

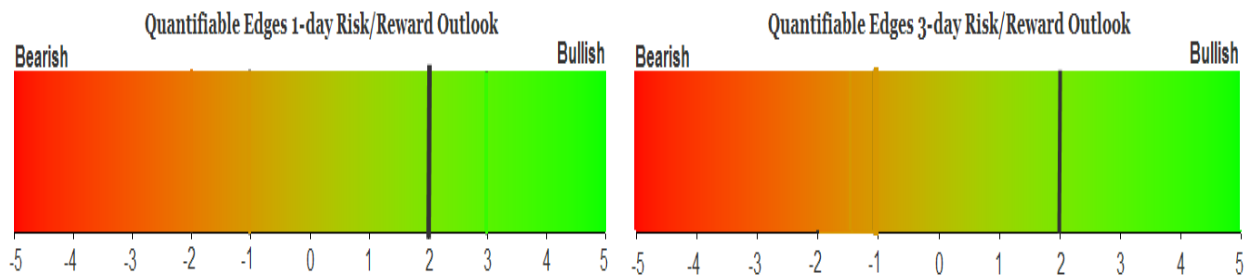
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 9, 2026

Volume 19 Issue 45

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	4

## Tonight's Research Points

- System 110524 triggered for SPX. This has exhibited a bullish edge over the years.
- The sharp VIX spike suggests a bounce in the next few days.
- The big spike in the VIX on Friday suggests a bounce in SPX is likely within the next few days.
- A small Hindenburg Omen cluster has formed. That suggests elevated risk for a while.
- The Fed continues to increase the SOMA and add liquidity to the system.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish. Reward/risk appears favorable for the bulls. But with volatility high, traders may want to keep position sizes somewhat small.

**Summary of Current 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
<b>Active - Short Term</b>						
March 9, 2026	Unfilled gap down > 1% on Jobs Day	1 day	Bearish			
March 9, 2026	Numbered Method 110524	1-7 days	Bullish	2.40%	-1.60%	-3.40%
March 9, 2026	VIX crosses 35% above 10ma	1-2 days	Bullish			
March 9, 2026	VIX up 20% last day of week	1-8 days	Bullish	2.80%	-1.85%	-3.90%
March 4, 2026	4 lower lows, 20-day low > 200	1-8 days	Bullish	2.40%	-1.70%	-3.30%
<b>Active - Long Term</b>						
March 9, 2026	Hindenburg Omen cluster	1-35 days	Bearish			
December 15, 2025	QE active. Rates dropping. Fed dovish	int term	Bullish			
December 15, 2025	NASDAQ lagging	int term	Neutral			
November 3, 2025	Best 6 Months	1-6 months	Bullish			
June 30, 2025	SPX Golden Cross (7/1/25)	int term	Bullish			
May 19, 2025	DeGraaf Thrust (55% SPX 20-day high)	1-12 months	Bullish			
April 25, 2025	Zweig Breadth Thrust	1-12 months	Bullish	29.50%	-2.90%	-6.55%
April 23, 2025	Up Issue % & Up Vol % > 86% 2x in 9 days	1-12 months	Bullish			

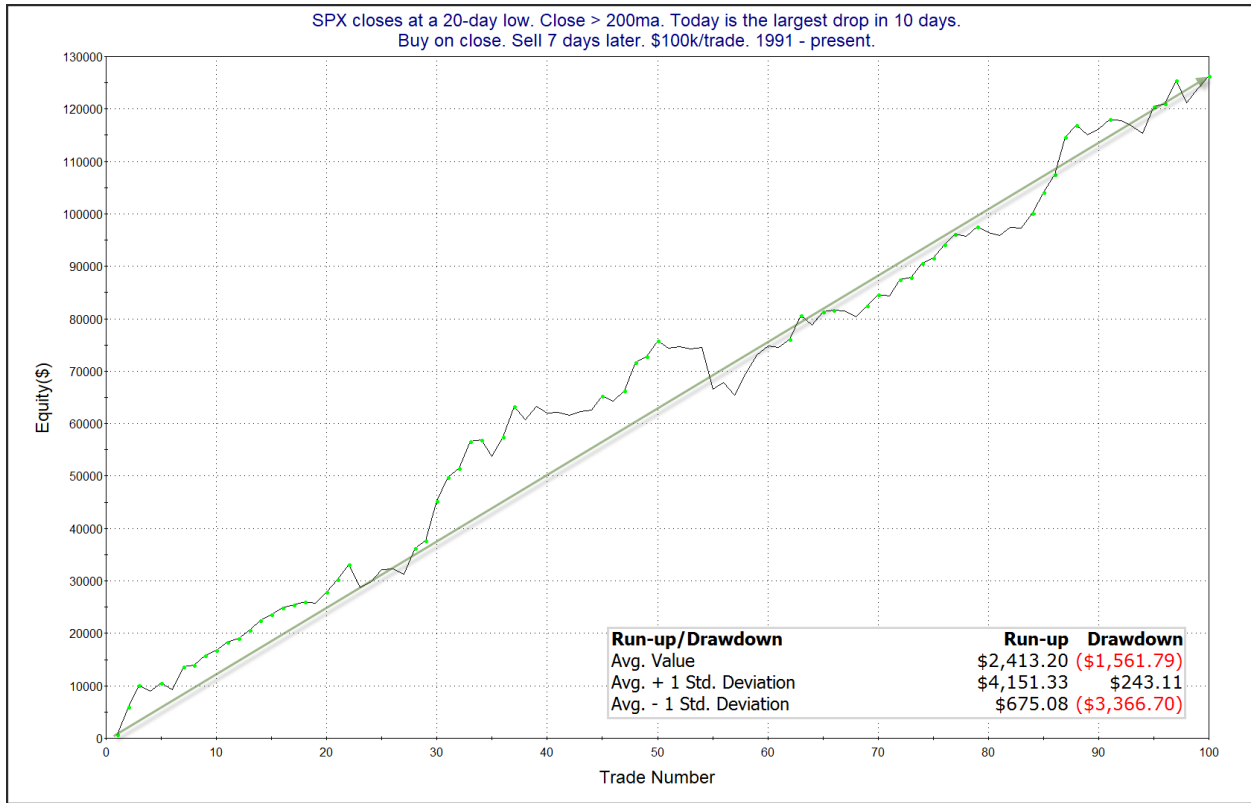
**The Evidence**

Friday was a rough day for the market as the indices declined and the VIX spiked. SPX lost 1.3%, the NASDAQ dropped 1.6%, and the Russell 2000 fell 2.3%. Breadth was weak as the NYSE Up Issues % closed at 22% and the NYSE Up Volume % posted a 27% reading. NYSE total volume declined some from Thursday’s level.

