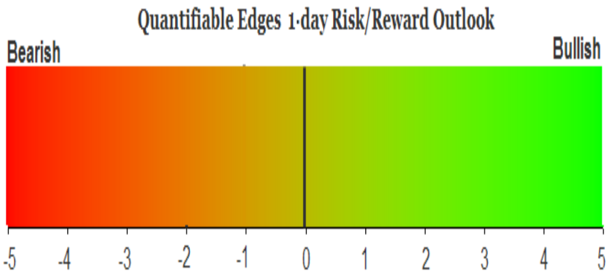
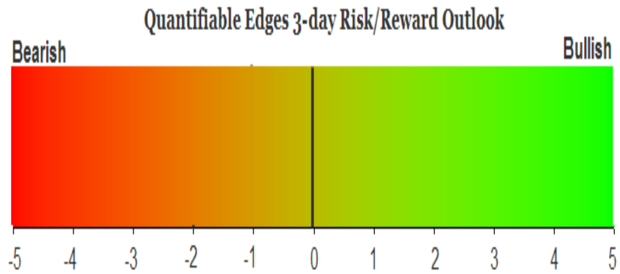
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 6, 2026 Volume 20 Issue 63

Market Overview





Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Low-volume studies are not worth consideration when the low volume occurs right before a holiday.
- The SPX Seasonality Calendar looks bullish this week.
- The NASDAQ/SPX Leadership indicator flipped to NASDAQ leading for the first time since December. That is a bullish configuration.
- The SOMA continues to rise and Fed policy is providing liquidity.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. That is where I am at 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						
April 1, 2026	Up 1% from 100 low. Hi 5 volume	1-3 days	Bullish			
April 1, 2026	20-Lo Up 2% top of range high volume	1-5 days	Bullish			
March 31, 2026	3-days down. 20-low. Small drop today.	1-7 days	Bullish	3.80%	-2.00%	-3.90%
Active - Long Term						
April 6, 2026	NASDAQ leading	int term	Bullish			
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			
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

Thursday started very weak, but most of the indices bounced back by the end of the day. SPX finished up 0.1%, the NASDAQ gained 0.2%, and the Russell 2000 climbed 0.7%. Breadth was positive as the NYSE Up Issues % closed at 58% and the NYSE Up Volume % posted a 60% reading. NYSE total volume came in light ahead of the holiday weekend.

There were several studies that triggered in the Quantifinder, but all of the ones that were potentially compelling took into account the fact that Thursday saw very low volume. Low volume can be a sign of complacency. But when it occurs just ahead of a holiday weekend, it is simply traders taking time off. So I tend to ignore such studies when holidays are involved, and I feel that is the right way to handle them today.

