QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

November 24, 2026 Volume 20 Issue 226

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	9

Tonight's Research Points

- A 3%+ SPX rally off a 100-day low that fails to post the highest NYSE volume in 5 days has typically been followed by downside over the next several days.
- All 9 VIX drops of 20% or more with SPX below its 200ma since 1990 have been followed by a down day.
- A strong-breadth bounce on declining volume after a 2%+ drop has often been followed by a down day.
- The close higher but below Monday's open after 2 strong down days suggests a short-term bullish edge.
- A big drop to a long-term low followed by a reversal that makes up for the big-drop day has often been followed by more buying over the following week.
- A 1.5%+ drop to a 50-day low followed by a rebound that erases the loss has typically led to strength over the next three weeks.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. But expectations are only slightly positive and SPX is on the brink of turning overbought. Seems like a good time to consider reducing exposure.

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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 24, 2026	1% drop to 50-day low, then covers the loss	1-5 days	Bullish	3.54%	-2.61%	-5.74%
November 24, 2026	SPY up after 2 days down 1.5%+, but below c	1-2 days	Bullish	2.53%	-1.06%	-2.03%
November 24, 2026	Strong-breadth bounce on lower volume afte	1 day	Bearish			
November 24, 2026	VIX down 20%+ with SPX < 200ma	1 day	Bearish			
November 24, 2026	SPX up 3%+ off 100-day low on light volume	1-2 days	Bearish	-4.94%	1.55%	3.58%
November 20, 2026	SPX down 2%+ from 20-day low, < 200ma	1-3 days	Bullish	4.89%	-3.03%	-6.08%
Active - Long Term						
November 24, 2026	1.5% drop to 50-day low, then covers the loss	1-15 days	Bullish	5.81%	-4.57%	-8.48%
November 23, 2026	CBI reaches 11 or higher	1-20 days	Bullish	5.85%	-4.09%	-9.44%
November 20, 2026	NASDAQ 10-day breadth EMA < 37.5% at 10	1-19 days	Bullish	9.45%	-6.72%	-12.48%
November 19, 2026	SPX 5 lower lows to a 100-day low	1-19 days	Bullish	7.18%	-4.55%	-9.55%
November 9, 2026	SPX down 4 weeks in a row, > 40-week ma	1-50 days	Bullish	8.92%	-3.24%	-8.04%
November 2, 2026	Best 6 months 3rd year of Presidential Cycle	1-6 months	Bullish			
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			
Dropped Tonight (target hit, or avg drawdown + 1 std dev exceeded)						
November 23, 2026	***CBI reaches 10+ with SPX < 200ma***	***1-5 days***	***Bullish***	***3.97%***	***-3.10%***	***-6.75%***
November 23, 2026	***Friday drop > 1.5x ATR, below 200ma***	***1-3 days***	***Bullish***	***2.43%***	***-1.80%***	***-3.12%***
November 23, 2026	***SPY down 3%+ near low after 5-day lo***	***1-5 days***	***Bullish***	***4.99%***	***-3.89%***	***-7.89%***