The selloff in SPX put it at a 20-day low. In the 1/13/25 letter I showed a study that examined large losses that finished at intermediate-term lows. I have updated that study below.

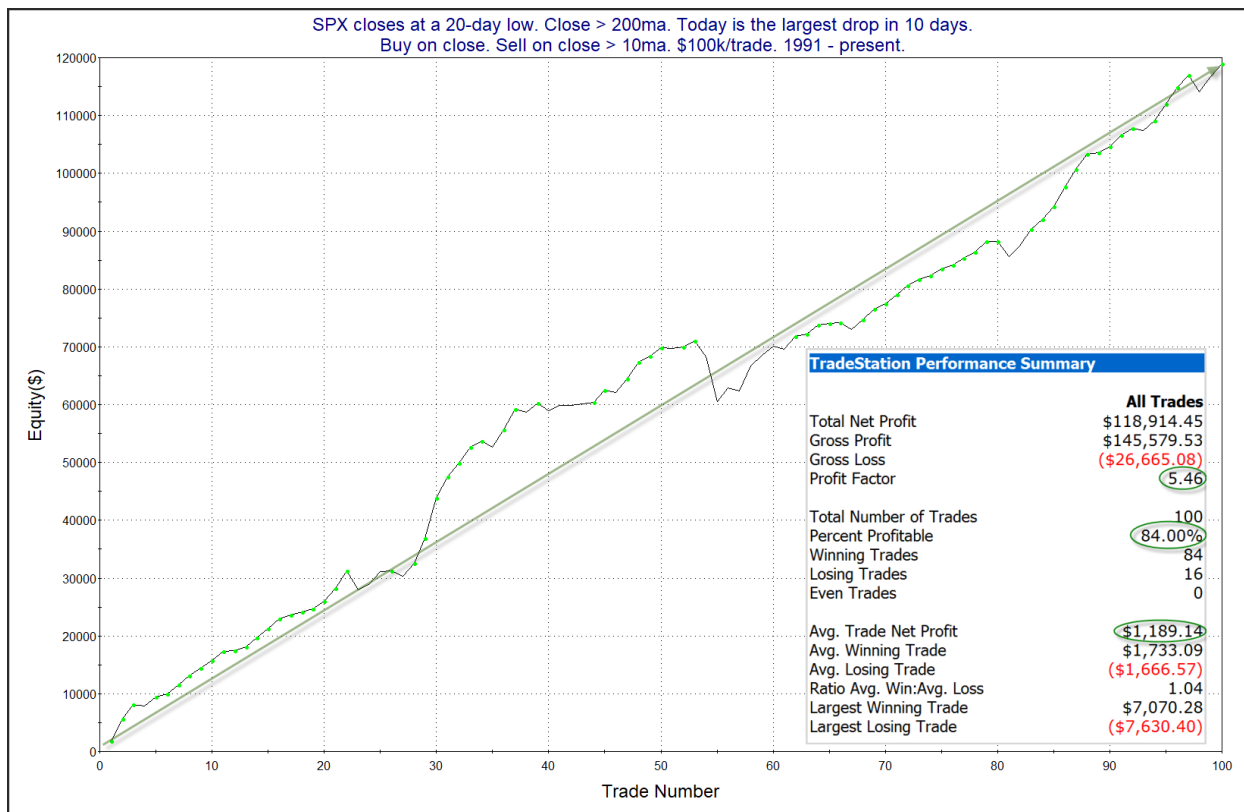
SPX closes at a 20-day low. Close > 200ma. Today is the largest drop in 10 days. Buy on close. Sell X days later. \$100k/trade. 1991 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
10	106,479.26	95	66	29	69.47	9,048.90	-13,993.88	2,636.71	-2,329.09	1.13	2.58	1,120.83
9	125,539.78	96	72	24	75.00	8,235.00	-10,059.36	2,404.34	-1,982.19	1.21	3.64	1,307.71
8	115,977.61	98	72	26	73.47	8,384.10	-14,092.68	2,445.93	-2,312.67	1.06	2.93	1,183.44
7	126,296.41	100	72	28	72.00	7,500.06	-8,018.76	2,362.15	-1,563.52	1.51	3.88	1,262.96
6	119,957.38	102	75	27	73.53	7,272.06	-7,966.32	2,238.78	-1,775.97	1.26	3.50	1,176.05
5	102,296.77	103	67	36	65.05	7,070.28	-3,997.72	2,113.37	-1,091.63	1.94	3.60	993.17
4	74,381.00	105	69	36	65.71	4,731.13	-3,863.84	1,751.52	-1,290.94	1.36	2.60	708.39
3	55,840.00	106	69	37	65.09	4,277.94	-5,331.20	1,495.00	-1,278.78	1.17	2.18	526.79
2	53,421.48	107	71	36	66.36	4,809.66	-3,863.25	1,188.89	-860.82	1.38	2.72	499.27
1	21,384.23	110	69	41	62.73	5,117.46	-2,162.04	748.42	-737.97	1.01	1.71	194.40

Results here are quite bullish. Below is a look at the 7-day profit curve.



That is a nice looking curve heading in a fairly straight line from lower left to upper right.

Some subscribers may recognize the setup as numbered-system 110524. Results below are also updated and they utilize the system exit strategy rather than a simple day count.



