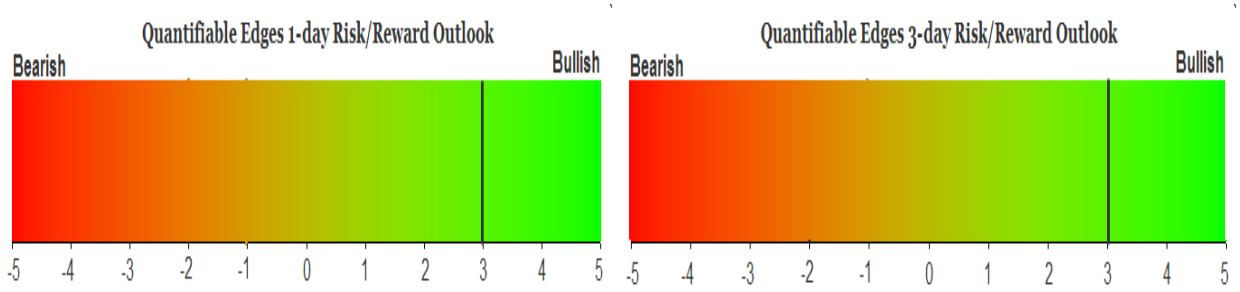
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 18, 2026 Volume 20 Issue 222

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	1

Tonight's Research Points

- The oversold McClellan Oscillator with SPX at 50-day low suggest a good chance of a bounce on Wednesday.
- The > 1% decline in SPX along with a rally in the SOX suggest a short-term upside edge.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I am as well.

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

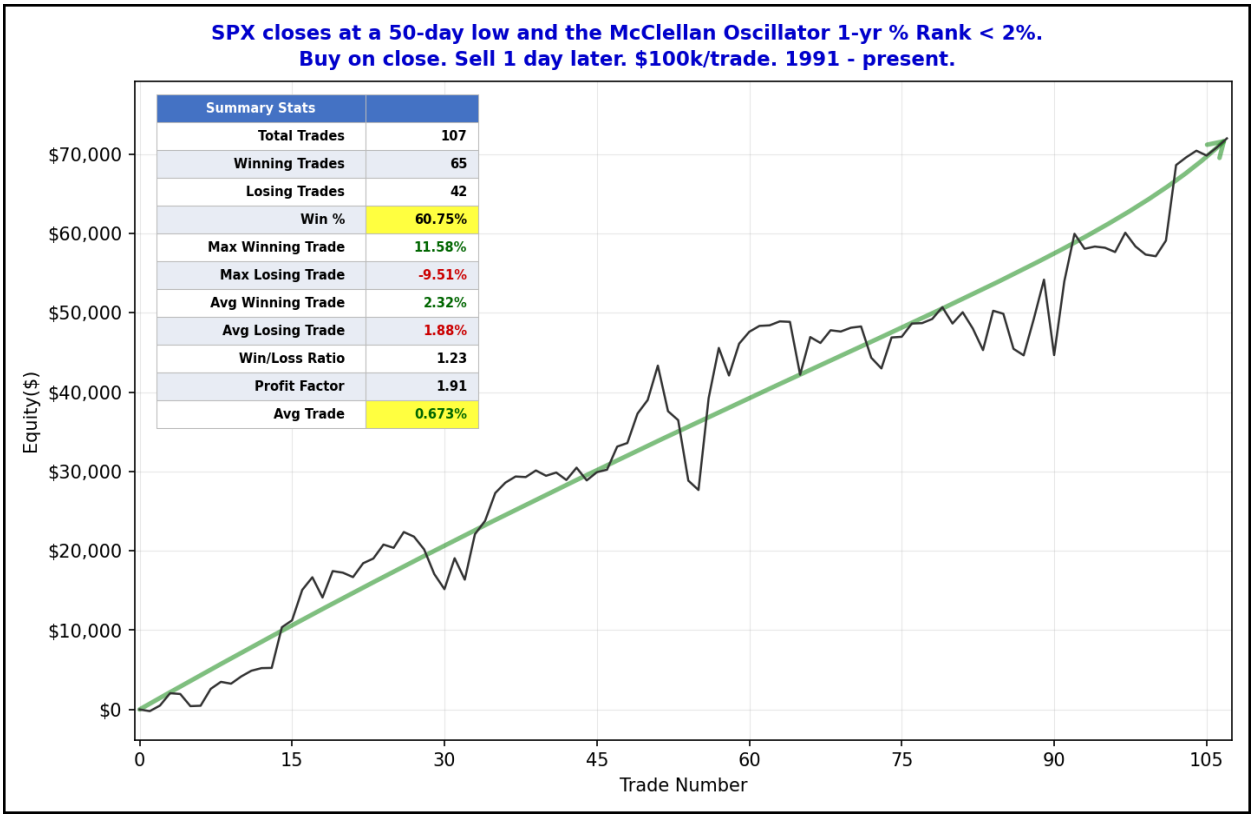
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
November 18, 2026	SPX down 1%+ below 200ma while SOX up	1-4 days	Bullish	4.27%	-1.94%	-4.27%
November 18, 2026	SPX 50-day low, McClellan Osc bottom 2%	1 day	Bullish			
November 17, 2026	SPY gap below 5-day low, close < open	1-5 days	Bullish	1.90%	-1.39%	-3.02%
November 17, 2026	SPX down 3 days into Turnaround Tuesday	1-7 days	Bullish	2.01%	-1.47%	-3.22%
November 17, 2026	SPX 3rd down day is the largest drop	1-3 days	Bullish	1.63%	-0.93%	-2.09%
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			
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