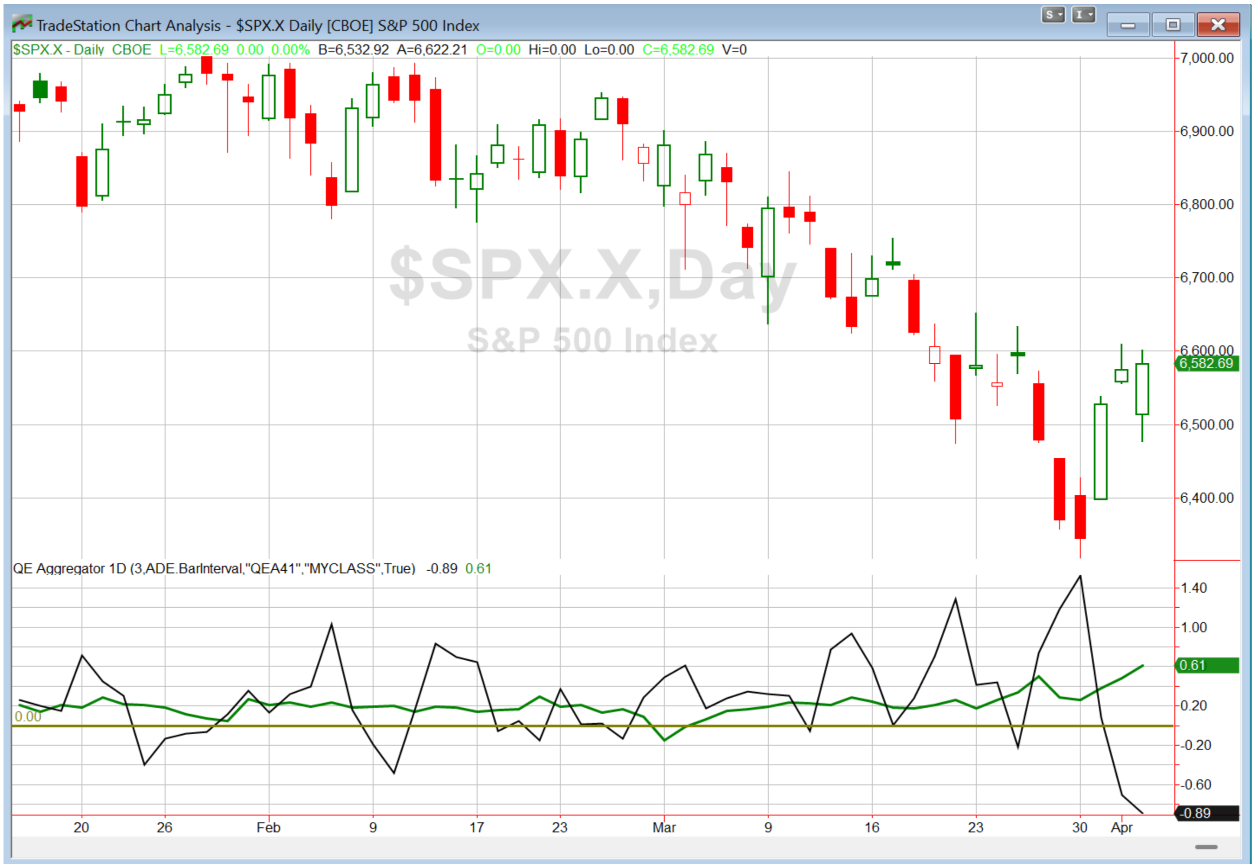
The April Seasonality Calendars were posted. Below is a look at the SPX Calendar for April.

Quantifiable Edges Seasonality Calendar $SPX S&P 500 Index			
Date	**Win%**	**Profit Factor**	**Avg % Chg**
4/1/2026	60.77	1.391	0.116
4/2/2026	59.36	1.404	0.105
4/6/2026	56.18	1.722	0.249
4/7/2026	51.78	1.464	0.162
4/8/2026	56.11	1.699	0.238
4/9/2026	51.11	1.249	0.051
4/10/2026	56.06	1.695	0.253
4/13/2026	51.16	0.899	-0.091
4/14/2026	50.59	1.411	0.174
4/15/2026	48.29	1.030	0.034
4/16/2026	47.95	0.920	-0.048
4/17/2026	49.62	1.058	0.049
4/20/2026	57.41	1.020	-0.046
4/21/2026	54.99	1.558	0.229
4/22/2026	52.37	1.324	0.142
4/23/2026	54.81	1.201	0.047
4/24/2026	58.05	1.226	0.110
4/27/2026	54.37	1.017	-0.058
4/28/2026	53.64	1.373	0.166
4/29/2026	60.23	1.883	0.323
4/30/2026	53.27	1.063	-0.004
Baseline	***54.56***	***1.155***	***0.052***

Numbers for this upcoming week look strong. But the following week we do not see favorable seasonality.

No new studies are being added to the short-term active list tonight.

I have updated the Aggregator chart below.



Without any new short-term studies being added this weekend, 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 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 strong bearish evidence emerges. Meanwhile, the Differential Pivot will be *slightly inverted at* 6589.53. That is 0.1% *above* Thursday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX is going to need to close up about 0.1% on Monday in order to remain overbought. Anything less than that and it will flip to "oversold" versus recent expectations as of Monday's close.

