91%
Active - Long Term						
November 9, 2026	SPX down 4 weeks in a row, > 40-week ma	1-50 days	Bullish	8.92%	-3.24%	-8.04%
November 9, 2026	SPX Friday up close after 21-day low	1-15 days	Bullish	3.96%	-2.93%	-6.41%
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			
Dropped Tonight (target hit, or avg drawdown + 1 std dev exceeded)						
November 6, 2026	***SPX 2nd 1.5% drop in 5 days, 10-day lo***	***1-6 days***	***Bullish***	***3.42%***	***-1.82%***	***-4.25%***

The Evidence

Wednesday was a good day for the market. SPX finished up 1.3%, the NASDAQ gained 1.6%, and the Russell 2000 climbed 0.9%. Breadth was moderately positive as the NYSE Up Issues % closed at 53% and the NYSE Up Volume % posted a 57% reading. NYSE total volume was very light with the bond market closed.

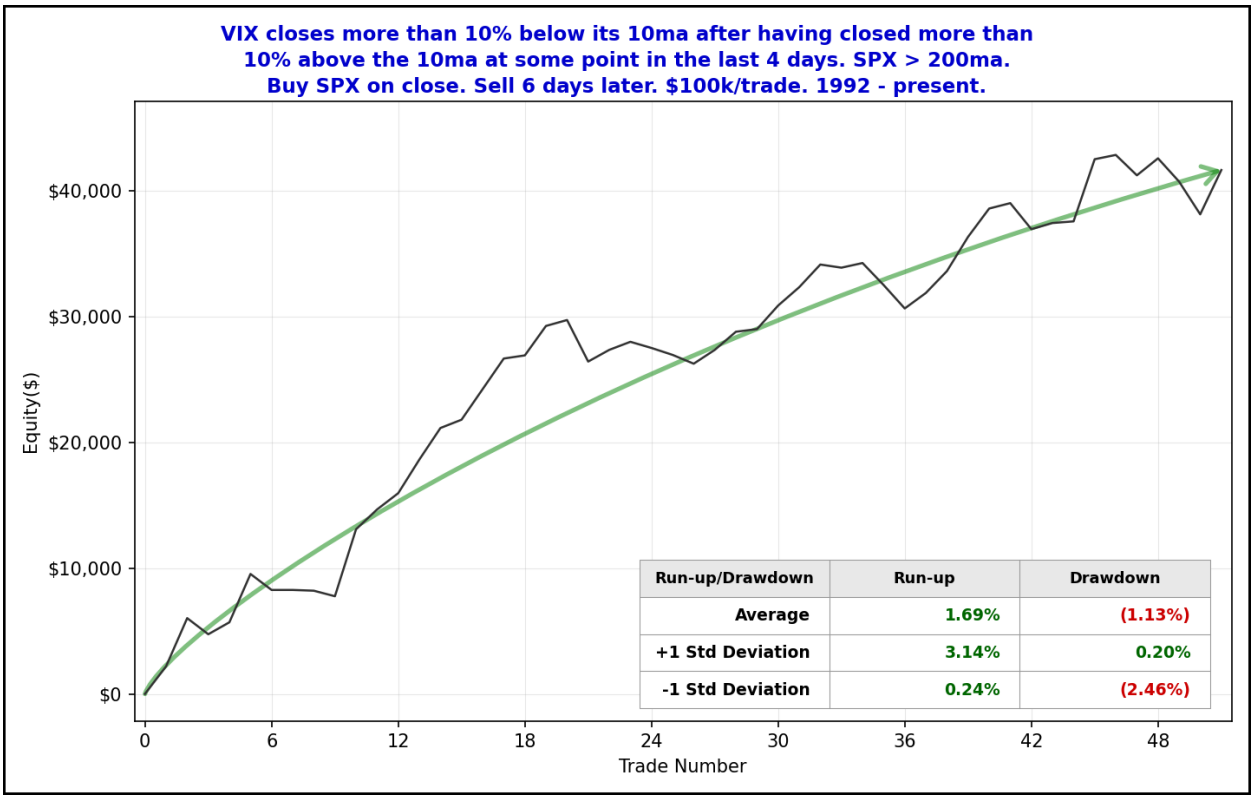
There were several studies that triggered in the Quantifinder that noted the light volume. Volume is almost always light on days where the bond market is closed. Therefore it is not significant in a way that would suggest complacency or lack of interest. It's just typical action. So when studies like this trigger on days like Columbus Day or Veterans Day, or a day when the market is only open for a half day, then I generally ignore those studies. And that is what I am doing tonight.

One study from the Quantifinder worth a review considered the sharp drop in the VIX over the last couple of days after a sharp rise just prior to that. It was last seen just recently in the 11/5/26 subscriber letter. The results are updated.

VIX closes more than 10% below its 10ma after having closed more than 10% above the 10ma at some point in the last 4 days. SPX > 200ma. Buy SPX on close. Sell X days later. 1992 - present.

