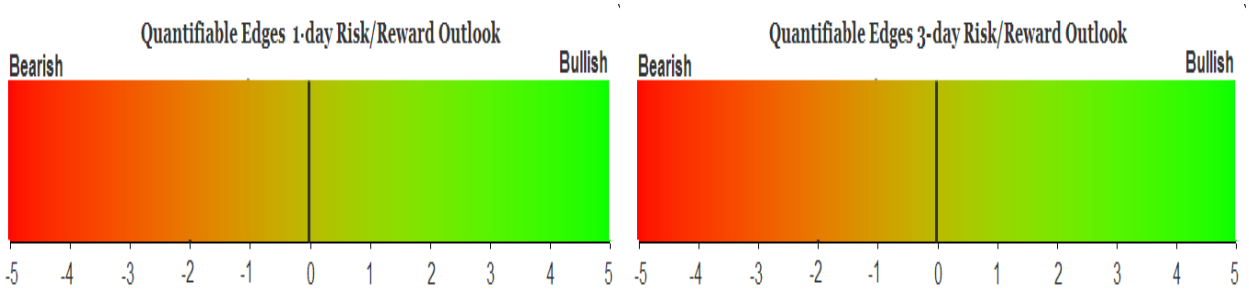
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 16, 2026 Volume 20 Issue 220

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- Seasonality does not appear favorable this upcoming week.
- The Fed still appears hawkish and interest rate odds are fully pricing in at least a quarter-point hike in December.

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 13, 2026	SPX down 1%+, then 5 closes inside its rang	1-3 days	Bullish	1.36%	-0.93%	-1.99%
November 12, 2026	VIX from 10% over 10ma to 10% under, > 20	1-6 days	Bullish	1.69%	-1.13%	-2.46%
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			
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

Friday was a down day for the market. SPX finished lower by 0.4%, the NASDAQ lost 0.9%, and the Russell 2000 declined 0.3%. Breadth was mixed as the NYSE Up Issues % closed at 48% and the NYSE Up Volume % posted a 62% reading. NYSE total volume was slightly higher than Thursday's level.

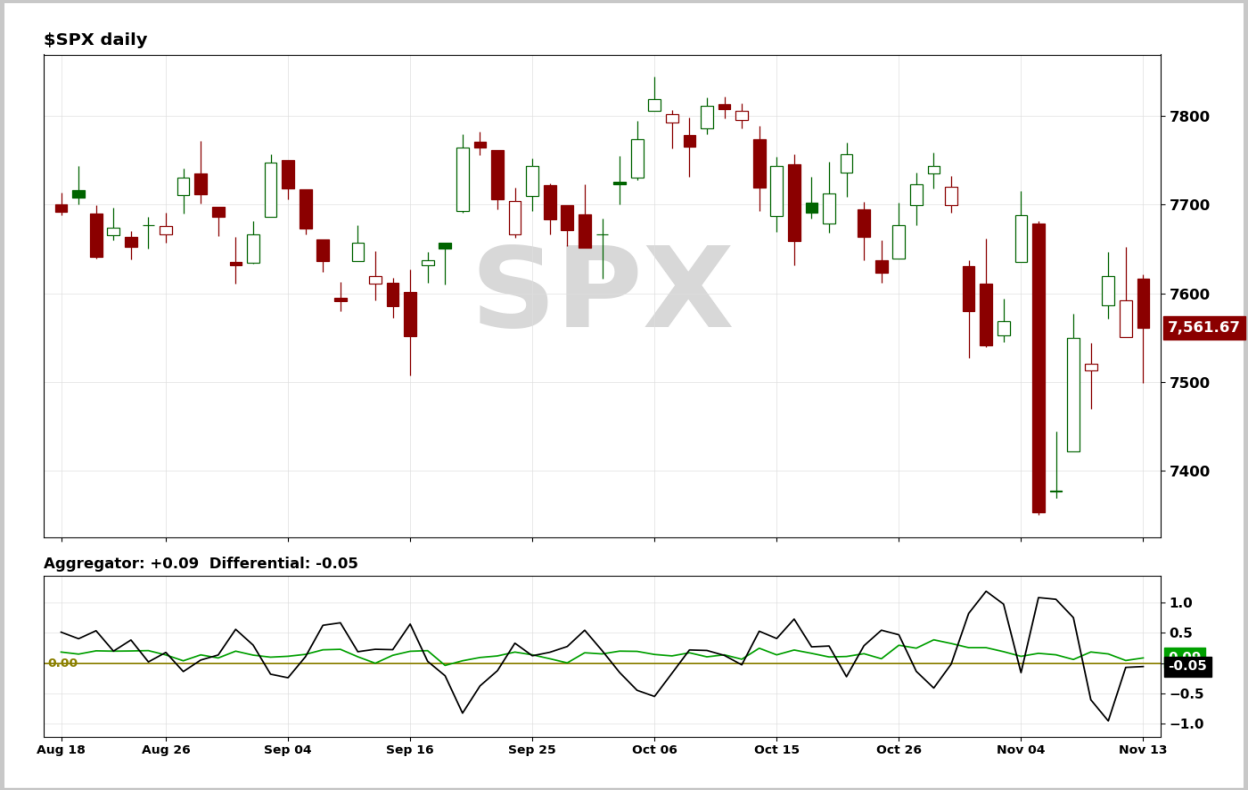
Friday's end results were quite muted, and with the market chopping around and range-bound over the last several days, nothing new and compelling triggered in the Quantifinder on Friday. We still have several studies active from the last few days, though.