The Evidence

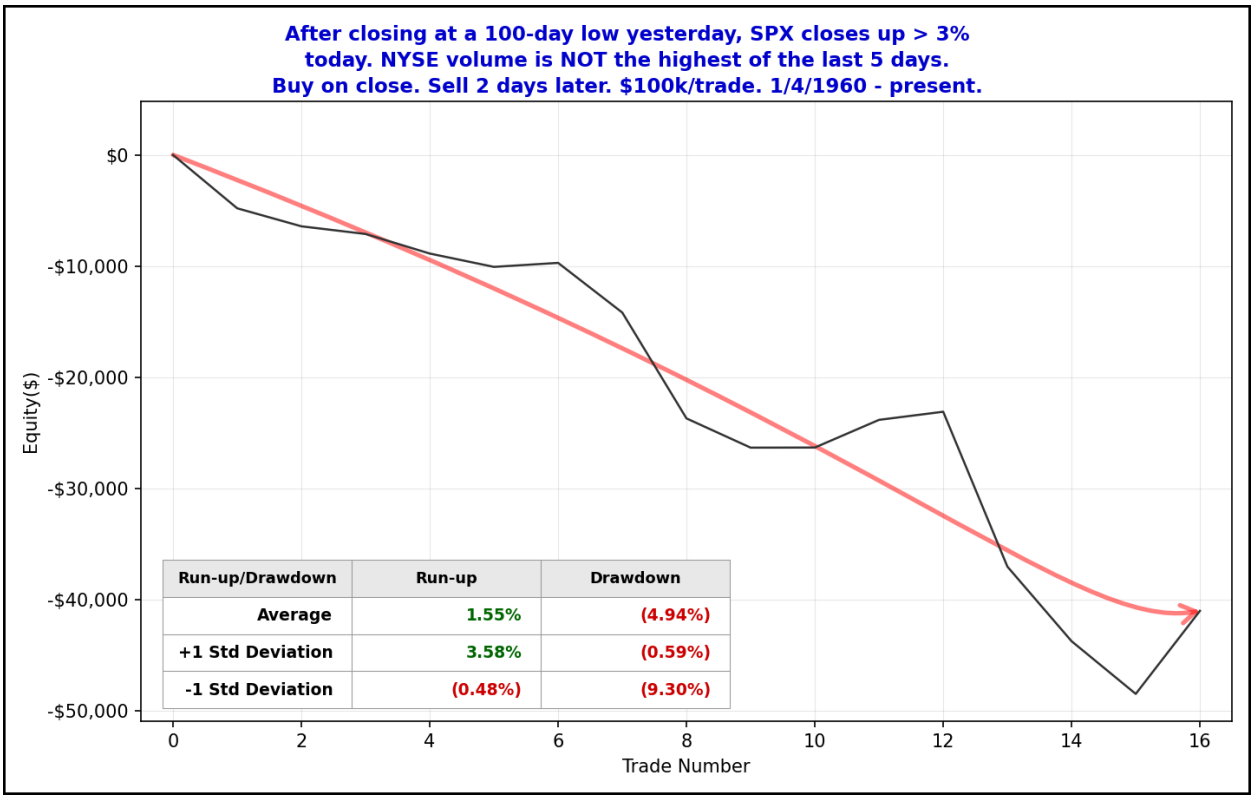
Monday was a huge bounce-back day for stocks. SPX finished up 4.7%, the NASDAQ gained 6.5%, and the Russell 2000 rallied 3.4%. Breadth was strong as the NYSE Up Issues % closed at 83% and the NYSE Up Volume % posted an 84% reading. NYSE total volume dropped sharply from Friday's level.

Quite a mix of studies triggered based on Monday's extreme action. I will highlight many of the most compelling. Way back in the 10/29/2008 letter I looked at other instances where the S&P 500 closed at a 100-day low and then gained at least 3% the next day. I found that when the bounce came on high volume, that was a potential positive. But when high volume was lacking, the bounce often retraced a good bit in the next few days. Below is a look at those times when the NYSE total volume failed to make a 5-day high.

After closing at a 100-day low yesterday, SPX closes up > 3% today. NYSE volume is NOT the highest of the last 5 days.
Buy on close. Sell X days later. 1/4/1960 - present.