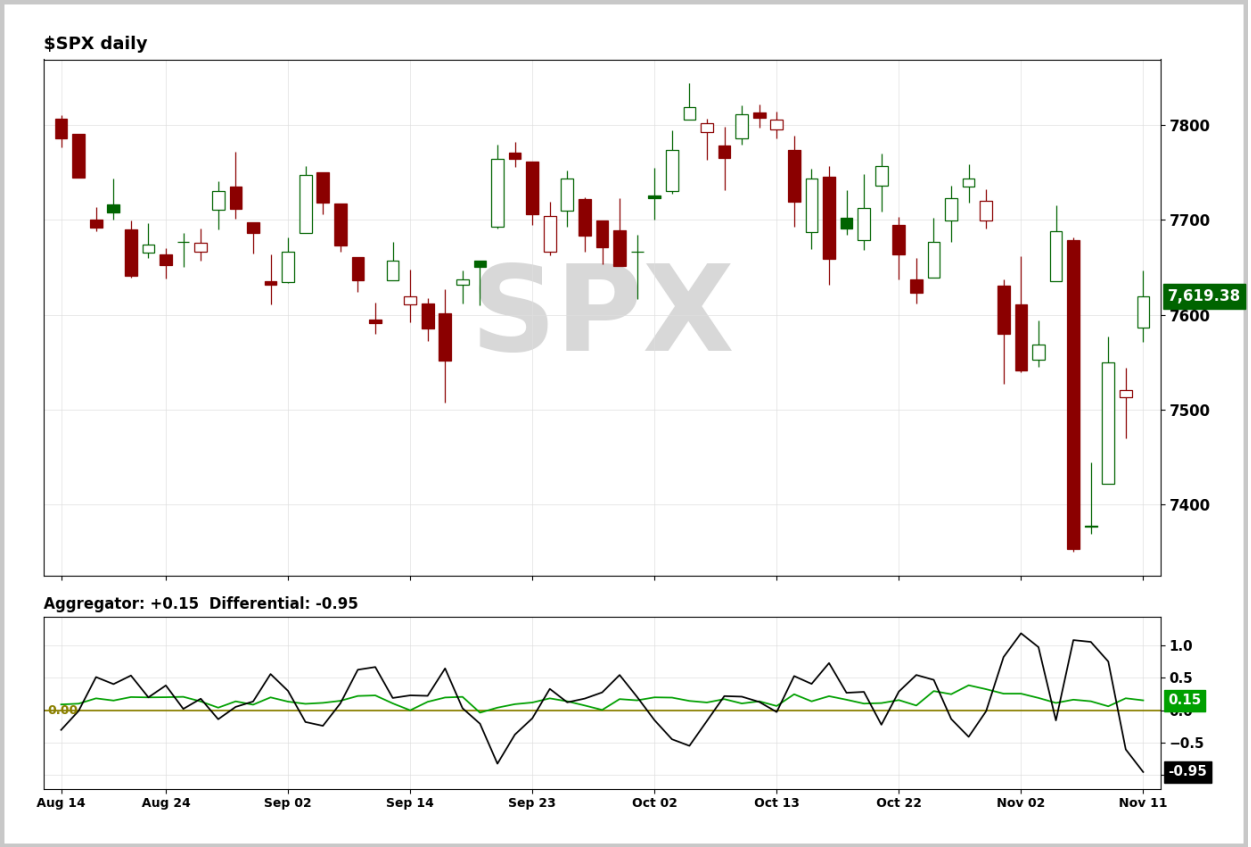
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
10	51	30	21	58.82%	8.14%	-4.32%	2.33%	1.58%	1.47	2.10	0.717%
9	51	32	19	62.75%	8.43%	-5.54%	2.06%	1.58%	1.30	2.19	0.700%
8	51	35	16	68.63%	8.11%	-5.17%	1.99%	1.60%	1.24	2.72	0.863%
7	51	35	16	68.63%	7.78%	-3.56%	1.92%	1.50%	1.28	2.80	0.846%
6	51	35	16	68.63%	5.32%	-3.30%	1.76%	1.26%	1.40	3.07	0.816%
5	51	32	19	62.75%	5.38%	-3.18%	1.77%	1.26%	1.41	2.37	0.641%
4	53	34	19	64.15%	5.00%	-2.96%	1.36%	1.38%	0.99	1.76	0.377%
3	54	32	22	59.26%	3.81%	-3.65%	1.12%	1.08%	1.04	1.52	0.226%
2	54	33	21	61.11%	3.85%	-5.34%	1.01%	1.14%	0.88	1.39	0.173%
1	54	32	22	59.26%	2.96%	-4.36%	0.74%	0.81%	0.92	1.33	0.110%

The market condition that would typically accompany such VIX movement is one where you see SPX post a strong rebound from a sharp decline during a long-term uptrend. Results over the first 2-3 days are not terribly consistent, but once you get out beyond that the bounce becomes more reliable and more powerful. Below I have again provided the profit curve assuming a 6-day holding period.



The curve shows a persistent move higher over a long period of time. I have included this study on the 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 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 turn slightly *negative* on Thursday. This could change if compelling new bullish evidence emerges. Meanwhile, the Differential Pivot will be 7576.70. That is 0.6% below Wednesday's close. Therefore, SPX will need to close down at least 0.6% on Thursday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. Evidence is generally pointing higher but the market is short-term overbought. So reward/risk is not terribly favorable. I don't feel compelled to get involved with new index positions at this point. I will continue to wait for a more favorable setup to emerge.

Intermediate-term Outlook (2 weeks – 2 months) – updated 11/9 – somewhat bullish

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

NOW – 1/3 @ $105.12 (bought @ limit)

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

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
NOW(1/3)	11/2/2026	$104.85	$102.76	-1.99%	Catapult

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