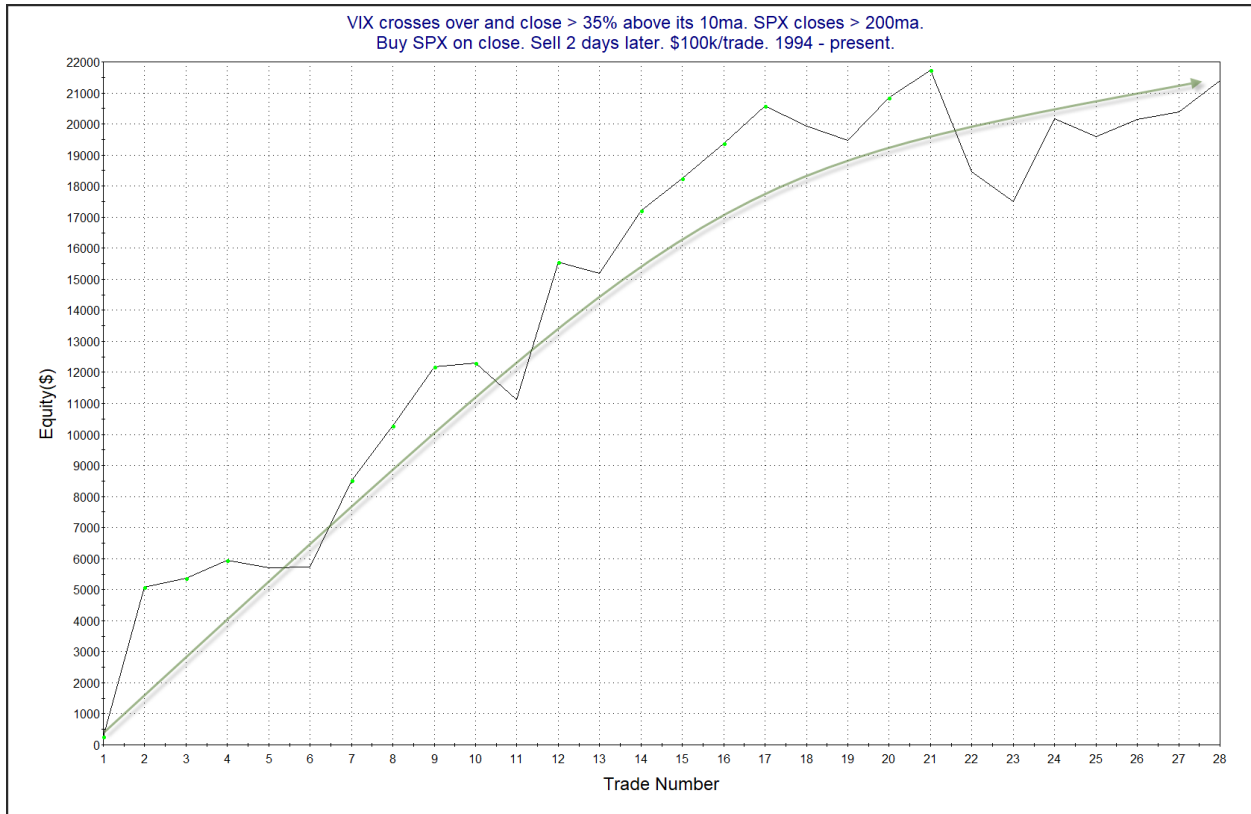
As you can see, waiting for a reversion to exit has often been a good way to go.

The VIX underwent a large spike on Friday. This left it 36.3% above its 10-day ma. That is greatly stretched. In the 1/28/20 letter I looked at other stretches that took the VIX more than 35% above its 10ma while the SPX was above the 200ma. Tonight I updated that study.

VIX crosses over and close > 35% above its 10ma. SPX closes > 200ma.  
Buy SPX on close. Sell X days later. \$100k/trade. 1994 - present.

X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	21,088.48	25	16	9	64.00	7,070.28	-4,069.80	2,067.98	-1,333.24	1.55	2.76	843.54
4	20,535.88	26	16	10	61.54	5,290.00	-8,150.10	2,422.04	-1,821.67	1.33	2.13	789.84
3	19,374.98	28	19	9	67.86	4,895.50	-7,413.90	1,889.59	-1,836.36	1.03	2.17	691.96
2	21,394.49	28	20	8	71.43	4,809.66	-3,285.00	1,454.58	-962.14	1.51	3.78	764.09
1	13,803.23	28	19	9	67.86	5,117.46	-2,930.40	1,171.89	-940.29	1.25	2.63	492.97

This appears to suggest an edge, especially over the next 2 days. Below is a profit curve for the 2-day holding period.



The 22<sup>nd</sup> and 23<sup>rd</sup> instances caused a dip, but the study has been getting back on track since then. I have included this study on the Active List tonight.

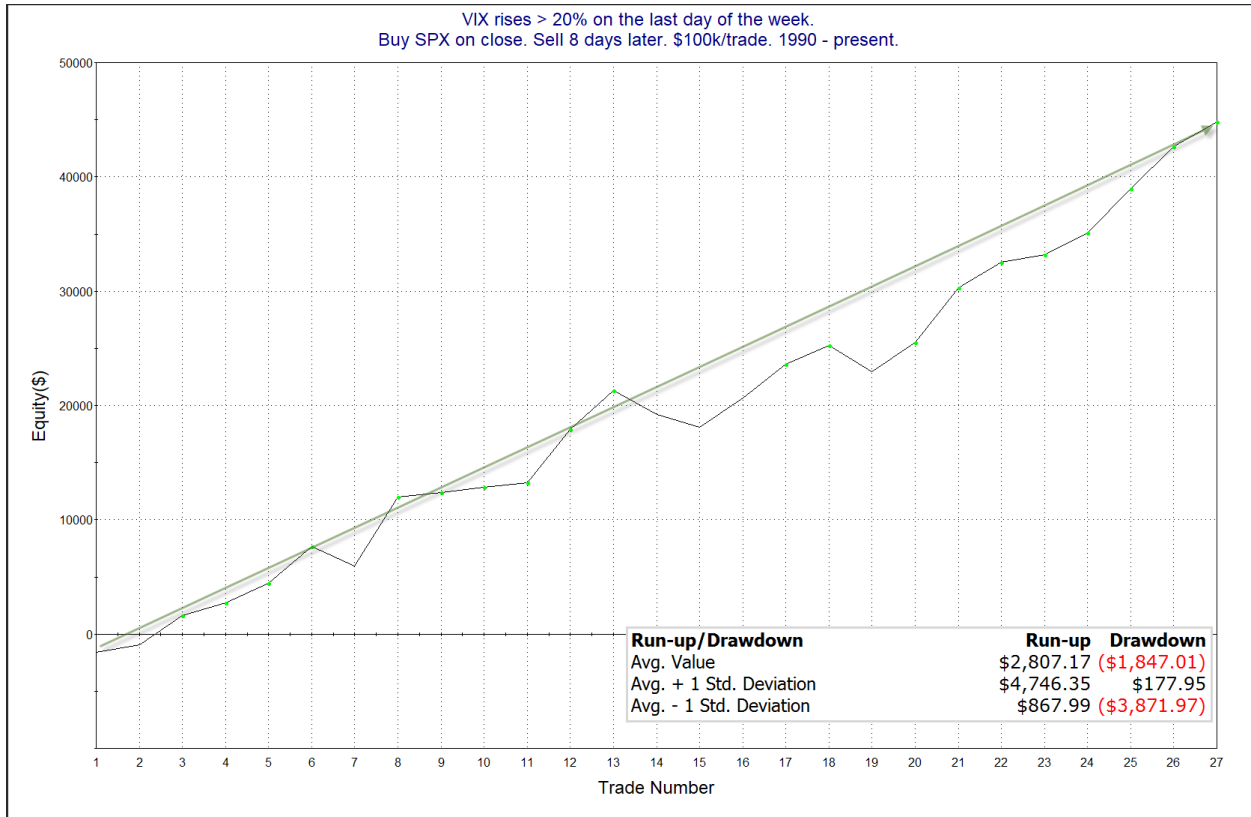
Below is another VIX-related study, which was last seen in the 8/5/24 letter. Stats are updated.

