

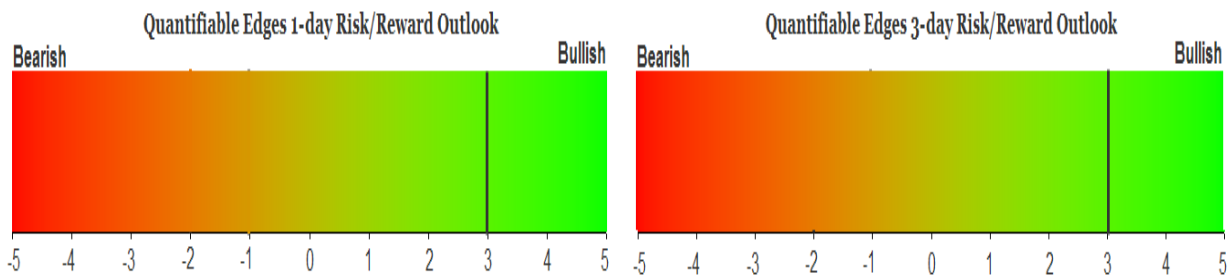
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

March 30, 2026

Volume 20 Issue 59

Market Overview



Signals Overview

Aggregator	CBI Reading
Long	2

Tonight's Research Points

- The week after the 4th Friday in March has historically shown bullish tendencies.
- The SPX seasonality calendars are also showing bullish odds for the upcoming week.
- While Fed policy is currently supportive of the market, rate hikes could be the next move.
- SPX closing lower for 5 weeks in a row has not been a good sign. SPX has shown a greater downside tendency following similar occurrences.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I believe there is a long-side edge.

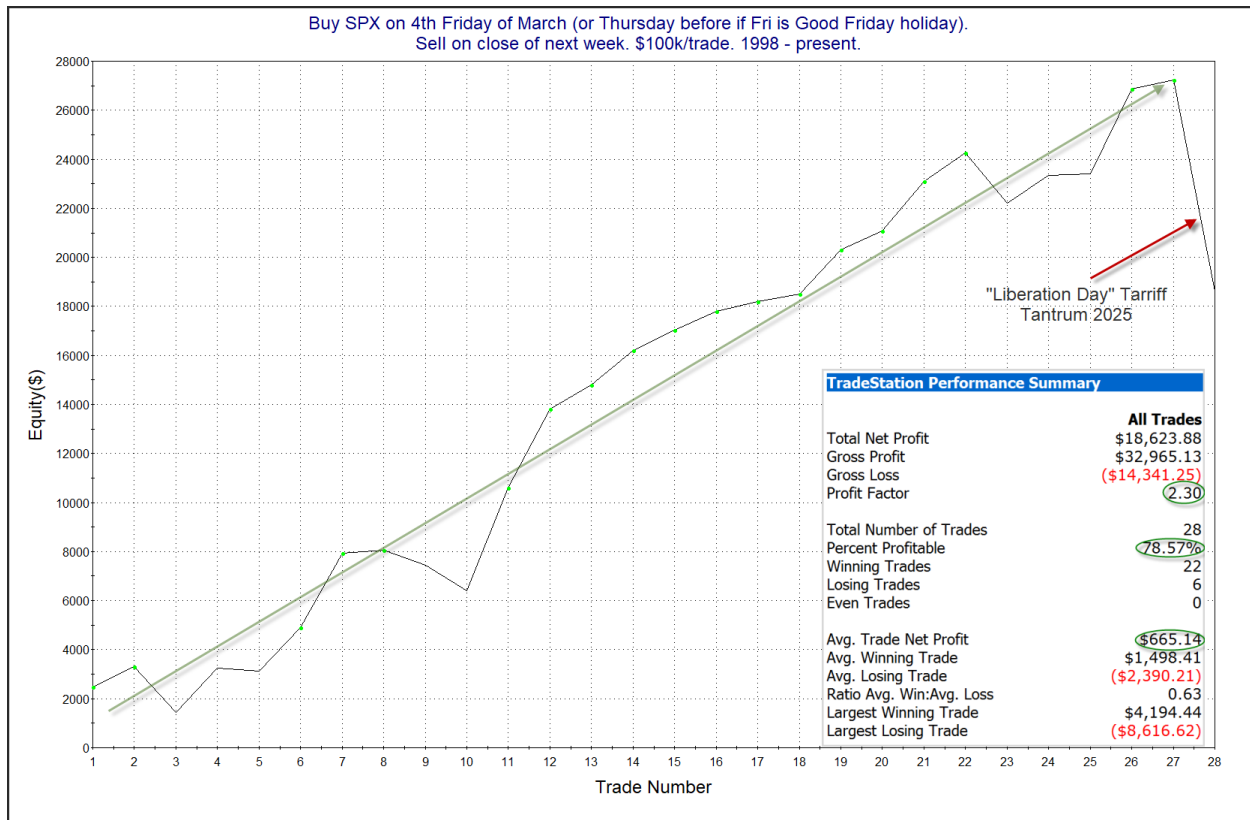
Summary of Recent Active Studies (see Letters from listed dates for details)