So I figured I would take a quick look at the SPX seasonality calendar for this upcoming week.

Quantifiable Edges Seasonality Calendar $SPX S&P 500 Index			
Date	Win%	Profit Factor	Avg % Chg
11/2/2026	61.83	1.480	0.144
11/3/2026	54.27	1.106	0.032
11/4/2026	59.91	1.405	0.111
11/5/2026	55.08	1.064	0.021
11/6/2026	58.18	1.179	0.066
11/9/2026	61.03	1.884	0.169
11/10/2026	57.35	1.906	0.178
11/11/2026	61.03	1.909	0.187
11/12/2026	58.30	1.669	0.100
11/13/2026	59.97	2.056	0.213
11/16/2026	55.82	1.086	0.017
11/17/2026	50.69	1.098	0.028
11/18/2026	51.45	0.842	-0.059
11/19/2026	50.23	0.892	-0.034
11/20/2026	48.63	0.881	-0.039
11/23/2026	63.18	1.613	0.140
11/24/2026	60.78	1.516	0.117
11/25/2026	59.30	1.469	0.095
11/26/2026	61.36	1.526	0.113
11/27/2026	57.77	1.274	0.057
11/30/2026	54.60	1.307	0.085
Baseline	*54.64*	*1.167*	*0.057*
	QuantifiableEdges.com		

This appears to be the least appealing week of the month. If bears are going to do damage in the 2nd half of November, this might be the opportunity. Thanksgiving week is notoriously bullish, especially the Wednesday and Friday surrounding Thanksgiving. This is something I will cover in next weekend's subscriber letter.

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 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 stayed flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Monday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be highly *inverted at* 7649.35. That is 1.2% *above* Friday'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 1.2% on Monday in order to remain overbought. Anything other than that and it will flip to oversold versus recent expectations as of Monday's close.

So the Aggregator is neutral. Unless there is a strong rally on Monday or compelling bearish evidence emerges, then the aggregator certainly appears poised to flip to bullish Monday evening. But it is not there yet and I am not inclined to jump the gun in a choppy volatile market like the one we've been in recently, especially with the unfavorable seasonality we seem to possibly be facing this upcoming week. I'll continue to monitor action and wait for a more compelling opportunity to avail itself before considering any new index trade ideas.