So the Aggregator is again neutral. We could easily see a long signal emerge on Monday if SPX fails to rally. But I see no reason to jump the gun and start looking for a long index trade before all the evidence is in and we know the situation. I'll wait until a compelling reward/risk opportunity actually emerges before looking to take my next index position.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/6 – ***neutral***

Combo #1	Combo #2	Combo #3	Combo #4
Long $NDX	Long $NDX	Long $NDX	Long $NDX

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 changed to Long $NDX this week.*

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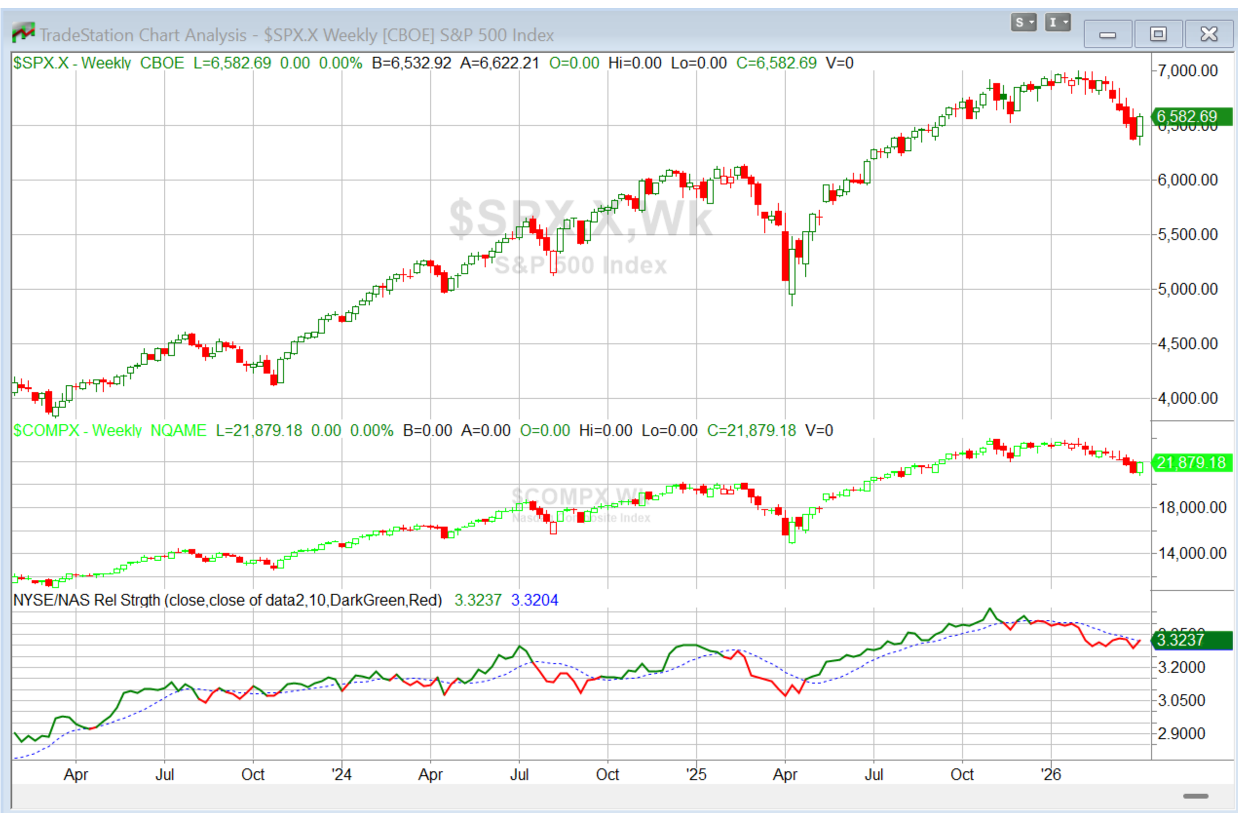
Despite it only being 4 days, the major stock indices had their first strong week in a while. The SPX closed up 3.4%, the NASDAQ rallied 4.4%, and the Russell 2000 rose 3.3%. Bonds also did well. The US Aggregate Bond ETF (AGG) closed up 1.0%. TLT, the 20-year Treasury Bond ETF, jumped 1.75%. Despite the bounce the last few days, the long-term trend remains down based on most indicators (except for the Golden Cross / Death Cross which often lags).