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
March 30, 2026	Week after 4th Fri in March bullish	1-4 days	Bullish	1.90%	-1.00%	-2.30%
March 27, 2026	1% down to 50-low on low volume	1-3 days	Bullish			
March 26, 2026	No SPY cls in top 25% intrdy rng for 12 days	1-6 days	Bullish			
March 20, 2026	SPY gaps < 50-low. Close > open but dn	1-7 days	Bullish			
Active - Long Term						
March 30, 2026	SPX down 5 straight weeks	1-6 months	Bearish	-13.10%	8.60%	16.80%
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

The selling continued on Friday. SPX finished down 1.7%, the NASDAQ sank 2.15%, and the Russell 2000 lost 1.75%. Breadth was weak as the NYSE Up Issues % closed at 22% and the NYSE Up Volume % posted a 28% reading. NYSE total volume rose a little from Thursday's level.

We are moving into a historically favorable seasonal period right now. The week after the 4th Friday in March has been a strong one over the last 28 years. (Not as much before that.) We can see this in the study below, updated from the 3/31/25 letter.

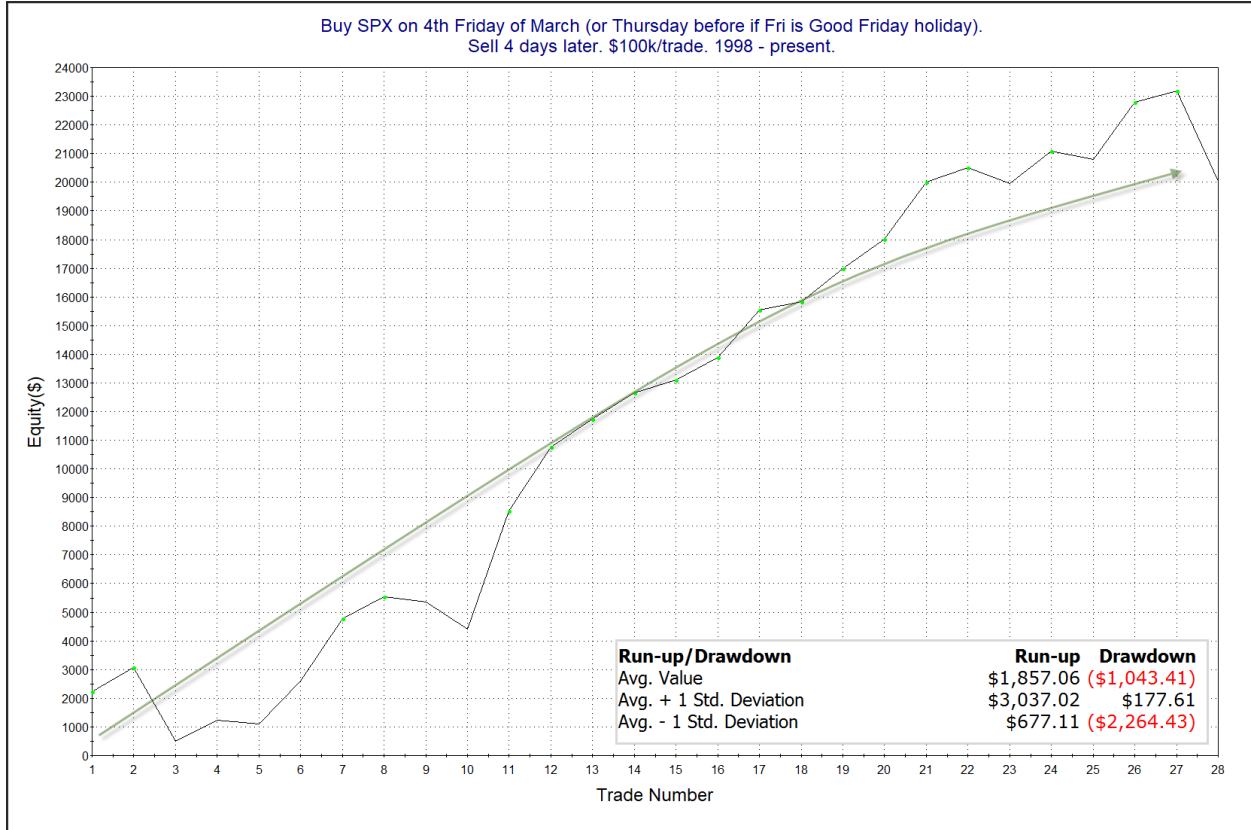


That was some extremely impressive results prior to last year's Liberation Day tariff tantrum. 2025 saw the SPX lose 9.1% during this period. To me this shows a couple of things: 1) how seasonality can sometimes produce a very worthwhile edge and 2) how a market focused on news can completely override seasonal patterns. So did last year ruin the seasonal edge? I would say no. It simply served as a warning. We are certainly in a news-driven market currently, with war, oil prices, inflation, and the global economy all front and center. But it still seems worth considering the fact there should be a bullish seasonal wind at the market's back for the upcoming week. Let's see how it has broken down on a daily basis.