VIX rises > 20% on the last day of the week.  
Buy SPX on close. Sell X days later. \$100k/trade. 1990 - present.

X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
10	37,168.13	27	19	8	70.37	5,499.84	-3,414.12	2,759.75	-1,908.40	1.45	3.43	1,376.60
9	34,803.46	27	18	9	66.67	4,900.80	-3,536.10	2,782.57	-1,698.09	1.64	3.28	1,289.02
8	44,819.77	27	22	5	81.48	5,982.72	-2,286.00	2,434.87	-1,749.46	1.39	6.12	1,659.99
7	38,083.17	27	21	6	77.78	6,128.45	-3,570.84	2,407.81	-2,080.13	1.16	4.05	1,410.49
6	33,338.49	27	19	8	70.37	6,305.91	-3,820.68	2,355.54	-1,427.09	1.65	3.92	1,234.76
5	22,921.45	27	18	9	66.67	5,496.32	-5,132.88	2,033.65	-1,520.48	1.34	2.68	848.94
4	23,883.42	27	20	7	74.07	4,190.40	-6,520.68	1,713.84	-1,484.77	1.15	3.30	884.57
3	16,325.78	27	16	11	59.26	7,273.58	-2,896.92	2,022.50	-1,457.66	1.39	2.02	604.66
2	3,777.72	27	16	11	59.26	4,041.90	-5,163.50	1,196.96	-1,397.60	0.86	1.25	139.92
1	2,329.61	27	19	8	70.37	4,396.50	-4,074.84	900.06	-1,846.44	0.49	1.16	86.28

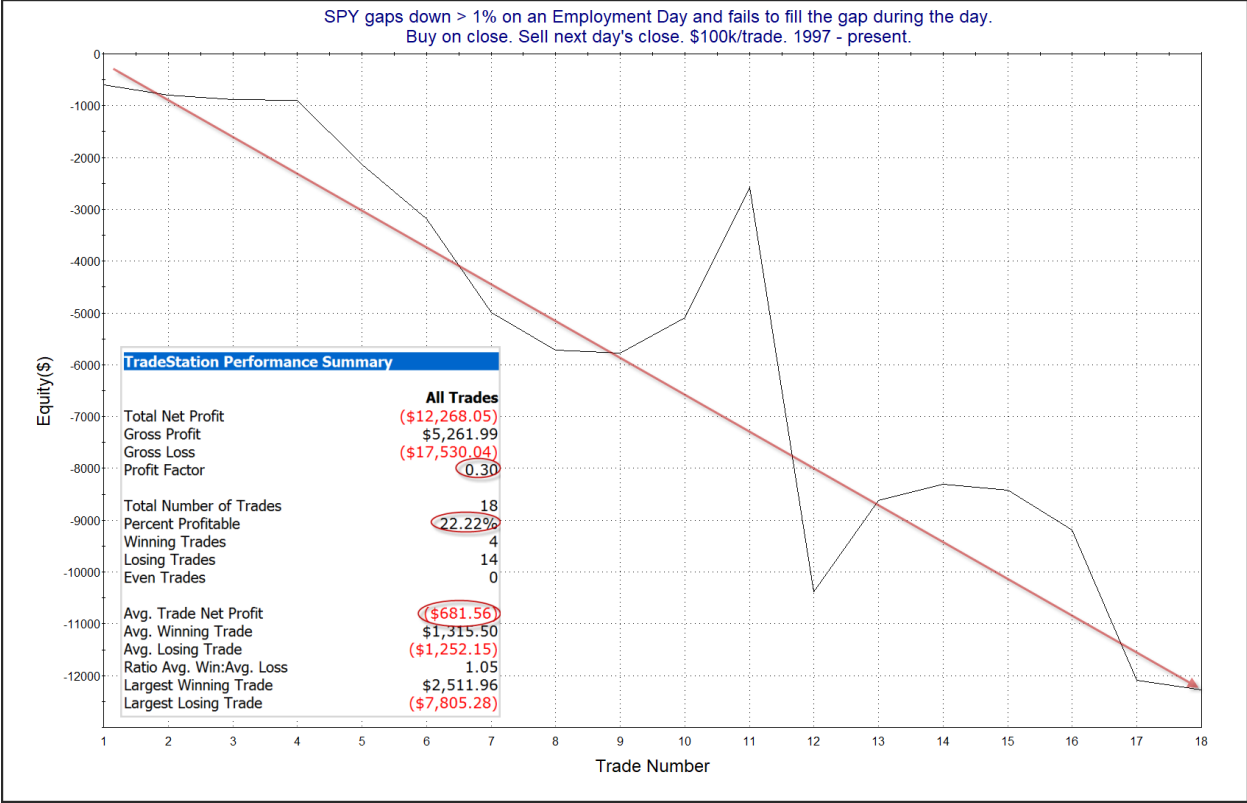
25 of 27 instances (93%) closed above the entry price at some point in the next week.

Looking out over the next few days, odds look solidly bullish. And there has been some bounce nearly every time. Let's look at the 7-day profit curve.



The strong, steady upslope serves as some confirmation of the upside edge suggested by the numbers. So this all suggests a bounce is likely nearby. But there was some bearish evidence, too.

Part of what triggered the selling on Friday was the release of the employment report. The large selloff on an employment day triggered the study below, which was last seen in the 8/5/24 letter and looks at performance following other such instances.



The curve is choppy, but it is again at new lows. The numbers are quite negative. So this also appears worth considering for Monday.

I have updated the Aggregator chart below.



With this weekend'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 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 Monday. This is unlikely to change. Meanwhile, the Differential Pivot will be 6860.86. That is 1.8% above Friday's close. Therefore, SPX will need to close up a sizable 1.8% on Monday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. While evidence is a little mixed, most evidence is pointing higher over the next few days. With ample room to the upside before SPX would turn overbought, reward/risk appears favorable. I like the long side. Traders could certainly look to take advantage of what appears to be an upside edge with some long index exposure on Monday – assuming a reasonable fill price becomes available. I would caution that with the market so fixated on global news at the moment, volatility is high and traders may want to adjust position sizes accordingly to keep risk better contained.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 3/9 – neutral***

<b>Combo #1</b>	<b>Combo #2</b>	<b>Combo #3</b>	<b>Combo #4</b>
<b>Long \$SPX</b>	<b>Long \$SPX</b>	<b>Flat</b>	<b>Long \$SPX</b>

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 saw their signals remain the same this week.*

The major stock indices posted losses again this past week. The SPX fell 2.0%, the NASDAQ dropped 1.2%, and the Russell 2000 tumbled 4.1%. Bonds also had a rough time. The US Aggregate Bond ETF (AGG) closed down 0.95%. TLT, the 20-year Treasury Bond ETF, dropped 2.2%. The long-term trend remains unclear. No real progress has been made since October and SPX and NASDAQ are both below their 50mas but above their 200mas.