Tuesday was a down day for the market. SPX finished lower by 1.0%, the NASDAQ lost 0.7%, and the Russell 2000 tumbled 1.5%. Breadth was very weak as the NYSE Up Issues % closed at 20% and the NYSE Up Volume % posted a 17% reading. NYSE total volume declined some from Monday's level.

The SPX closed below its 200-day moving average for the first time since March. SPY, on the other hand, managed to close just barely above its 200ma. There were a good number of studies that triggered tonight. After looking over them I decided to focus on a couple of studies that were quite a bit different than anything else we've seen trigger over the last few days.

Breadth has really deteriorated lately. That is often a bad thing for the intermediate-term. But extremely negative breadth readings can sometimes act as a short-term oversold reading. On Tuesday, the McClellan Oscillator posted a reading that was in the bottom 2% of all readings over the last year. When overdone breadth occurs in conjunction with an oversold price reading, you often see a bullish short-term result. The study below, from the 3/23/26 letter, looks at times SPX closed at a 50-day low while the McClellan Oscillator closed at one of the lowest readings of the last year. Results are updated.



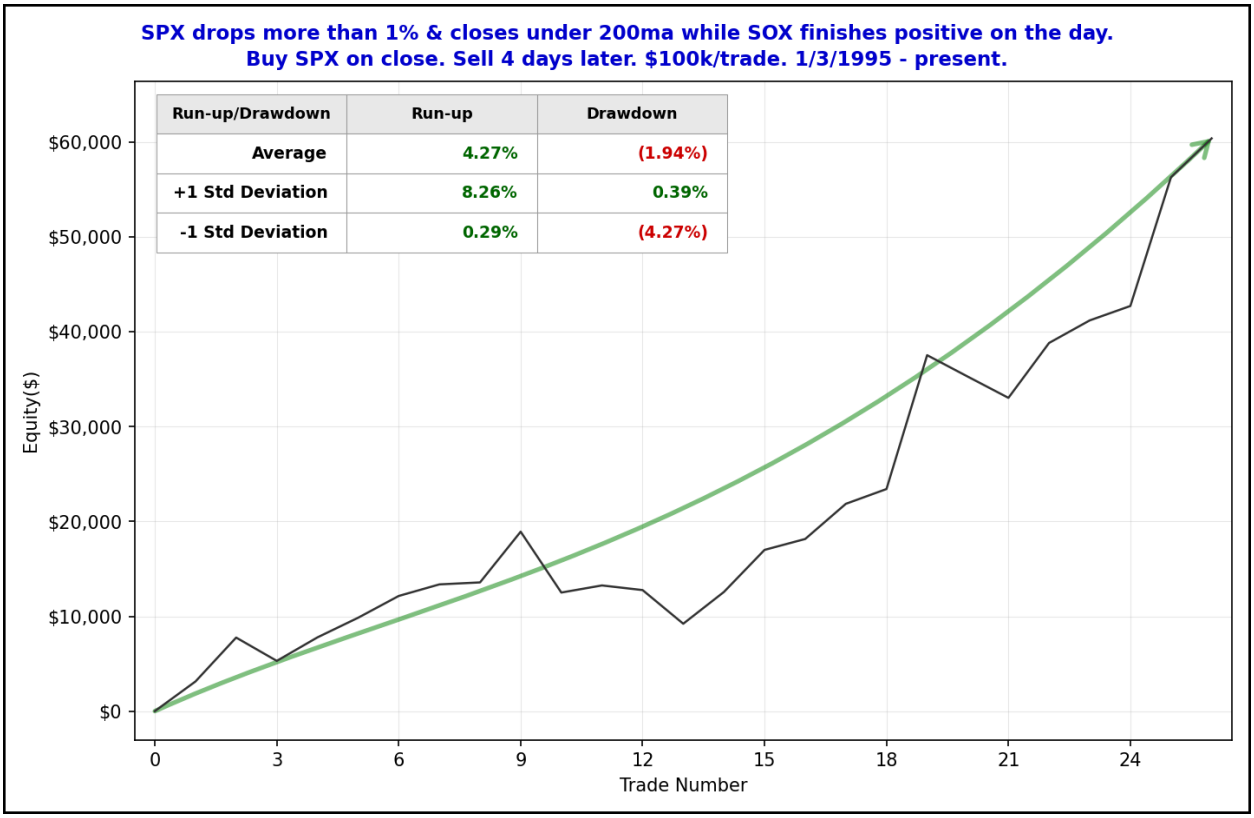
The curve and the stats suggest a bullish tendency for the next day.

But while SPX struggled, the SOX finished positive. And that appears to be a good thing. Below is a study from the 4/14/20 letter that I have updated.

SPX drops more than 1% & closes under 200ma while SOX finishes positive on the day.
Buy SPX on close. Sell X days later. 1/3/1995 - present.