One notable indicator that changed position is our NASDSAQ/SPX Relative Leadership indicator. After lagging the SPX since mid-December as the market has struggled, the NASDAQ has moved back into a leading position. This can be seen in the chart below.



The movement of the red line (which is about to turn green) above the blue dotted line is our indication that the NASDAQ is in a leading position. Since 12/31/1971, the market has performed substantially better when the NASDAQ has been leading. This can be seen in the table below.

Historical Compound Returns of $100,000 Starting Portfolio Using the NASDAQ/SPX Relative Leadership Indicator as a Filter. 12/31/71 - 4/3/26.

	Compound Annual Growth Rate	Max Drawdown	End Value of $100,000
S&P 500 Index	7.98%	-56.78%	$6,447,928.46
SPX when NASDAQ lags	-0.08%	-67.21%	$95,726.95
SPX when NASDAQ leads	8.06%	-33.92%	$6,735,749.61
NASDAQ Composite	10.16%	-77.93%	$19,172,081.51
NASDAQ when lagging	-1.52%	-85.53%	$43,634.36
NASDAQ when leading	11.86%	-40.62%	$43,938,038.65
NASDAQ when leading (with interest when in cash)*	14.35%	-37.64%	$145,261,364.10
*interest on cash calculated at historical 30-day Fed Funds rate			

Much more on this indicator can be found in the Market Dynamics Course. (Free for all annual subscribers. If you are an annual subscriber and have any trouble accessing it, please let me know.)

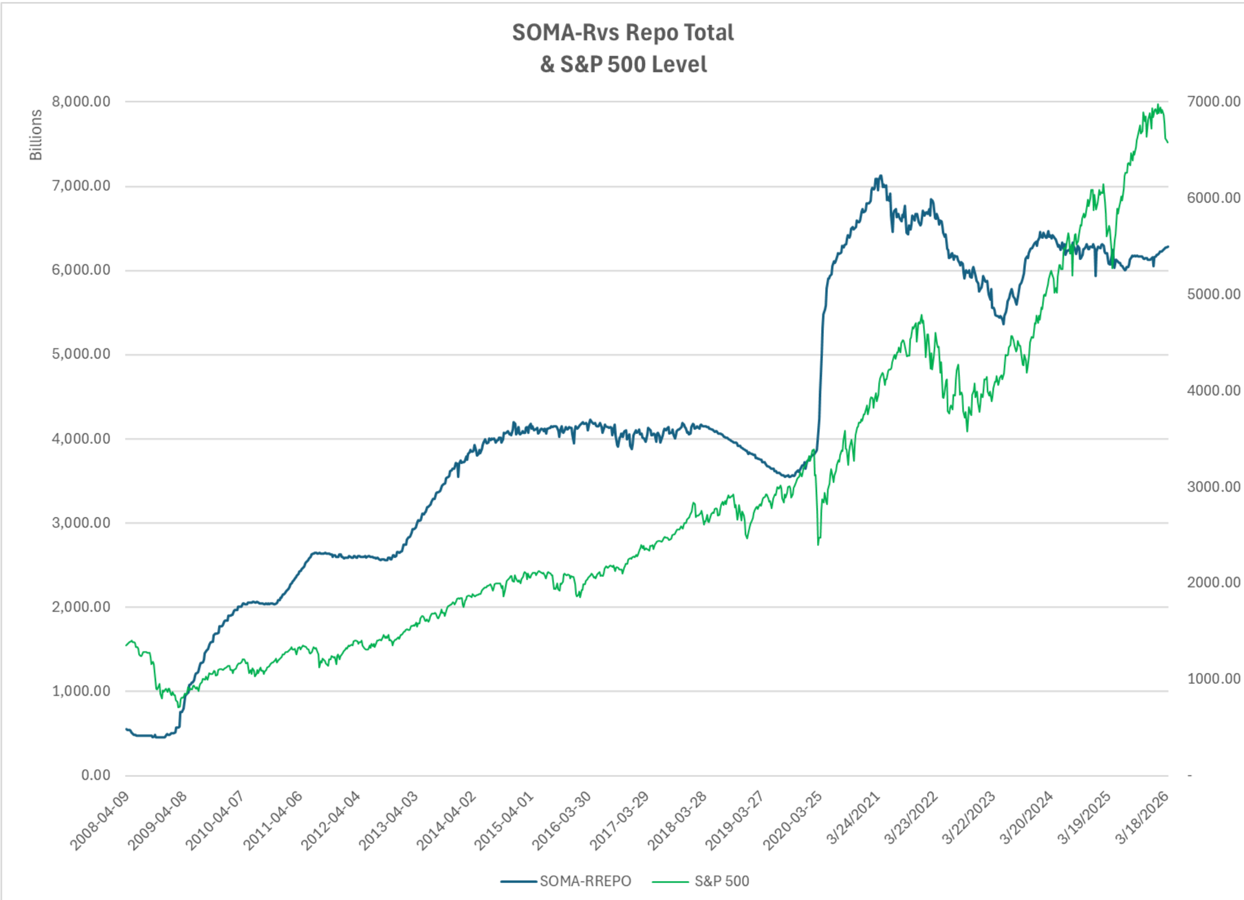
The Fed posted the latest update to the SOMA holdings on Thursday. It can be found below.