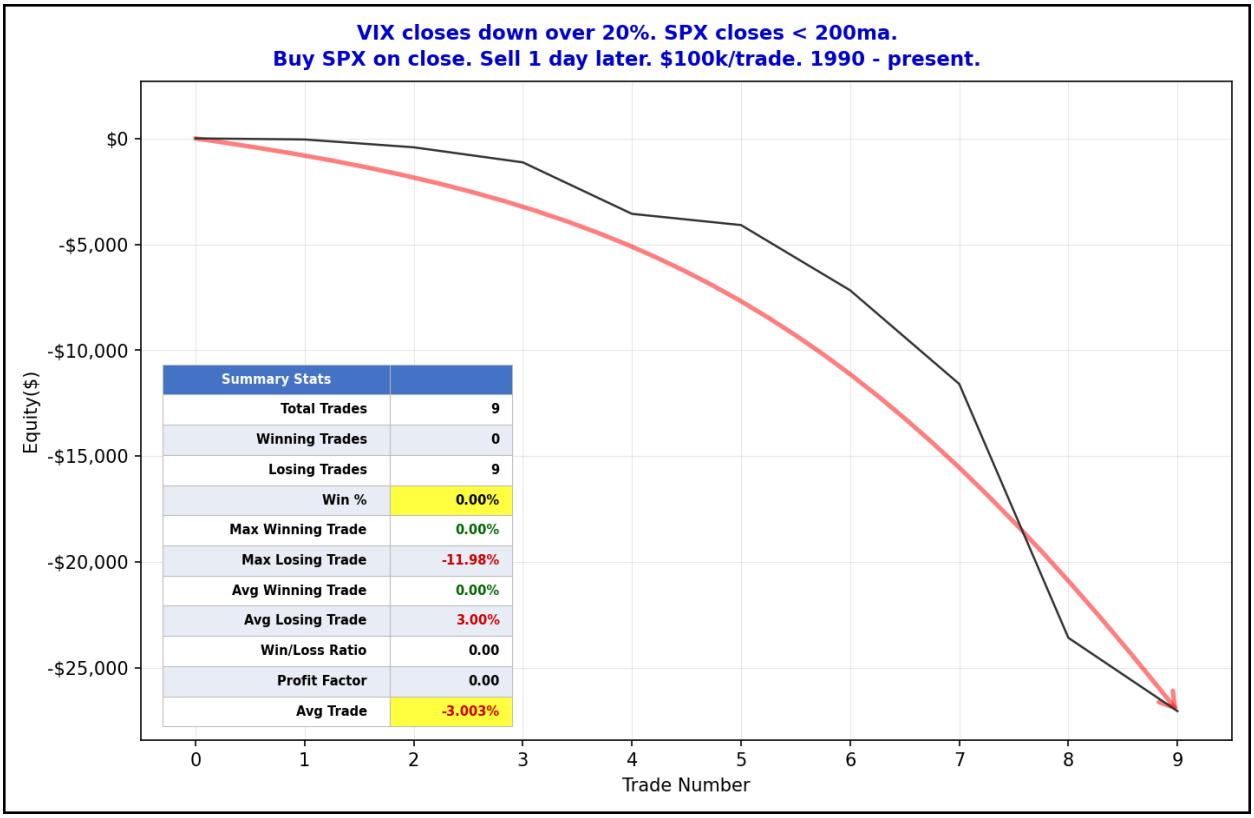
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
5	14	6	8	42.86%	5.61%	-14.59%	2.62%	6.06%	0.43	0.32	-2.339%
4	14	6	8	42.86%	7.33%	-17.21%	2.97%	7.40%	0.40	0.30	-2.958%
3	15	6	9	40.00%	3.85%	-11.54%	1.76%	4.66%	0.38	0.25	-2.091%
2	16	5	11	31.25%	7.47%	-13.93%	2.21%	4.73%	0.47	0.21	-2.563%
1	16	6	10	37.50%	2.43%	-11.98%	1.02%	3.41%	0.30	0.18	-1.746%

Results are negative in all time frames. There is a decided downside tilt in the 1st two days. The average loss was 4.7% while the lone gain was only 2.2%. Below is a look at the 2-day profit curve.



Certainly choppy, but it has persisted lower and appears worthy of consideration.

The strong move up in prices was mirrored by a strong move down in VIX, which dropped 25.8% on Monday. Sharp drops in VIX are often followed by drops in SPX the following day. The study below was last seen in the 8/16/11 letter. I have updated the results.