I will note that Tuesday marked the 3<sup>rd</sup> Hindenburg Omen signal since Jan 30<sup>th</sup>. The research below is from the 11/3/25 letter. That was the last time we saw a cluster of such signals. I did not have time to update it this weekend, but I did the result of the last instance at the bottom. (It would not substantially change any of the numbers.)

*The Hindenburg Omen was created by Jim Miekka in 1995. It looks to identify times when there is a split market developing, which could signal trouble ahead. Note, there have been some discrepancy in the rules over the years. The rules I generally use are below.*

- 1. The daily number of NYSE new 52 week highs and the daily number of new 52 week lows are both greater than or equal to 2.8% of the sum of NYSE issues that advance or decline that day. The original version of the indicator used 2.2%. When I originally researched the Hindenburg Omens a few years ago, 2.2% was the number I used, and it is the number I again use in the studies below. (Two side notes: 1) If I use 2.8% rather than 2.2% there have been substantially less signals, making it difficult to utilize the stats. This is why I have stuck to the 2.2% to this point. 2) Over time I have also seen published different places levels of 2.4% and 2.5%, so there is often some confusion over this requirement.*
- 2. The NYSE index is greater in value than it was 50 trading days ago. Originally, this was expressed as a rising 10 week moving average, but the new rule is more relevant to the daily data used to look at new highs and lows.*
- 3. The McClellan Oscillator is negative on the same day.*
- 4. New 52 week highs cannot be more than twice the new 52 week lows (though new 52 week lows may be more than double new highs).*

*It is important to note that a single Hindenburg Omen signal is not a reliable indication of a market top, but that a cluster of numerous signals provide a more reliable indication of danger. Stats*

below look at performance after there is a signal for at least the 3<sup>rd</sup> time in the last 30 days, as well as the 4<sup>th</sup> time in the last 30 days.

A Hindenburg Omen day triggers for the 3rd time in the last 30 days. SPX forward results shown. 1957 - 7/10/2025									
Name	Dates	Trades	wins	losses	PctWins	AvgWin	AvgLoss	Expectancy	thrustForwardDays
Hindenburg Omen	1/2/57 - 7/10/25	28	15	13	53.57%	5.61%	8.07%	-0.74%	100
Hindenburg Omen	1/2/57 - 7/10/25	28	15	13	53.57%	5.20%	7.34%	-0.62%	95
Hindenburg Omen	1/2/57 - 7/10/25	28	15	13	53.57%	5.73%	8.01%	-0.65%	90
Hindenburg Omen	1/2/57 - 7/10/25	29	16	13	55.17%	5.34%	7.87%	-0.58%	85
Hindenburg Omen	1/2/57 - 7/10/25	29	14	15	48.28%	5.29%	6.70%	-0.91%	80
Hindenburg Omen	1/2/57 - 7/10/25	29	14	15	48.28%	6.81%	6.59%	-0.12%	75
Hindenburg Omen	1/2/57 - 7/10/25	29	16	13	55.17%	5.12%	7.66%	-0.61%	70
Hindenburg Omen	1/2/57 - 7/10/25	30	12	18	40.00%	5.47%	6.21%	-1.54%	65
Hindenburg Omen	1/2/57 - 7/10/25	30	15	14	50.00%	5.18%	7.45%	-0.89%	60
Hindenburg Omen	1/2/57 - 7/10/25	31	15	16	48.39%	4.81%	5.98%	-0.76%	55
Hindenburg Omen	1/2/57 - 7/10/25	33	15	18	45.45%	4.82%	5.29%	-0.70%	50
Hindenburg Omen	1/2/57 - 7/10/25	36	18	18	50.00%	4.55%	6.63%	-1.04%	45
Hindenburg Omen	1/2/57 - 7/10/25	37	18	19	48.65%	3.86%	6.38%	-1.40%	40
Hindenburg Omen	1/2/57 - 7/10/25	37	16	21	43.24%	3.69%	5.62%	-1.59%	35
Hindenburg Omen	1/2/57 - 7/10/25	39	21	18	53.85%	3.09%	7.19%	-1.65%	30
Hindenburg Omen	1/2/57 - 7/10/25	39	18	21	46.15%	3.00%	5.18%	-1.41%	25
Hindenburg Omen	1/2/57 - 7/10/25	39	15	24	38.46%	3.00%	4.69%	-1.74%	20
Hindenburg Omen	1/2/57 - 7/10/25	39	17	22	43.59%	2.05%	4.36%	-1.57%	15
Hindenburg Omen	1/2/57 - 7/10/25	39	14	25	35.90%	1.97%	4.00%	-1.86%	10
Hindenburg Omen	1/2/57 - 7/10/25	40	11	29	27.50%	1.41%	1.75%	-0.88%	5

A Hindenburg Omen day triggers for the 4th time in the last 30 days. SPX forward results shown. 1957 - 7/10/2025									
Name	Dates	Trades	wins	losses	PctWins	AvgWin	AvgLoss	Expectancy	thrustForwardDays
Hindenburg Omen	1/2/57 - 7/10/25	20	10	10	50.00%	5.07%	5.90%	-0.42%	100
Hindenburg Omen	1/2/57 - 7/10/25	20	10	10	50.00%	4.87%	5.10%	-0.12%	95
Hindenburg Omen	1/2/57 - 7/10/25	20	10	10	50.00%	3.85%	4.98%	-0.56%	90
Hindenburg Omen	1/2/57 - 7/10/25	20	9	11	45.00%	4.68%	4.32%	-0.27%	85
Hindenburg Omen	1/2/57 - 7/10/25	20	9	11	45.00%	4.19%	4.81%	-0.76%	80
Hindenburg Omen	1/2/57 - 7/10/25	20	9	11	45.00%	4.78%	6.34%	-1.34%	75
Hindenburg Omen	1/2/57 - 7/10/25	20	11	9	55.00%	3.34%	4.81%	-0.33%	70
Hindenburg Omen	1/2/57 - 7/10/25	21	9	12	42.86%	2.55%	4.21%	-1.31%	65
Hindenburg Omen	1/2/57 - 7/10/25	21	12	9	57.14%	2.75%	6.15%	-1.06%	60
Hindenburg Omen	1/2/57 - 7/10/25	22	12	10	54.55%	3.07%	5.75%	-0.94%	55
Hindenburg Omen	1/2/57 - 7/10/25	23	12	11	52.17%	2.78%	5.25%	-1.06%	50
Hindenburg Omen	1/2/57 - 7/10/25	24	13	11	54.17%	2.69%	4.89%	-0.78%	45
Hindenburg Omen	1/2/57 - 7/10/25	24	12	12	50.00%	2.96%	5.17%	-1.10%	40
Hindenburg Omen	1/2/57 - 7/10/25	24	8	16	33.33%	2.80%	4.64%	-2.16%	35
Hindenburg Omen	1/2/57 - 7/10/25	25	15	10	60.00%	2.28%	6.22%	-1.12%	30
Hindenburg Omen	1/2/57 - 7/10/25	25	13	12	52.00%	2.58%	3.61%	-0.39%	25
Hindenburg Omen	1/2/57 - 7/10/25	25	7	18	28.00%	2.91%	2.70%	-1.13%	20
Hindenburg Omen	1/2/57 - 7/10/25	25	11	14	44.00%	2.10%	3.31%	-0.93%	15
Hindenburg Omen	1/2/57 - 7/10/25	25	12	13	48.00%	1.73%	2.65%	-0.54%	10
Hindenburg Omen	1/2/57 - 7/10/25	25	9	16	36.00%	1.05%	2.25%	-1.06%	5