Intermediate-term Outlook (2 weeks – 2 months) – updated 11/16 – somewhat bullish

Combo #1	Combo #2	Combo #3	Combo #4
Long SPX	Long SPX	Long SPX	Long SPX

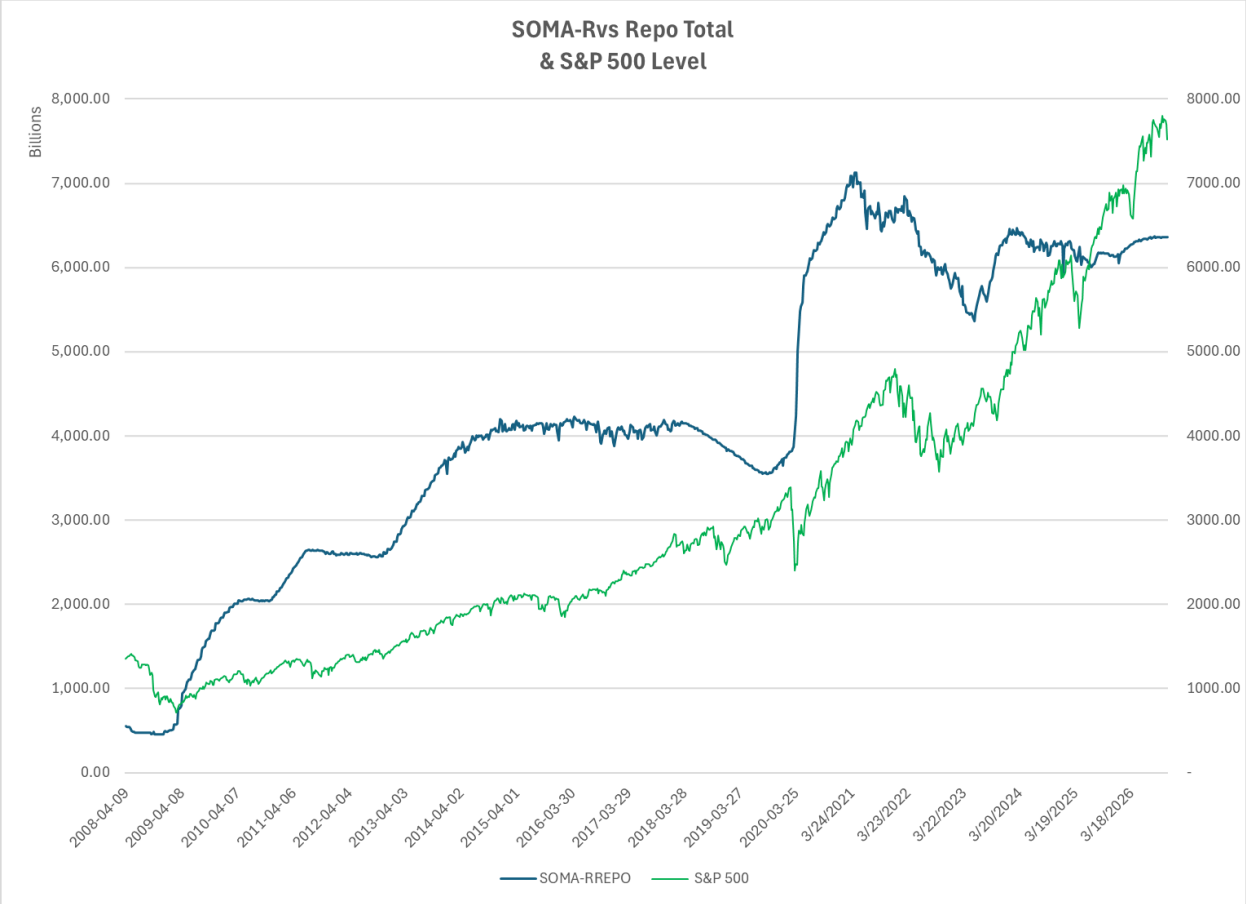
Above is the status of the different Combination Signals from the Quantifiable Edges Market Dynamics Course. Signals are long-term in nature. All 4 can be either flat or long. None of them look to short. More information on these signals can be found in the Quantifiable Edges Market Dynamics Course, which is included with all annual subscriptions. *All 4 Combo models remain LONG SPX.*

This past week saw stocks bounce back a bit. The SPX rallied 2.5%, the NASDAQ climbed 2.3%, and the Russell 2000 rose 1.3%. But bonds got a beat-down. The US Aggregate Bond ETF (AGG) lost 1.5%. TLT, the 20-year Treasury Bond ETF, tumbled 3.1%. SPX price action still appears sideways and choppy. While holding above its 200ma, it is in the middle of the range it has been in over the last few months. Same with the NASDAQ. So the long-term trend is dicey. No new studies triggered in the last few days with intermediate-term implications.