Buy SPX on 4th Friday of March (or Thursday before if Fri is Good Friday holiday).
Sell X days later. \$100k/trade. 1998 - 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	20,668.40	28	21	7	75.00	4,194.44	-8,616.62	1,682.19	-2,093.95	0.80	2.41	738.16
4	20,047.91	28	21	7	75.00	4,111.60	-3,135.14	1,326.72	-1,116.17	1.19	3.57	716.00
3	16,214.80	28	20	8	71.43	3,977.08	-2,767.83	1,129.23	-796.23	1.42	3.55	579.10
2	15,789.31	28	19	9	67.86	4,175.44	-2,204.54	1,236.79	-856.63	1.44	3.05	563.90
1	8,450.94	28	16	12	57.14	3,322.02	-3,466.02	1,052.28	-698.80	1.51	2.01	301.82

Numbers here are quite good, though they are slightly different than those above. That is because Easter will occasionally fall during this period, so sometimes (like this year) the following week is 4 days and sometimes it is 5 days. Below is a look at the 4-day profit curve.



Like I stated above, seasonality appear positive, and that still seems worth some consideration.

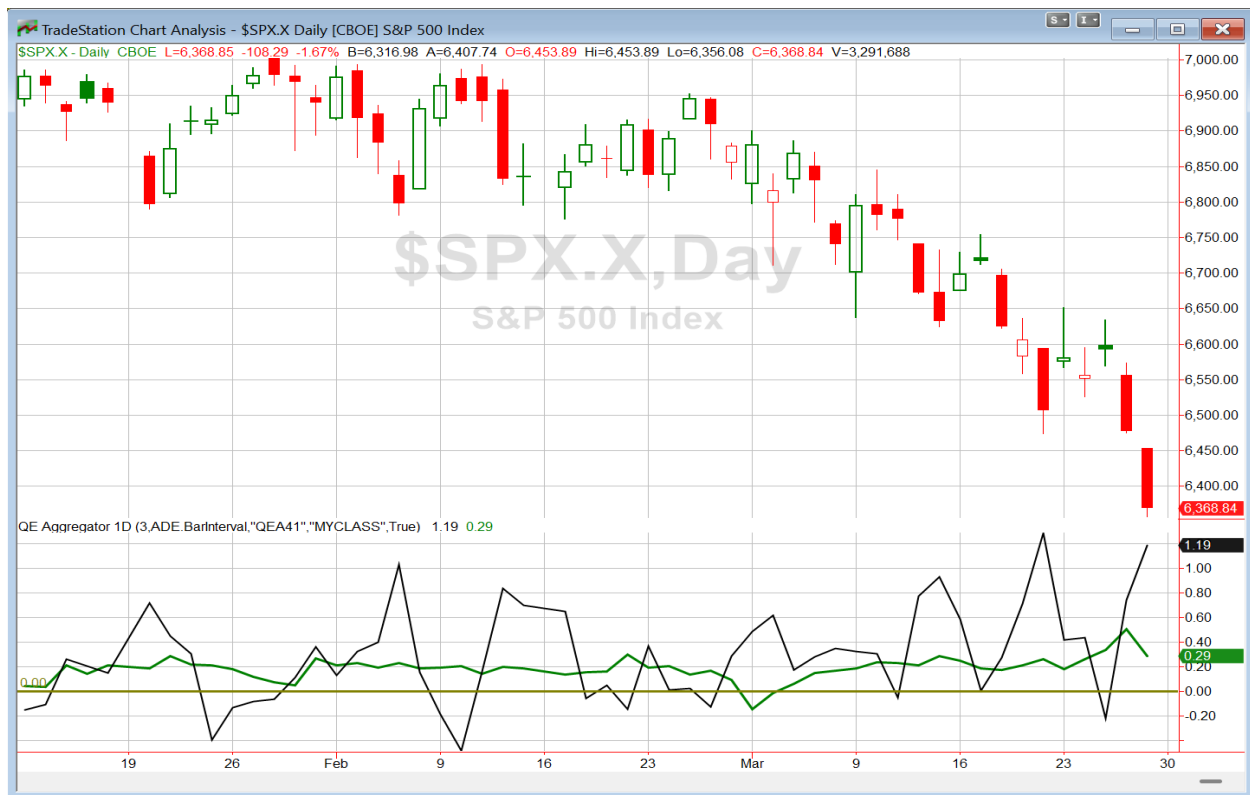
Of further note, below is the preliminary version of the SPX QE Seasonality Calendar for April, along with the March Calendar.