... I've added the Hindenburg Omen cluster as an intermediate-term study.

*With a 4<sup>th</sup> signal triggering on Friday, I have listed below all of the 4-signal clusters along with their 35-day performance:*

A Hindenburg Omen day triggers for the 4th time in the last 30 days. Buy SPX on close. Sell 35 days later. 1957 - 7/10/2025										
Strategy	Symbol	DateIn	PriceIn	DateOut	PriceOut	Bars	PctGain	PctMFE	PctMAE	
study_Hindenburg_Omen	\$SPX	10/27/1967	94.96	12/19/1967	94.63	35	-0.35%	1.80%	-5.13%	
study_Hindenburg_Omen	\$SPX	5/13/1971	102.69	7/2/1971	99.78	35	-2.83%	0.47%	-5.62%	
study_Hindenburg_Omen	\$SPX	3/27/1972	107.3	5/16/1972	106.66	35	-0.60%	3.55%	-3.23%	
study_Hindenburg_Omen	\$SPX	12/27/1979	107.96	2/15/1980	115.41	35	6.90%	11.36%	-4.35%	
study_Hindenburg_Omen	\$SPX	7/24/1986	237.95	9/12/1986	230.67	35	-3.06%	6.85%	-3.87%	
study_Hindenburg_Omen	\$SPX	12/8/1999	1403.88	1/28/2000	1360.15	35	-3.11%	5.28%	-3.40%	
study_Hindenburg_Omen	\$SPX	10/2/2000	1436.23	11/20/2000	1342.62	35	-6.52%	1.29%	-9.08%	
study_Hindenburg_Omen	\$SPX	9/28/2005	1216.89	11/16/2005	1231.21	35	1.18%	1.73%	-4.00%	
study_Hindenburg_Omen	\$SPX	4/26/2006	1305.41	6/15/2006	1256.16	35	-3.77%	1.63%	-6.60%	
study_Hindenburg_Omen	\$SPX	7/20/2007	1534.1	9/10/2007	1451.7	35	-5.37%	0.86%	-10.66%	
study_Hindenburg_Omen	\$SPX	10/25/2007	1514.4	12/14/2007	1467.95	35	-3.07%	2.53%	-7.15%	
study_Hindenburg_Omen	\$SPX	6/4/2013	1631.38	7/24/2013	1685.94	35	3.34%	4.13%	-4.36%	
study_Hindenburg_Omen	\$SPX	8/9/2013	1691.42	9/30/2013	1681.55	35	-0.58%	2.27%	-3.78%	
study_Hindenburg_Omen	\$SPX	12/16/2013	1786.54	2/6/2014	1773.43	35	-0.73%	3.60%	-2.72%	
study_Hindenburg_Omen	\$SPX	12/8/2014	2060.31	1/29/2015	2021.25	35	-1.90%	1.61%	-4.26%	
study_Hindenburg_Omen	\$SPX	6/21/2017	2435.61	8/10/2017	2438.21	35	0.11%	2.27%	-1.23%	
study_Hindenburg_Omen	\$SPX	11/8/2017	2594.38	12/29/2017	2673.61	35	3.05%	3.88%	-1.42%	
study_Hindenburg_Omen	\$SPX	2/1/2018	2821.98	3/23/2018	2588.26	35	-8.28%	0.00%	-10.25%	
study_Hindenburg_Omen	\$SPX	9/5/2018	2888.6	10/24/2018	2656.1	35	-8.05%	1.81%	-8.19%	
study_Hindenburg_Omen	\$SPX	8/2/2019	2932.05	9/23/2019	2991.78	35	2.04%	3.07%	-3.75%	
study_Hindenburg_Omen	\$SPX	11/18/2019	3122.03	1/9/2020	3274.7	35	4.89%	4.92%	-1.66%	
study_Hindenburg_Omen	\$SPX	2/3/2020	3248.92	3/24/2020	2447.33	35	-24.67%	4.45%	-32.54%	
study_Hindenburg_Omen	\$SPX	11/22/2021	4682.94	1/12/2022	4726.35	35	0.93%	2.90%	-4.01%	
study_Hindenburg_Omen	\$SPX	11/19/2024	5916.98	1/13/2025	5836.22	35	-1.36%	3.09%	-2.43%	
							<b>Avg</b>	<b>-2.16%</b>	<b>3.14%</b>	<b>-5.99%</b>
							<b>Median</b>	<b>-1.05%</b>	<b>2.72%</b>	<b>-4.14%</b>

*Hindenburg Omen clusters have not been as bad as the name might suggest, but they certainly appear to be an intermediate-term warning sign.*

I will note that since I did not have time to update the research this weekend that the October 2025 instance is not included. Looking out 35 days from that entry would have been a slight (less than 1%) gain, with a temporary drop of about 4.5% during the 35-day period.