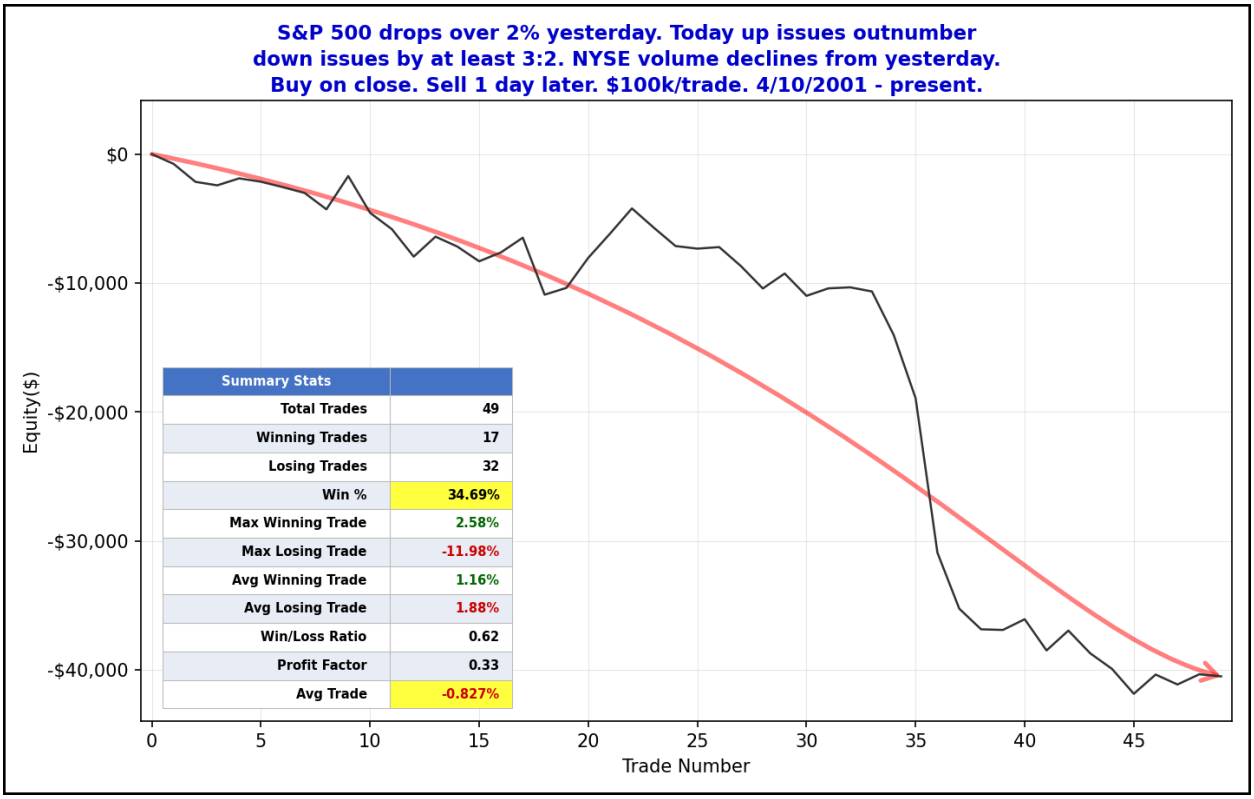
Nothing but downside. Below is the full list of instances.

VIX closes down over 20%. SPX closes < 200ma.
Buy SPX on close. Sell 1 day later. $100k/trade. 1990 - present.

Date	Side	Price	% Profit	Runup/Drawdn
4/5/1994	Buy	$448.29	-0.05%	$300
4/6/1994	Sell	$448.05		($740)
6/15/2006	Buy	$1,256.16	-0.37%	$10
6/16/2006	Sell	$1,251.54		($780)
11/13/2007	Buy	$1,481.05	-0.71%	$750
11/14/2007	Sell	$1,470.58		($980)
3/18/2008	Buy	$1,330.74	-2.43%	$810
3/19/2008	Sell	$1,298.42		($2,430)
10/13/2008	Buy	$1,003.35	-0.53%	$4,080
10/14/2008	Sell	$998.01		($3,120)
10/20/2008	Buy	$985.40	-3.08%	$0
10/21/2008	Sell	$955.05		($3,340)
8/9/2011	Buy	$1,172.53	-4.42%	$0
8/10/2011	Sell	$1,120.76		($4,650)
3/13/2020	Buy	$2,711.02	-11.98%	$0
3/16/2020	Sell	$2,386.13		($12,180)
4/9/2025	Buy	$5,456.90	-3.46%	$0
4/10/2025	Sell	$5,268.05		($6,260)

There have not been a lot of instances, but they have all seen the market decline the next day. I have included this study on the active list as well.

There were some other studies that looked at the bounce following a big down day the day before. Basically the studies suggested that when the bounce occurred on decent breadth then volume could act as a valuable predictor. High volume on the bounce was perceived as a good thing and low volume a negative. The study below was last seen in the 11/3/11 letter. I updated the results tonight and have listed below all instances along with their 1-day returns.



Choppy but persistent, this study has also been added to the Active List..

But not all evidence was bearish. A study in the 11/23/18 letter looked at what happens after 2 big down days like Thursday and Friday are followed by a gap up that fails to spark a further rally but SPY still manages to close positive. I have updated results for that study below.