Quantifiable Edges Seasonality Calendar			
\$SPX S&P 500 Index			
Date	Win%	Profit Factor	Avg % Chg
3/2/2026	56.73	1.387	0.118
3/3/2026	50.01	1.027	0.009
3/4/2026	57.19	1.362	0.097
3/5/2026	50.97	0.988	-0.001
3/6/2026	54.45	1.163	0.063
3/9/2026	53.67	1.021	-0.058
3/10/2026	50.88	1.043	-0.047
3/11/2026	54.96	1.096	-0.029
3/12/2026	50.85	0.811	-0.127
3/13/2026	52.12	1.152	-0.017
3/16/2026	56.47	1.072	-0.002
3/17/2026	51.27	1.128	0.020
3/18/2026	47.00	0.812	-0.082
3/19/2026	50.12	0.901	-0.048
3/20/2026	48.11	0.922	-0.040
3/23/2026	55.29	1.358	0.119
3/24/2026	51.87	1.204	0.081
3/25/2026	52.45	1.190	0.077
3/26/2026	52.84	1.227	0.087
3/27/2026	52.19	1.110	0.053
3/30/2026	58.68	1.255	0.067
3/31/2026	57.16	1.236	0.060
Baseline	54.84	1.171	0.057

Quantifiable Edges Seasonality Calendar			
\$SPX S&P 500 Index			
Date	Win%	Profit Factor	Avg % Chg
4/1/2026	62.35	1.481	0.118
4/2/2026	57.09	1.168	0.019
4/6/2026	53.52	1.598	0.198
4/7/2026	49.12	1.340	0.111
4/8/2026	53.45	1.575	0.187
4/9/2026	52.37	1.273	0.080
4/10/2026	53.67	1.592	0.188
4/13/2026	54.35	1.154	0.039
4/14/2026	51.04	1.163	0.045
4/15/2026	52.08	0.939	-0.029
4/16/2026	49.21	0.944	-0.019
4/17/2026	47.23	0.955	-0.015
4/20/2026	60.73	1.276	0.084
4/21/2026	55.43	1.310	0.100
4/22/2026	56.16	1.233	0.079
4/23/2026	56.06	1.225	0.077
4/24/2026	55.66	1.123	0.046
4/27/2026	57.68	1.276	0.073
4/28/2026	53.88	1.104	0.030
4/29/2026	48.66	1.005	-0.002
4/30/2026	54.52	1.087	0.025
Baseline	54.56	1.152	0.051

The bullish numbers this week confirm the study discussed above. Overall, April looks mostly positive, except for some mid-month weakness. Of course there will be plenty of other forces at work, but short-term seasonality is set to make it a little easier on the bulls and more difficult for bears.

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 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 6635.68. That is a whopping 4.2% above Friday's close. Therefore, SPX will need to close up at least 4.2% on Monday in order to flip from oversold to overbought versus recent expectations. That seems highly unlikely.

So the Aggregator is bullish. Evidence is pointing higher and there is a ton of room to the upside before SPX would turn short-term overbought. I believe there is an upside edge. Of course this is a volatile, news-driven environment. So caution is warranted. I started taking some long index exposure on Friday. I may look to add to that is Monday is another down day. A 3rd down day heading into a potential Turnaround Tuesday would almost certainly generate some bullish studies. Additionally, we have Holy Thursday coming up at the end of the week, and as I will discuss in the nightly letter in a few days, that has had very strong seasonality over the years. Still, long trades at this point are counter-trend, so I won't build up exposure too quickly, and I will look for exits perhaps quicker than I might if I had a bullish outlook.

Intermediate-term Outlook (2 weeks – 2 months) – updated 3/30 – neutral

Combo #1	Combo #2	Combo #3	Combo #4
Long \$SPX	Long \$SPX	Flat	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 saw their signals remain the same this week.*

The major stock indices mostly posted losses again this past week. It was the 5th week in a row and the 7th in the last 8 weeks that SPX declined. The SPX closed down 2.1%, the NASDAQ dropped 3.2%, and the Russell 2000 somehow managed to rise 0.5%. Bonds also floundered. The US Aggregate Bond ETF (AGG) closed down 0.1%. TLT, the 20-year Treasury Bond ETF, dropped 0.2%. The long-term trend is down based on most indicators (except for the Golden Cross / Death Cross which often lags).