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

Domestic Security Holdings as of

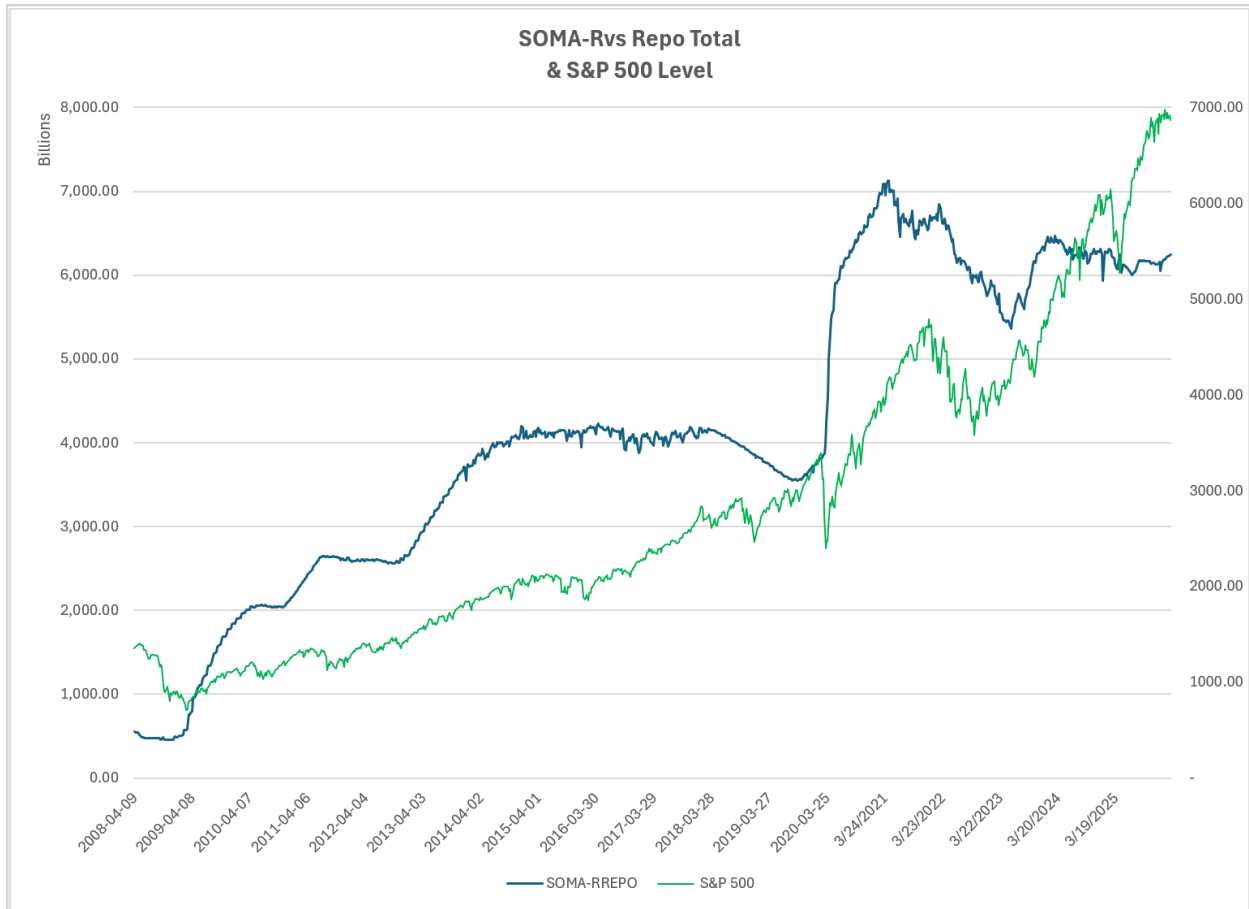
◀ Previous **March 4, 2026** 📅  
Posted March 5, 2026 at 4:30 PM

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**SUMMARY** | T-BILLS | T-NOTES AND T-BONDS | FRNS | TIPS | AGENCY DEBTS | MBS | CMBS

SECURITY TYPE	TOTAL (\$Thousands)
US Treasury Bills (T-Bills)	344,075,926.7
US Treasury Notes and Bonds (Notes/Bonds)	3,585,696,264.4
US Treasury Floating Rate Notes (FRNs)	16,412,388.3
US Treasury Inflation-Protected Securities (TIPS)*	288,705,855.7
Federal Agency Securities**	2,347,000.0
Agency Mortgage-Backed Securities***	2,002,731,040.9
Agency Commercial Mortgage-Backed Securities***	7,686,829.9
Total SOMA Holdings	6,247,655,305.9
Change From Prior Week	14,760,000.0

The SOMA rose nearly \$14.8 billion this week, adding liquidity to the system. Meanwhile, reverse repos declined by \$300 million for the week ending 3/4/26. A drop in reverse repos can act as a liquidity injection. Combined for the week, SOMA and reverse repo action accounted for a liquidity infusion of about \$15 billion (through Wednesday the 4<sup>th</sup>). Below is an updated SOMA-Reverse Repo and SPX chart looking back to 2008.



Reverse repos are near zero. So unless that changes, they will not be providing much influence on liquidity flows. Quantitative Easing has kicked in and is providing a nice tailwind for the bulls. Additionally, FNMA and Freddie Mac are in the process of purchasing mortgage bonds. This could have an additional impact to QE as the government buys these bonds and provides even more liquidity to the system.

With regards to rates, odds of a March cut are just 4.5%. (Not gonna happen.) Meanwhile, April odds now show an 18% chance they will be lower than they are currently. These odds are both pretty similar to what was published last week. This can be seen in the graphics below, courtesy of the CME Fedwatch tool.



Target Rate 18 Mar26 29 Apr26 17 Jun26 29 Jul26 16 Sep26 28 Oct26 9 Dec26 27 Jan27 17 Mar27 28 Apr27 9 Jun27 28 Jul27 15 Sep27 27 Oct27 8 Dec27

Current

- Compare
- Probabilities
- Aggregated

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
18 Mar 2026	ZQH6	31 Mar 2026	96.3625	99,278	288,405	4.5 %	95.5 %	0.0 %