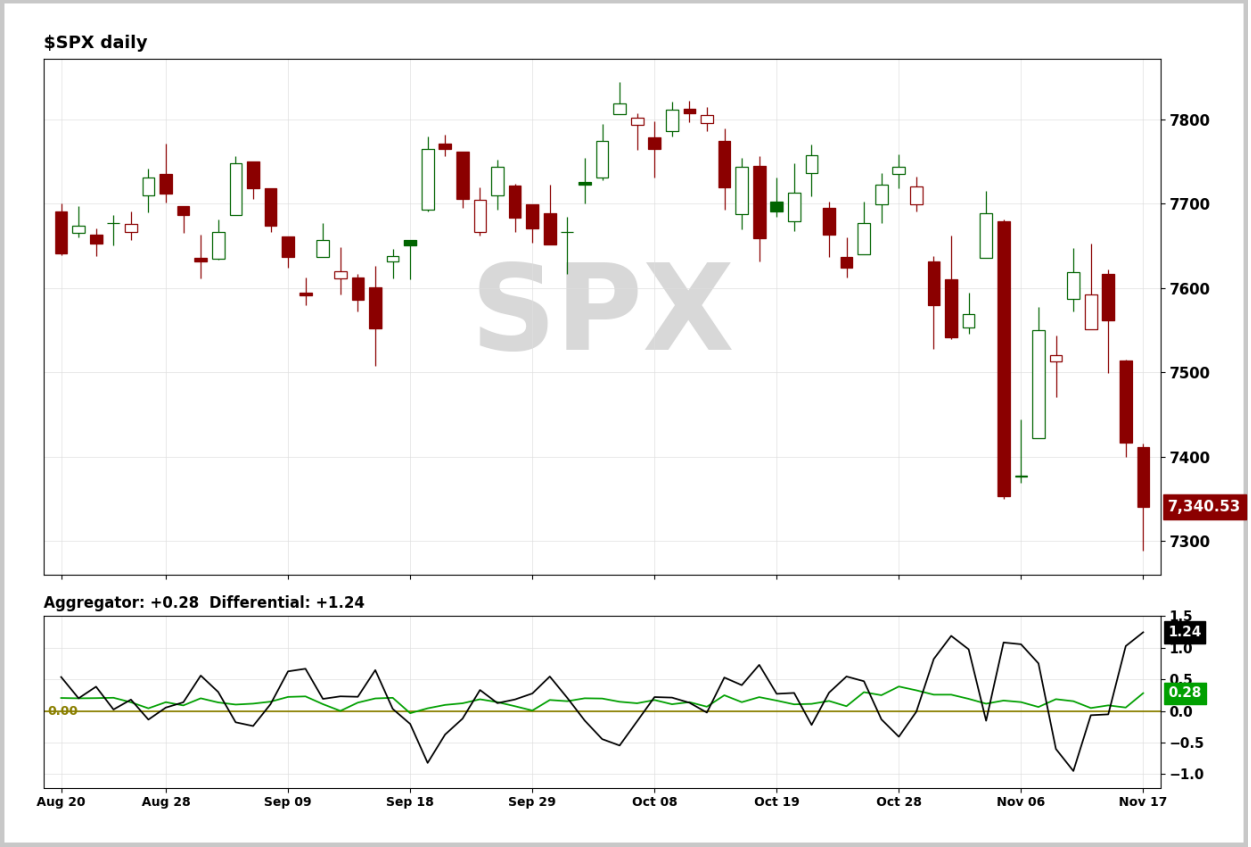
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
5	26	19	7	73.08%	17.40%	-9.32%	4.19%	4.07%	1.03	2.79	1.965%
4	26	20	6	76.92%	14.12%	-6.42%	3.89%	2.90%	1.34	4.47	2.325%
3	28	23	5	82.14%	17.55%	-8.38%	3.19%	4.02%	0.79	3.65	1.900%
2	28	22	6	78.57%	10.64%	-4.33%	2.59%	2.39%	1.08	3.97	1.521%
1	28	19	9	67.86%	10.79%	-3.47%	2.20%	1.24%	1.77	3.74	1.095%

The numbers all look quite bullish. Below is a look at the 4-day equity curve.



Choppy, but it has managed to head from lower left to upper right. This seems to be worth some consideration. So there are some new and compelling short-erm bullish studies being added to 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 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 Wednesday. This is unlikely to change. Meanwhile, the Differential Pivot will be 7577.66. That is 3.2% above Tuesday's close. Therefore, SPX will need to close up a very large 3.2% on Wednesday in order to flip from oversold to overbought versus recent expectations. I don't suspect that is going to happen.

So the Aggregator is bullish. Evidence is pointing higher and we have a few confirming studies that emerged Tuesday. There is also a large amount of room to the upside before SPX would turn from oversold to overbought. So reward/risk appears quite favorable. I did take on some long exposure on Tuesday. If we see further selling again on Wednesday, I may look to take on a second lot. Details are in the Trade Ideas section down below.

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

SPY – Buy ¼ index position @ $730.00 LIMIT ON CLOSE. Based on the short-term section above, I will look to add a 2nd lot if SPY closes down much on Wednesday.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
NOW(1/3)	11/2/2026	$104.85	$92.90	-11.40%	Catapult
SPY(1/4)	11/17/2026	$738.39	$732.44	-0.81%	Catapult

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