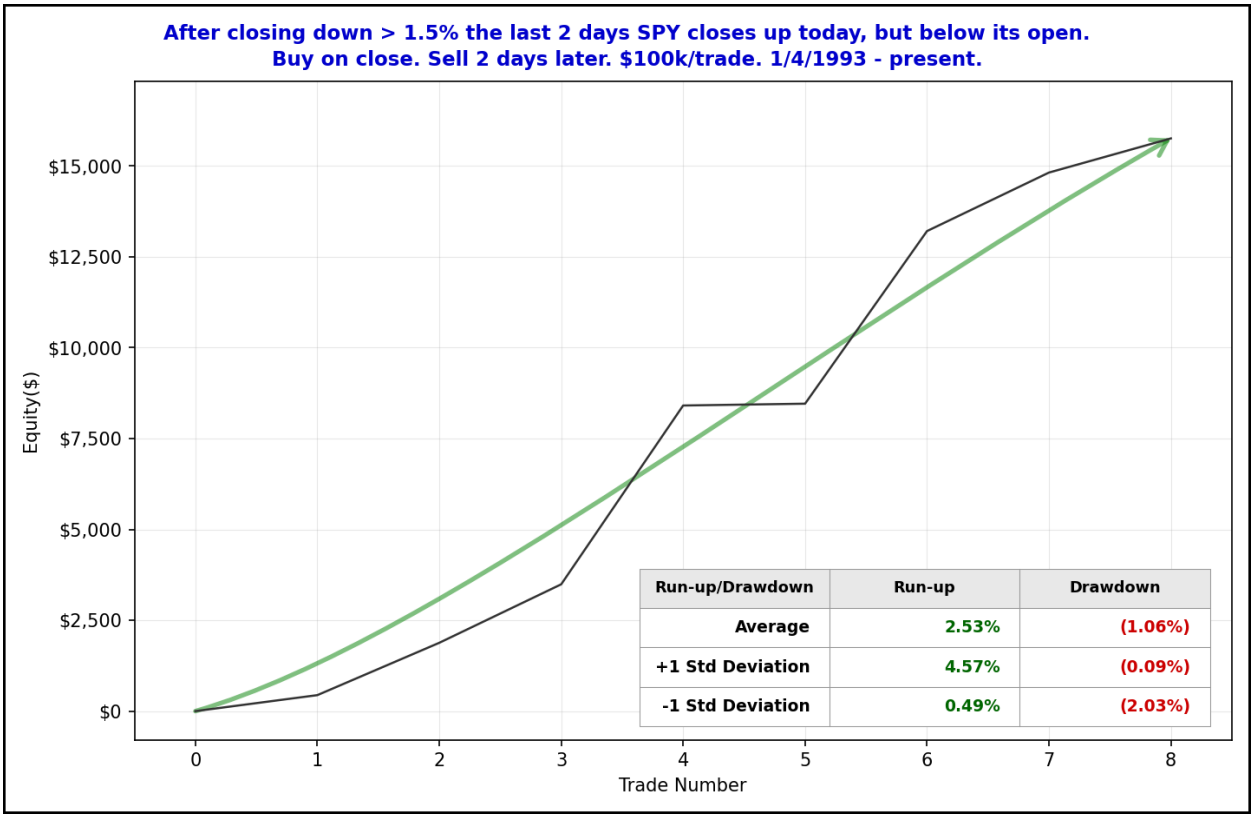
After closing down > 1.5% the last 2 days SPY closes up today, but below its open.
Buy on close. Sell X days later. 1/4/1993 - present.

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	8	4	4	50.00%	7.66%	-2.41%	3.46%	1.10%	3.13	3.13	1.176%
4	8	4	4	50.00%	5.13%	-2.60%	3.39%	2.18%	1.55	1.55	0.604%
3	8	5	3	62.50%	5.96%	-6.35%	2.50%	2.60%	0.96	1.61	0.590%
2	8	8	0	100.00%	4.92%	0.00%	1.97%	0.00%	0.00	0.00	1.970%
1	8	4	4	50.00%	3.29%	-0.68%	2.00%	0.58%	3.43	3.43	0.707%

These results suggest a brief bounce and then possibly seeing the market roll over after said bounce. Below are all the instances along with their 2-day returns.

After closing down > 1.5% the last 2 days SPY closes up today but below its open.
Buy on close. Sell 2 days later. $100k/trade. 1993 - present.