Domestic Security Holdings as of April 01, 2026

SECURITY TYPE	TOTAL ($Thousands)
US Treasury Bills	396,426,926.7
US Treasury Notes and Bonds	3,583,733,004.3
US Treasury FRNs	16,412,388.3
US Treasury TIPS*	290,669,115.8
Federal Agency Securities**	2,347,000.0
Agency MBS***	1,989,008,552.4
Agency CMBS***	7,671,726.2
Total SOMA Holdings	**6,286,268,713.8**
Change From Prior Week	**+14,797,000.0**

* Includes inflation compensation of $102,962,868.8 thousand
** Includes direct obligations of US government agencies
*** Includes Federal Agency and GSE mortgage-backed securities

The SOMA rose nearly $15 billion this week, adding some liquidity to the system. Meanwhile, reverse repos rose by $1.3 billion for the week ending 4/1/26. 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 $13.5 billion (through Wednesday the 1st). Below is an updated SOMA-Reverse Repo and SPX chart looking back to 2008.



Reverse repos are still 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 unsure of what or when the next rate move will be.

With regards to rates, there was not a big change this past week. The chance of rates being higher in April is now about 0.5%. Meanwhile, the June meeting shows an 0.5% chance of an increase from current levels and a 3% chance of a decrease. 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

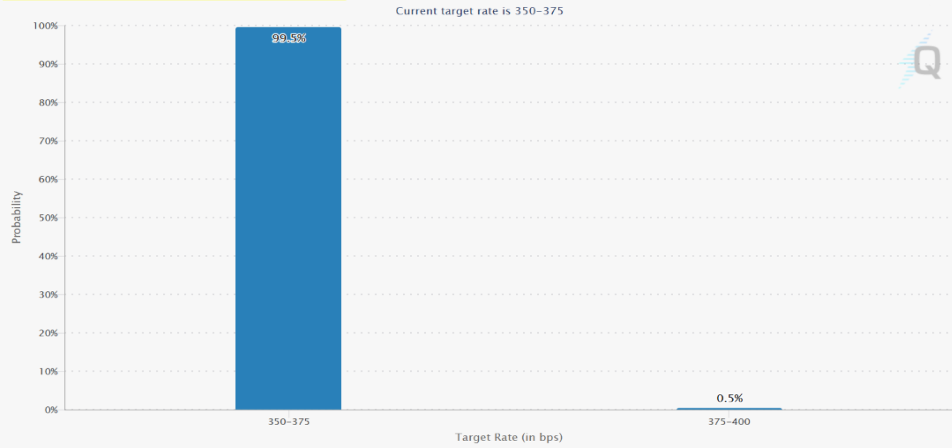
Dot Plot
- Chart
- Table

Tools
- CVOL
- SOFR Watch
- ESTR Watch

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

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
29 Apr 2026	ZQJ6	30 Apr 2026	96.3588	23,469	439,019	0.0 %	99.5 %	0.5 %

Target Rate Probabilities for 29 Apr 2026 Fed Meeting