The Fed posted the latest update to the SOMA holdings on Thursday. It can be found below.

Domestic Security Holdings as of 2026-11-10	
SECURITY TYPE	TOTAL ($Thousands)
US Treasury Bills	580,659,926.7
US Treasury Notes and Bonds	3,597,864,734.5
US Treasury FRNs	22,873,047.1
US Treasury TIPS	277,655,585.9
Federal Agency Securities	2,347,000.0
Agency MBS	1,876,203,782.9
Agency CMBS	7,318,049.8
Total SOMA Holdings	6,364,922,126.9
Change From Prior Week	+7,305,000.0

The SOMA rose by $7.3 billion this past week, adding some liquidity to the system. Meanwhile, reverse repos declined by a scant $73 million for the week ending 11/11/26. A decline in reverse repos can act as a liquidity infusion. Combined for the week, SOMA and reverse repo action accounted for a liquidity injection of about $7.4 billion (through Wednesday the 11th). Below is an updated SOMA-Reverse Repo and SPX chart looking back to 2008.



Reverse repos are extremely low. So unless they rise substantially, they will not be providing much influence on liquidity flows. Quantitative Easing had been providing some support for the bulls early in the year, but that no longer appears to be the case since Warsh took over in June. Fed policy has been more hawkish and the recent rate increase is evidence of that.

With regards to future rate moves, the market believes the Fed is not done with just the ¼ point move we saw at the September meeting. The December meeting now shows a 100% chance of another rate increase, and an 11.5% chance that the increase is ½ point instead of just 1/4. Looking out to January, odds show a 100% chance that rates are elevated vs today's rates, and it could be anywhere from ¼ to ¾ of a point higher at that time, with the mostly likely scenario being ½ point higher. This can be seen in the graphics below, courtesy of the CME Fedwatch tool.

FedWatch Tool

Target Rate

Current
Compare
Probabilities
Aggregated

Historical

Historical
Downloads
Prior Hikes

Dot Plot

Chart
Table

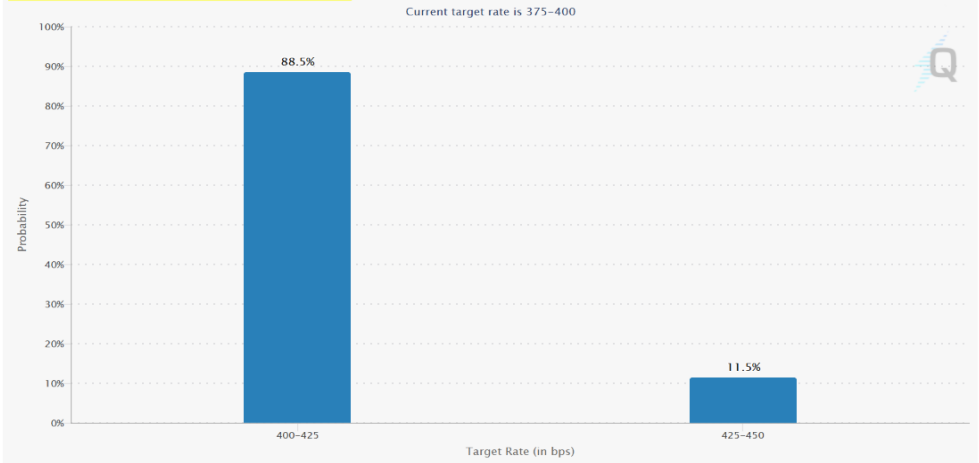
Tools

CVOL
SOFR Watch
ESTR Watch

9 Dec26 | 27 Jan27 | 17 Mar27 | 28 Apr27 | 9 Jun27 | 28 Jul27 | 15 Sep27 | 17 Nov27

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
9 Dec 2026	ZQZ6	31 Dec 2026	95.9250	73,635	335,602	0.0 %	0.0 %	100.0 %