Date	Side	Price	% Profit	Runup/Drawdn
5/4/2000	Buy	$141.81	0.44%	$1,540
5/8/2000	Sell	$142.44		($620)
2/22/2001	Buy	$125.81	1.44%	$1,440
2/26/2001	Sell	$127.62		($3,190)
9/24/2008	Buy	$118.93	1.61%	$2,510
9/26/2008	Sell	$120.85		($410)
3/31/2009	Buy	$79.52	4.92%	$6,400
4/2/2009	Sell	$83.43		($1,500)
1/25/2010	Buy	$109.77	0.05%	$640
1/27/2010	Sell	$109.83		($1,310)
8/22/2011	Buy	$112.73	4.75%	$4,890
8/24/2011	Sell	$118.08		($130)
10/12/2018	Buy	$275.95	1.61%	$1,760
10/16/2018	Sell	$280.40		($600)
11/21/2018	Buy	$265.02	0.94%	$1,030
11/26/2018	Sell	$267.50		($740)



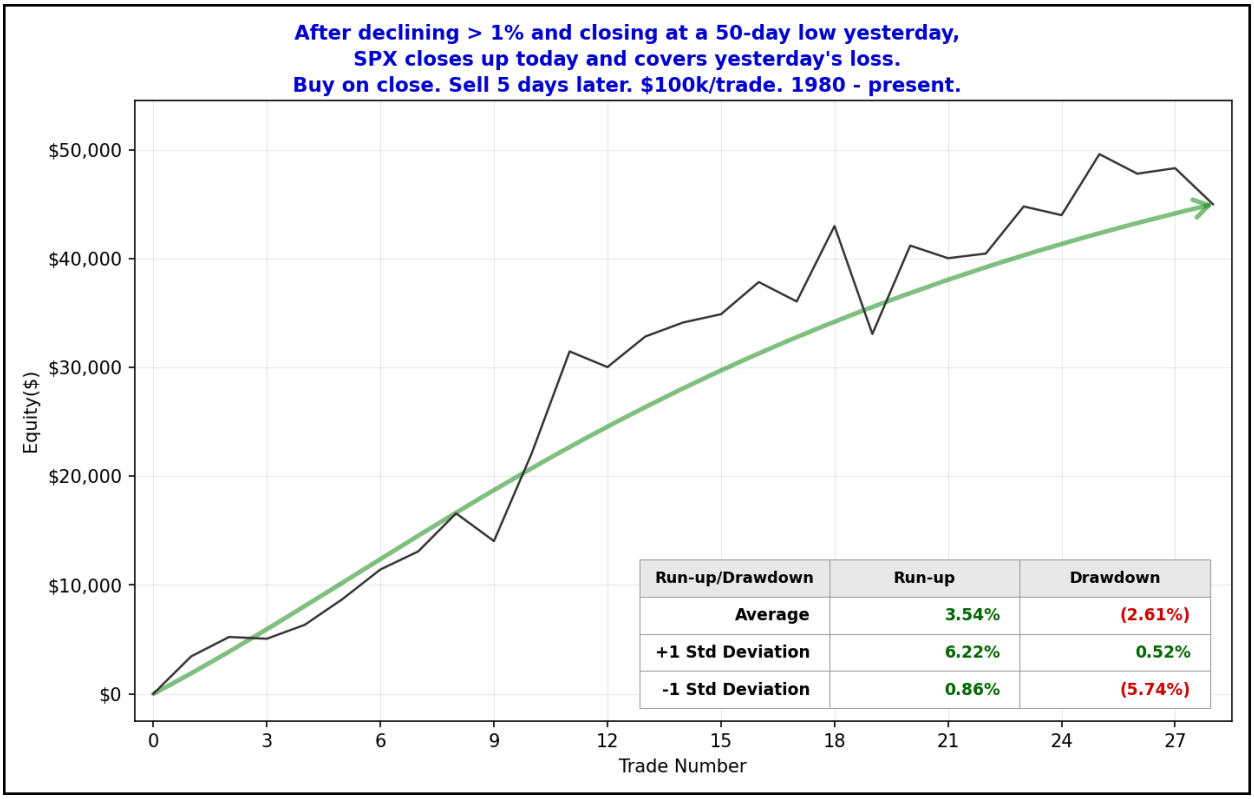
Instances are low here, but we see some examples of powerful buying over the next few days, and it seems this may be worth keeping in mind.

The study below was from the 10/4/22 letter. It looked at other times a sizable drop to a 50-day low was reversed the next day and recovered the previous day's entire decline. I have updated the results.