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 2 APR 2026	1 WEEK 27 MAR 2026	1 MONTH 4 MAR 2026
300-325	0.0%	0.0%	0.0%	0.2%
325-350	0.0%	0.0%	0.0%	11.7%
350-375 (Current)	99.5%	100.0%	95.9%	88.2%
375-400	0.5%	0.0%	4.1%	0.0%

* Data as of 4 Apr 2026 01:49:13 CT

1/1/2028 and forward are projected meeting dates

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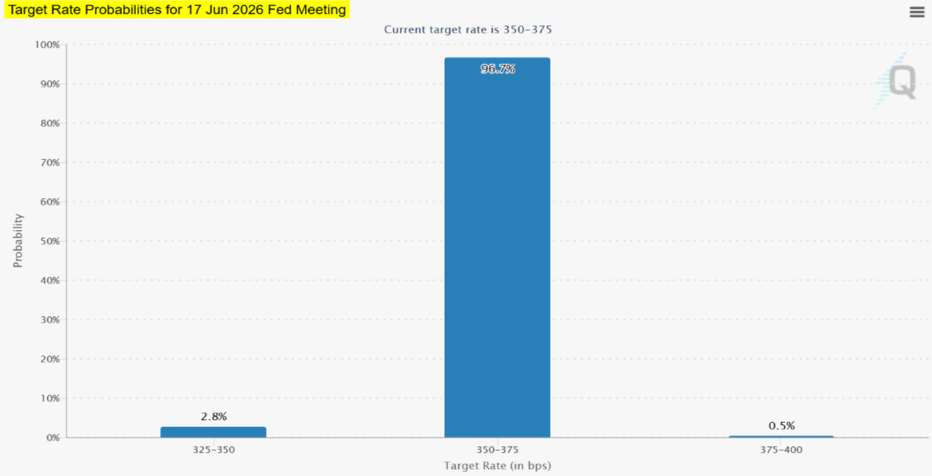
29 Apr26 | 17 Jun26 | 29 Jul26 | 16 Sep26 | 28 Oct26 | 9 Dec26 | 27 Jan27 | 17 Mar27 | 28 Apr27 | 9 Jun27 | 28 Jul27 | 15 Sep27 | 27 Oct27 | 8 Dec27

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
17 Jun 2026	ZQM6	30 Jun 2026	96.3625	15,337	192,497	2.8 %	96.7 %	0.5 %

Target Rate Probabilities for 17 Jun 2026 Fed Meeting



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 2 APR 2026	1 WEEK 27 MAR 2026	1 MONTH 4 MAR 2026
300-325	0.0%	0.0%	0.0%	3.0%
325-350	2.8%	5.7%	0.0%	30.2%
350-375 (Current)	96.7%	94.3%	92.2%	66.8%
375-400	0.5%	0.0%	7.7%	0.0%
400-425	0.0%	0.0%	0.2%	0.0%

* Data as of 4 Apr 2026 01:49:13 CT

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.

Evidence remains mixed. The NASDAQ's emerging leadership is a potential early sign that risk-on is returning and the market could rally over the intermediate-term. Additionally, 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 long-term trend remains down based on many indicators. Risks are elevated in a news-driven environment. My intermediate-term outlook is neutral. 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

None

***Broad Market Large Cap CBI* – 0**

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

None