SPX closing lower for 5 consecutive weeks is not something that happens very often. It may feel like that means it is oversold, and perhaps bullish numbers will follow. But historically, they haven't. The study below shows this.

SPX closes down for the 5th week in a row. Buy on close. Sell X weeks later. \$100k/trade. 1961 - present.												
X Weeks	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
26	-19,425.77	22	9	13	40.91	30,959.55	-26,156.90	13,323.82	-10,718.47	1.24	0.86	-882.99
25	-70,236.57	22	8	14	36.36	30,697.65	-30,817.90	12,461.92	-12,137.99	1.03	0.59	-3,192.57
24	-86,198.80	22	7	15	31.82	28,021.95	-29,626.58	12,109.35	-11,397.62	1.06	0.50	-3,918.13
23	-78,791.20	22	6	16	27.27	28,734.75	-30,270.43	14,433.63	-10,337.06	1.40	0.52	-3,581.42
22	-70,585.47	22	6	16	27.27	25,145.10	-30,559.57	13,870.52	-9,613.04	1.44	0.54	-3,208.43
21	-69,214.24	24	7	17	29.17	25,839.00	-28,966.14	12,032.11	-9,025.82	1.33	0.55	-2,883.93
20	-60,130.95	24	8	16	33.33	21,845.70	-36,566.73	9,737.16	-8,626.76	1.13	0.56	-2,505.46
19	-39,617.43	24	8	16	33.33	25,095.15	-30,779.19	9,811.59	-7,381.88	1.33	0.66	-1,650.73
18	-26,596.18	24	8	16	33.33	22,026.60	-26,220.89	9,958.27	-6,641.40	1.50	0.75	-1,108.17
17	-22,534.63	25	6	19	24.00	26,445.15	-23,237.85	12,651.46	-5,181.23	2.44	0.77	-901.38
16	-26,978.07	25	8	17	32.00	28,281.15	-30,504.27	9,553.65	-6,082.78	1.57	0.74	-1,079.12
15	-30,486.32	25	9	16	36.00	27,153.90	-25,465.65	8,712.91	-6,806.41	1.28	0.72	-1,219.45
14	-20,609.02	26	11	15	42.31	23,982.75	-28,730.72	7,371.17	-6,779.46	1.09	0.80	-792.65
13	-1,602.21	26	13	13	50.00	24,166.35	-14,518.75	5,948.27	-6,071.52	0.98	0.98	-61.62
12	4,038.52	26	12	14	46.15	24,201.45	-25,013.62	6,659.94	-5,420.05	1.23	1.05	155.33
11	-11,407.93	26	10	16	38.46	20,201.40	-21,888.42	7,502.02	-5,401.76	1.39	0.87	-438.77
10	-13,831.66	26	10	16	38.46	21,741.75	-15,638.02	7,200.57	-5,364.83	1.34	0.84	-531.99
9	-8,035.00	26	11	15	42.31	21,008.70	-21,575.90	6,620.95	-5,391.03	1.23	0.90	-309.04
8	-12,281.03	26	10	16	38.46	16,248.60	-14,099.46	6,538.96	-4,854.42	1.35	0.84	-472.35
7	6,079.59	26	12	14	46.15	14,935.05	-13,222.00	5,126.44	-3,959.83	1.29	1.11	233.83
6	-14,317.49	26	13	13	50.00	14,766.30	-13,943.20	4,289.25	-5,390.59	0.80	0.80	-550.67
5	-8,216.36	26	13	13	50.00	12,433.50	-13,766.30	4,342.77	-4,974.80	0.87	0.87	-316.01
4	-1,573.56	26	11	15	42.31	11,763.90	-14,280.39	4,749.84	-3,588.12	1.32	0.97	-60.52
3	-11,489.70	26	11	15	42.31	12,537.06	-11,276.13	4,026.17	-3,718.51	1.08	0.79	-441.91
2	-5,603.70	26	13	13	50.00	11,261.50	-6,774.84	2,264.36	-2,695.41	0.84	0.84	-215.53
1	-7,945.29	26	12	14	46.15	5,088.86	-4,977.60	1,625.28	-1,960.62	0.83	0.71	-305.59

Twenty-six weeks is about 6 months. As you can see, the “avg trade” numbers on the right hand side are almost all negative from 1 week all the way to 26 weeks out. Also interesting is that the negative numbers are not due to just a few bear markets. There were some big bears in the data sample, but a look at the “% profitable” column shows that every time-frame measured showed a 50% or lower chance of SPX higher. That seem worth keeping under consideration. I also noticed that more recent instances have done especially poorly. Below are the 6 instances that have triggered since the turn of the century.