After declining > 1% and closing at a 50-day low yesterday, SPX closes up today and covers yesterday's loss.
Buy on close. Sell X days later. 1980 - 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	28	19	9	67.86%	9.36%	-9.93%	3.58%	2.55%	1.40	2.96	1.608%
4	28	19	9	67.86%	7.33%	-9.35%	3.10%	3.05%	1.02	2.15	1.126%
3	29	19	10	65.52%	9.62%	-5.67%	2.63%	1.98%	1.33	2.52	1.039%
2	29	19	10	65.52%	7.47%	-9.52%	2.11%	2.28%	0.92	1.76	0.595%
1	29	17	12	58.62%	3.91%	-3.46%	1.34%	1.04%	1.29	1.83	0.357%

Results here appear to suggest a bullish upside edge. Below is a look at the 5-day profit curve.



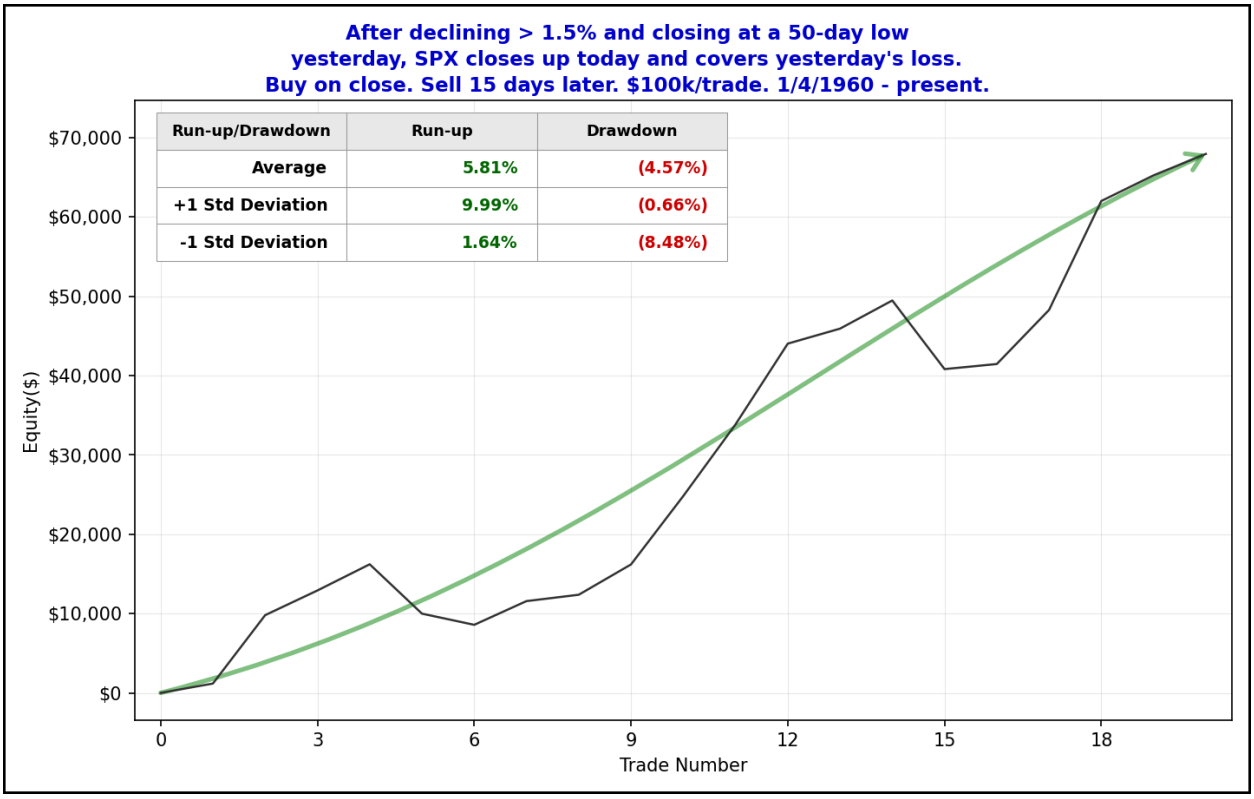
A bit choppy, but certainly upsloping. This study seems to warrant consideration.

I also look at other instances where sharp drops that made 50-day lows were followed by sharp rebounds that erased the previous day's drop. The study below is updated from the 11/23/18 letter.