Historical

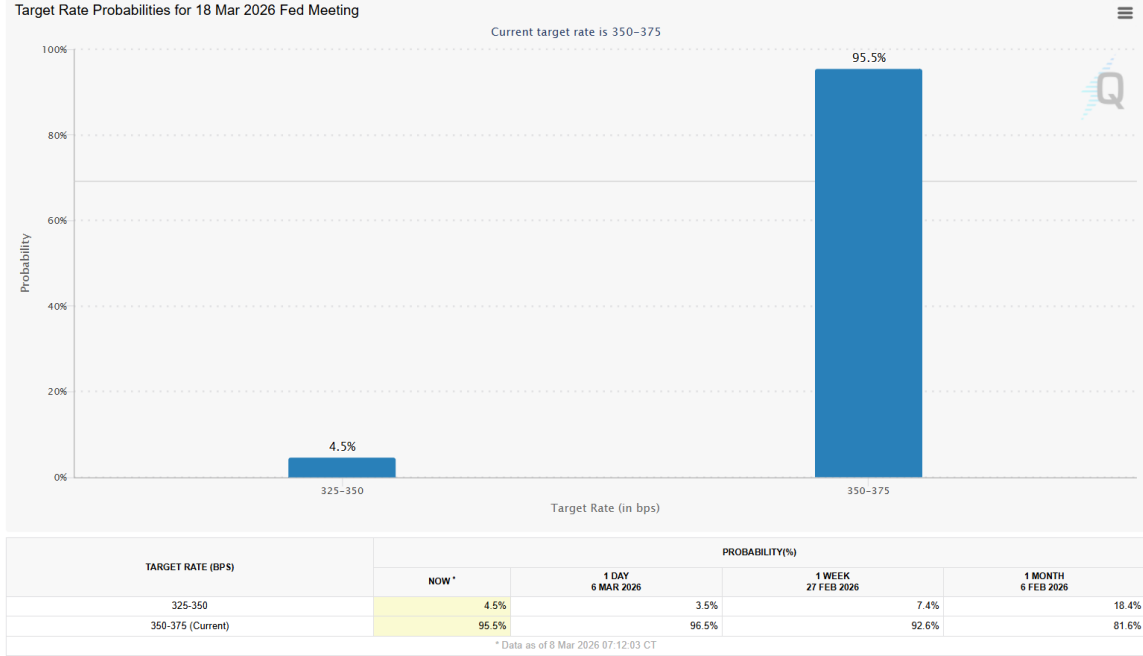
- Historical
- Downloads
- Prior Hikes

Dot Plot

- Chart
- Table

Tools

- CVOL
- SOFR Watch
- ESTR Watch



Target Rate 18 Mar26 29 Apr26 17 Jun26 29 Jul26 16 Sep26 28 Oct26 9 Dec26 27 Jan27 17 Mar27 28 Apr27 9 Jun27 28 Jul27 15 Sep27 27 Oct27 8 Dec27

Current

- Compare
- Probabilities
- Aggregated

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
29 Apr 2026	ZQJ6	30 Apr 2026	96.3725	191,160	368,754	18.3 %	81.7 %	0.0 %

Historical

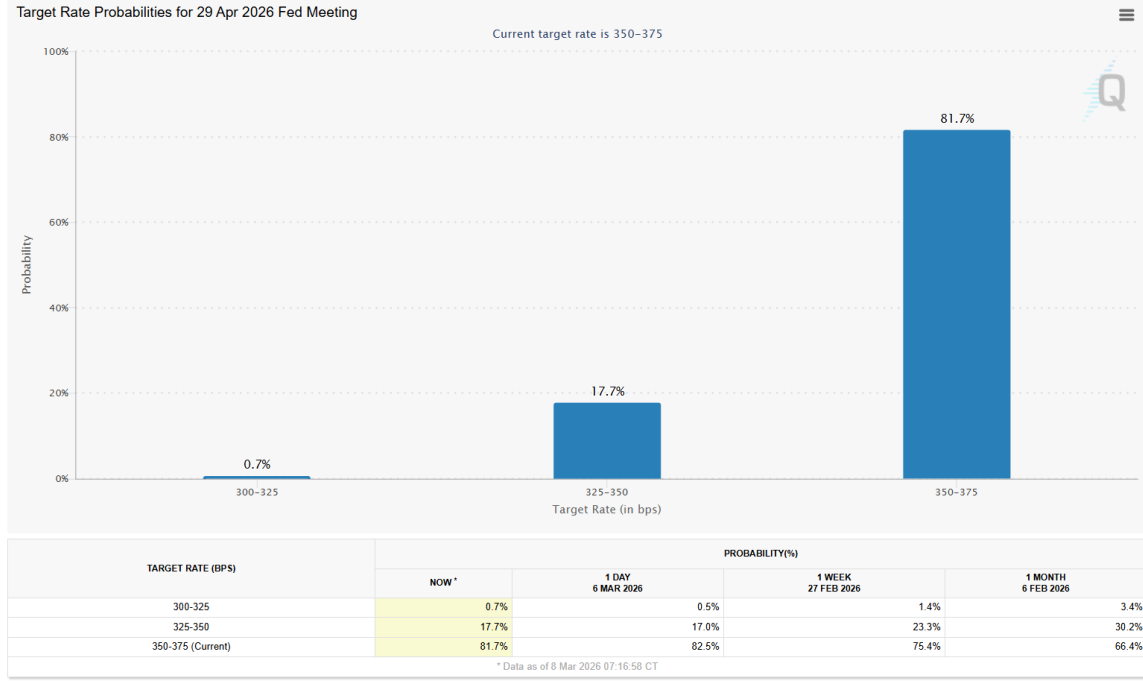
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- Table

Tools

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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. But right now, a cut at either of the next 2 meetings appears highly unlikely.

Overall, intermediate-term evidence seems to be deteriorating. The trend is uncertain with SPX and NASDAQ having chopped mostly sideways over the last few months. On the plus side, the Fed appears dovish since it is increasing the size of the SOMA. So liquidity is positive. There was not a breadth divergence leading up to the recent highs. This suggests it is unlikely that a major top is in place. Seasonality is mixed now as we are in the Best 6 Months (bullish) of a 2<sup>nd</sup> Presidential Year (bearish). The current cluster of Hindenburg Omen signals is a potential warning sign. The NASDAQ remains in a lagging position versus the SPX, which is an unfavorable setup. Risks are elevated in a news-driven environment. Though I considered leaning bearish, I am inclined to keep my intermediate-term outlook neutral for another week. That could change if we see some additional evidence appear. For now, I will likely trade a bit more conservatively from both the long and the short side than I would if I had a strong directional conviction.

### **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

#### ***Open Catapult Triggers***

TXN – 1/3 @ \$202.67 (bought @ limit)

TXN – 1/3 @ \$202.39 (bought @ limit)

TXN – 1/3 @ \$197.98 (buy @ limit)

UPS – 1/3 @ \$104.07 (buy @ limit)

***Broad Market Large Cap CBI – 4(TXN-3, UPS)***

### **Additional New Trade Ideas**

**SPY – Buy ¼ index position @ \$672.00 LIMIT.** Based on the short-term outlook above, this will look to take on a small amount of SPY on Monday with about any move lower. In a news-driven market with a neutral intermediate-term outlook I am keeping the size small and won't likely add too aggressively to this position.

## Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
TXN(1/3)	3/4/2026	\$202.37	\$193.23	-4.52%	Catapult
TXN(1/3)	3/5/2026	\$200.91	\$193.23	-3.82%	Catapult
TXN(1/3)	3/6/2026	\$192.50	\$193.23	0.38%	Catapult
UPS(1/3)	3/6/2026	\$101.87	\$102.36	0.48%	Catapult

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