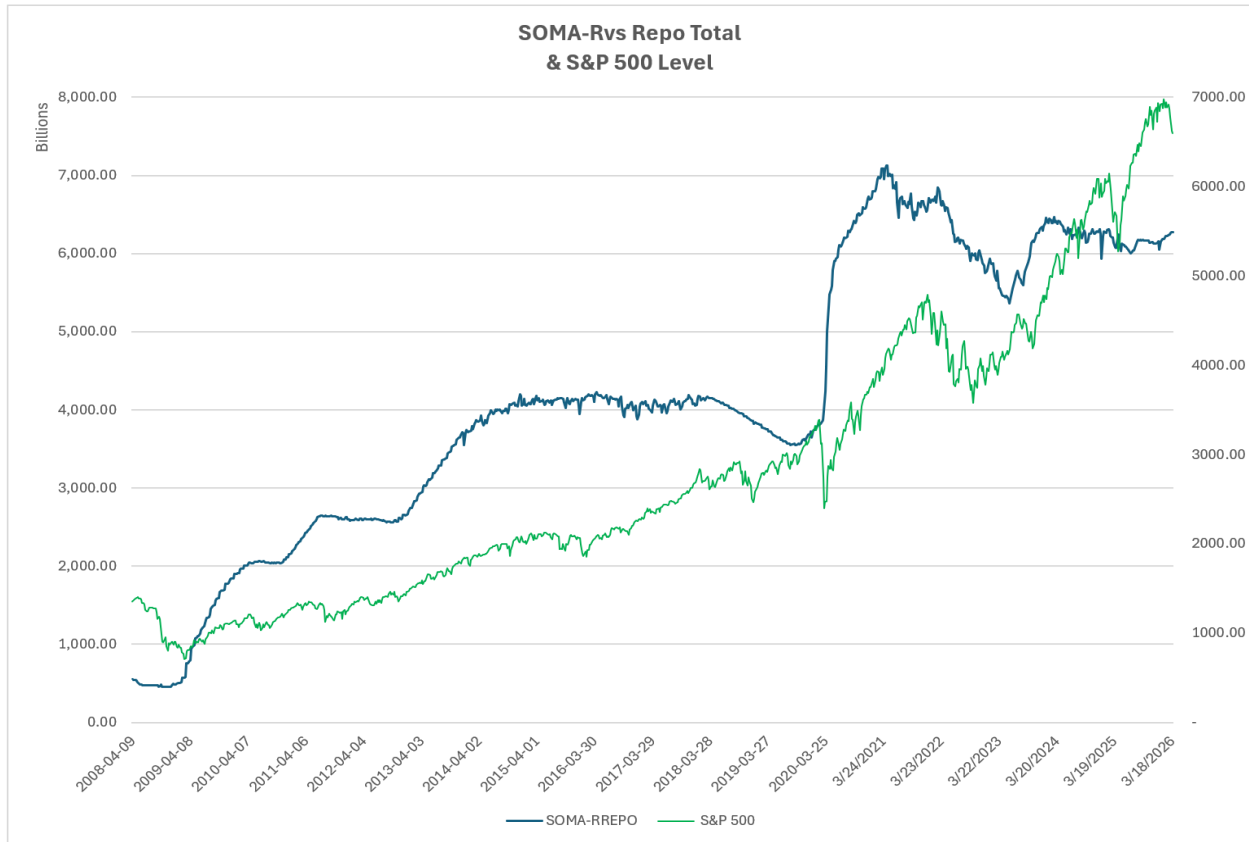
SPX Performance Following 5-Week Losing Streaks Since 2000 (no 6-mo repeats)						
Trigger Date	5-week % Change	3-Month % Change	6-Month % Change	6-Mo DrawDn	6-Month Run-up	
October 6, 2000	-3.1%	-7.8%	-19.9%	-22.9%	2.0%	
June 21, 2002	-13.8%	-14.5%	-9.4%	-22.3%	1.7%	
July 16, 2004	-0.3%	0.6	7.6%	-3.6%	10.5%	
July 3, 2008	2.7%	-13.0%	-26.2%	-41.2%	4.0%	
June 3, 2011	3.4%	-9.7%	-4.3%	-17.1%	4.3%	
May 6, 2022	-5.4%	0.5%	-8.6%	-15.2%	4.8%	
Average	-2.8%	2.6%	-10.1%	-20.4%	4.6%	

2004 was the only instance in which the market did not take a bad hit following this setup. The other 5 instances all saw a drawdown of at least 15%, and none of those 5 instances saw a run-up from the entry date of 5%. I’ve added this study to the active list tonight. While it may not provide a huge timing edge, it certainly seems notable.