Target Rate Probabilities for 9 Dec 2026 Fed Meeting



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 12 NOV 2026	1 WEEK 6 NOV 2026	1 MONTH 14 OCT 2026
375-400 (Current)	0.0%	0.0%	23.7%	9.1%
400-425	88.5%	85.5%	76.3%	62.2%
425-450	11.5%	14.5%	0.0%	28.7%

* Data as of 14 Nov 2026 01:50:04 CT

1/1/2028 and forward are projected meeting dates

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FedWatch Tool

Target Rate

Current
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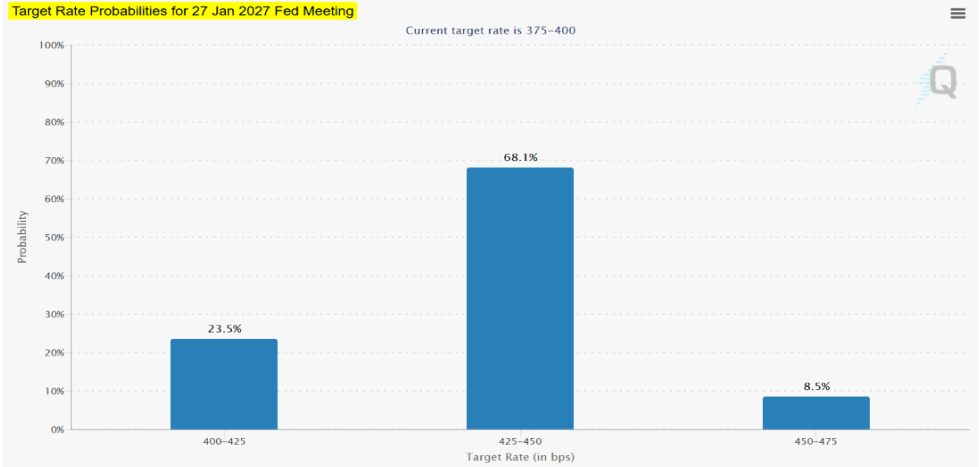
MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
27 Jan 2027	ZQF7	29 Jan 2027	95.8200	160,731	472,126	0.0 %	0.0 %	100.0 %

Target Rate Probabilities for 27 Jan 2027 Fed Meeting



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 12 NOV 2026	1 WEEK 6 NOV 2026	1 MONTH 14 OCT 2026
375-400 (Current)	0.0%	0.0%	18.8%	5.1%
400-425	23.5%	22.7%	65.4%	39.0%
425-450	68.1%	66.7%	15.8%	43.3%
450-475	8.5%	10.7%	0.0%	12.5%

* Data as of 14 Nov 2026 01:50:23 CT

1/1/2028 and forward are projected meeting dates

As we have seen over and over, odds continually shift, so we will likely see further refinement as we get closer to these meeting dates. It currently seems that the next Fed move is more likely to be a hike in rates than it is to be a cut. There is a good chance that move could come soon.

Intermediate-term evidence is mostly leaning bullish. There were a couple of studies that triggered last weekend that support the bull case. We are in the Best 6 Months, and during the 3rd year of the Presidential Cycle, which as I discussed a few weeks ago, is a very strong seasonal period. All 4 Combo signals remain long SPX. We also have some bullish price action studies from a while back that remain on the intermediate-term active list. But the NASDAQ is still lagging versus the S&P, which is a formation that has seen the market historically struggle to make gains. And the long-term trend is not looking great. Additionally, we have the multi-month new-high divergence and the weak advance/decline line from the Study of Tops I discussed a few weeks ago. The Fed is looking hawkish, and further rate increases appear imminent. Between the Fed, the breadth divergences, and the questionable trend, there is certainly the potential for additional selling. But I think we are at a point where the bulls are more likely to prevail. So I am keeping my bias "somewhat bullish". Therefore I will continue lean more towards long trades than short trades.

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	$102.25	-2.48%	Catapult

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