After declining > 1.5% and closing at a 50-day low yesterday, SPX closes up today and covers yesterday's loss.
Buy on close. Sell X days later. 1/4/1960 - 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
15	20	17	3	85.00%	13.73%	-8.65%	4.95%	5.43%	0.91	5.17	3.397%
14	20	16	4	80.00%	16.29%	-9.54%	5.14%	4.65%	1.11	4.42	3.181%
13	20	14	6	70.00%	12.84%	-7.15%	5.04%	2.58%	1.96	4.56	2.755%
12	20	14	6	70.00%	13.99%	-3.11%	4.82%	2.10%	2.30	5.36	2.744%
11	20	13	7	65.00%	12.37%	-9.38%	4.98%	3.25%	1.53	2.85	2.103%
10	20	13	7	65.00%	9.77%	-6.93%	4.09%	2.86%	1.43	2.65	1.656%
9	20	11	9	55.00%	11.47%	-12.50%	4.99%	3.60%	1.39	1.69	1.125%
8	20	10	10	50.00%	10.73%	-11.61%	4.27%	3.28%	1.30	1.30	0.495%
7	20	11	9	55.00%	11.92%	-11.72%	3.96%	4.55%	0.87	1.06	0.132%
6	20	11	9	55.00%	10.01%	-8.00%	3.43%	3.71%	0.92	1.13	0.215%
5	20	11	9	55.00%	9.36%	-9.93%	4.23%	3.59%	1.18	1.44	0.712%
4	20	12	8	60.00%	7.33%	-9.35%	3.37%	3.28%	1.03	1.54	0.708%
3	20	12	8	60.00%	9.62%	-4.92%	2.97%	2.11%	1.41	2.11	0.938%
2	20	11	9	55.00%	7.47%	-2.63%	2.24%	1.28%	1.75	2.14	0.659%
1	20	9	11	45.00%	3.91%	-3.46%	1.47%	1.10%	1.33	1.09	0.054%

Here we see returns over the next 3 weeks are strong. An average trade of 3.4% with 85% winners 15 days out is a positive sign.



That is an impressive curve. I have added this study to the intermediate-term active list.

I have updated the Aggregator chart below.



With tonight's mix of 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 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 could change if strongly bearish new evidence were to emerge. Meanwhile, the Differential Pivot will be slightly *inverted at* 7231.66. That is 0.1% *below* Monday'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 down less than 0.1% on Tuesday in order to remain oversold. Anything other than that and it will flip to overbought versus recent expectations as of Tuesday's close.

So the Aggregator is bullish. But expectations are only slightly positive, and if you're only looking out one day, then they're actually negative. Also, SPX is on the brink of turning overbought since the differential pivot is inverted. This greatly reduces potential reward. I often view inverted pivots as opportune times to take profits or at least reduce exposure. And that is something I will look to do on Tuesday if a decent fill is available. But I will also be looking to hold on to a small portion of my index position a bit longer. The CBI still remains at 9 and I may take my cue from that and hold on to at least one lot of my index position until the CBI returns back to 3 or lower.

Intermediate-term Outlook (2 weeks – 2 months) – updated 11/23 – somewhat bullish

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

NOW – 1/3 @ $105.12 (bought @ limit)
AMGN – 1/3 @ $443.89 (bought @ limit)
ACN – 1/3 @ $227.49 (bought @ limit)
CAT – 1/3 @ $537.37 (bought @ limit)
AMGN – 1/3 @ $438.82 (bought @ limit)
CAT – 1/3 @ $510.45 (buy @ limit) – *not filled (cancel for now)*
AMGN – 1/3 @ $435.64 (buy @ limit) – *not filled (cancel for now)*
MU – 1/3 @ $594.51 (buy @ limit) – *not filled (cancel for now)*
SNDK – 1/3 @ $79.24 (buy @ limit) – *not filled (cancel for now)*

Broad Market Large Cap CBI **– 9 (NOW, AMGN-3, ACN, CAT-2, MU, SNDK)**

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	$91.72	-12.52%	Catapult
SPY(1/4)	11/17/2026	$738.39	$722.29	-2.18%	*sell @ $722.50 limit*
SPY(1/4)	11/18/2026	$730.20	$722.29	-1.08%	*sell @ $722.50 limit ON CLOSE*
AMGN(1/3)	11/19/2026	$443.50	$449.04	1.25%	Catapult
ACN(1/3)	11/19/2026	$227.49	$222.29	-2.29%	Catapult
AMGN(1/3)	11/20/2026	$438.82	$449.04	2.33%	Catapult
CAT(1/3)	11/20/2026	$528.42	$547.04	3.52%	Catapult
NVDA(1/3)	11/20/2026	$143.52	$165.05	15.00%	*sell on open*
SPY(1/4)	11/20/2026	$689.81	$722.29	4.71%	Aggregator

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