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

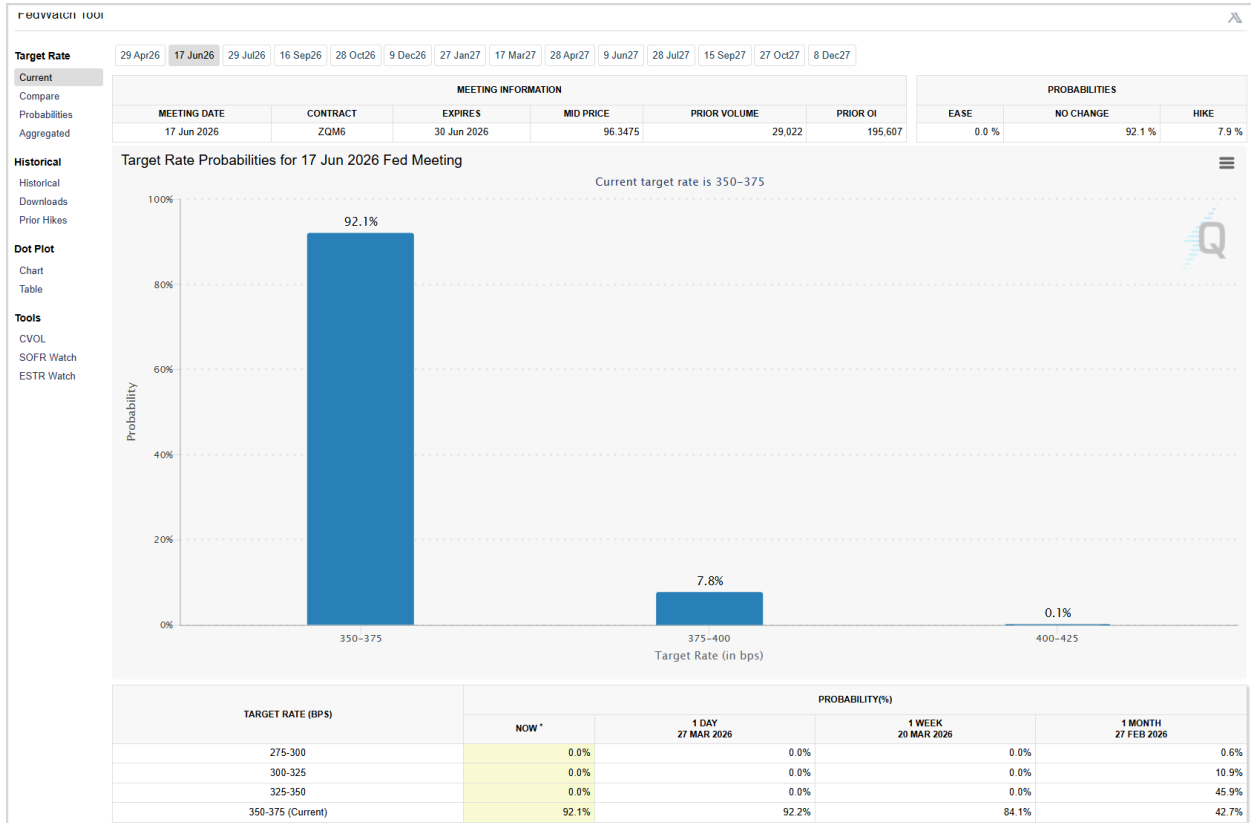
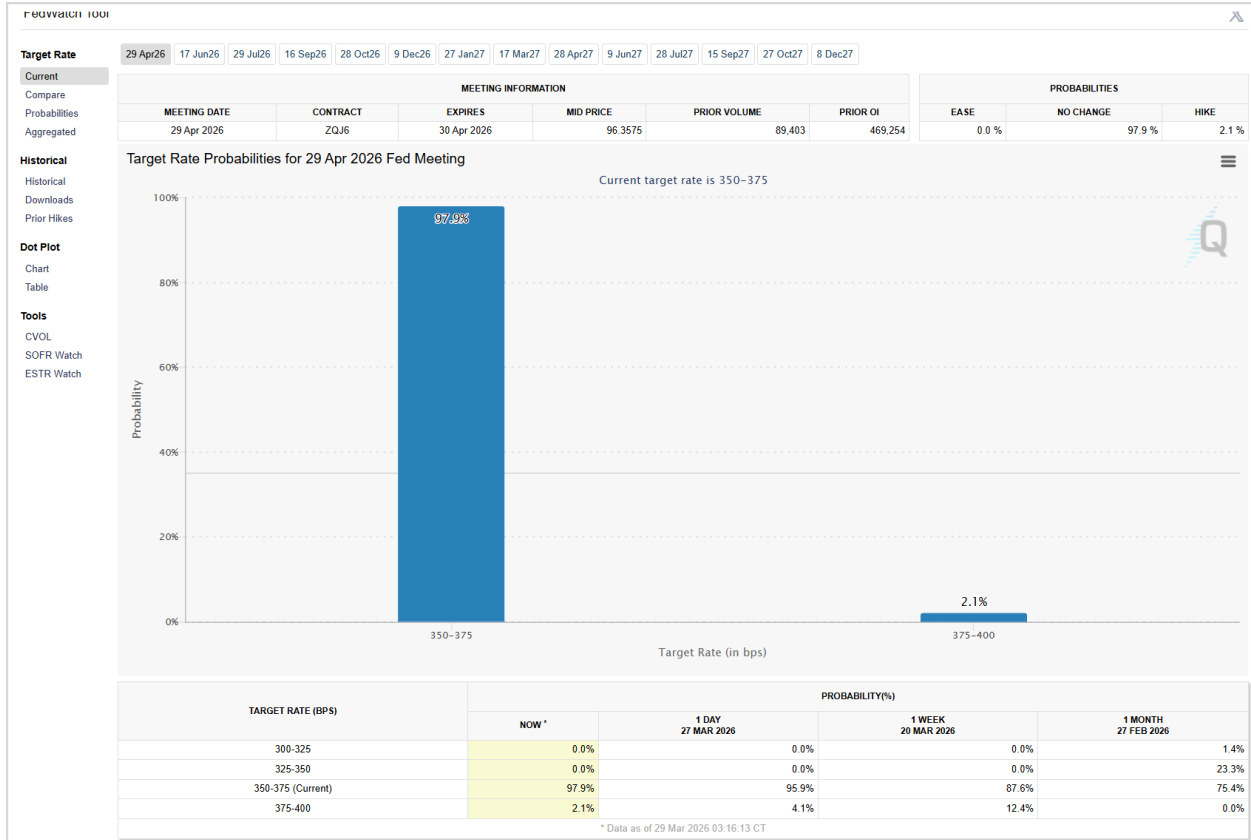
Domestic Security Holdings as of	
◀ Previous	March 25, 2026 📅
Posted March 26, 2026 at 4:30 PM	
SUMMARY T-BILLS T-NOTES AND T-BONDS FRNS TIPS AGENCY DEBTS MBS CMBS	
SECURITY TYPE	TOTAL (\$Thousands)
US Treasury Bills (T-Bills)	381,629,926.7
US Treasury Notes and Bonds (Notes/Bonds)	3,585,696,264.4
US 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***	1,989,008,552.4
Agency Commercial Mortgage-Backed Securities***	7,671,726.2
Total SOMA Holdings	6,271,471,713.8
Change From Prior Week	2,452,392.4

The SOMA rose nearly \$2.5 billion this week, adding some liquidity to the system. Meanwhile, reverse repos rose by a scant \$79 million for the week ending 3/25/26. A rise in reverse repos can act as a liquidity drain. Combined for the week, SOMA and reverse repo action accounted for a liquidity infusion of about \$2.4 billion (through Wednesday the 25th). 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 some support for the bulls, but other forces have been pushing the market lower with greater force. And while current Fed policy is a bit dovish, the market is thinking that may change soon since rate hikes have become more probabilistic than rate cuts.

With regards to rates, there was not a big change this past week. With high oil prices stoking inflation fears, the chance of rates being higher in April is now about 2%, and the June meeting shows an 8% chance of an increase from current levels. This can be seen in the graphics below, courtesy of the CME Fedwatch tool.



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, any move looks unlikely for the next few months.

Bullish evidence continues to fade. The trend has turned south after being mostly sideways for a few months. On Friday SPX closed at its lowest level since September. On the plus side, the Fed appears dovish since it is increasing the size of the SOMA. So liquidity is positive. Of course this could turn more neutral than bullish if rates hikes come into play. There was not a breadth divergence leading up to the recent highs, which 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 2nd Presidential Year (bearish). The recent cluster of Hindenburg Omen signals was 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. I remain 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

DIS – 1/3 @ \$94.75 (bought @ limit)

New

DIS – 1/3 @ \$92.42 (buy @ limit)

Broad Market Large Cap CBI – 2 (DIS-2)

Additional New Trade Ideas

DIS – Buy 1/3 Catapult position @ \$92.42 LIMIT. From the Catapult section above, this is the 2nd of up to 3 possible lots of DIS.

SPY – Buy ¼ index position @ \$634.00 LIMIT CLOSE. From short-term section above, I will look to add a 2nd lot of index exposure if Monday is another down day.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
DIS(1/3)	3/27/2026	\$94.19	\$92.42	-1.88%	Catapult
SPY(1/4)	3/27/2026	\$642.50	\$634.09	-1.31%	Aggregator

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