

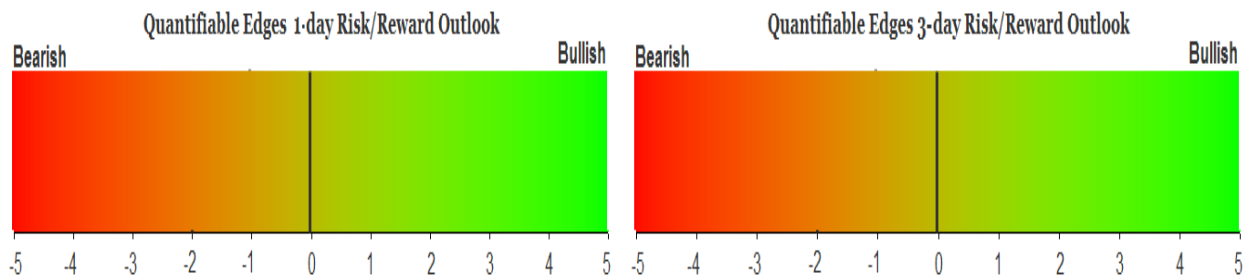
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 13, 2026

Volume 20 Issue 68

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	1

Tonight's Research Points

- The run-up prior to Friday's dip was persistent enough that we are likely to see more upside.
- April opex week has often seen the market rally Mon-Tues.
- Strong price momentum over the last week caused several intermediate-term studies to trigger suggesting a further rally is likely.
- Breadth has not confirmed.
- The Fed continues to provide liquidity.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I don't see a compelling index setup right now.

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 13, 2026	April opex week seasonality	1-2 days	Bullish			
April 13, 2026	SPX 5+ up. No 50-high. 1 down > 200	1-5 days	Bullish	1.78%	-0.87%	-1.84%
April 7, 2026	SPX up VIX up on Monday. SPX < 200ma	1-5 days	Bearish	-3.60%	2.00%	3.70%
Active - Long Term						
April 10, 2026	SPX up 7 in a row	1-20 days	Bullish	3.00%	-2.10%	-4.30%
April 9, 2026	RSI(2) > 99	1-15 days	Bullish	2.20%	-1.60%	-3.00%
April 7, 2026	SPY up 3+ with vol lower 3. Close < 200ma	1-20 days	Bearish	-7.20%	2.70%	4.60%
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			

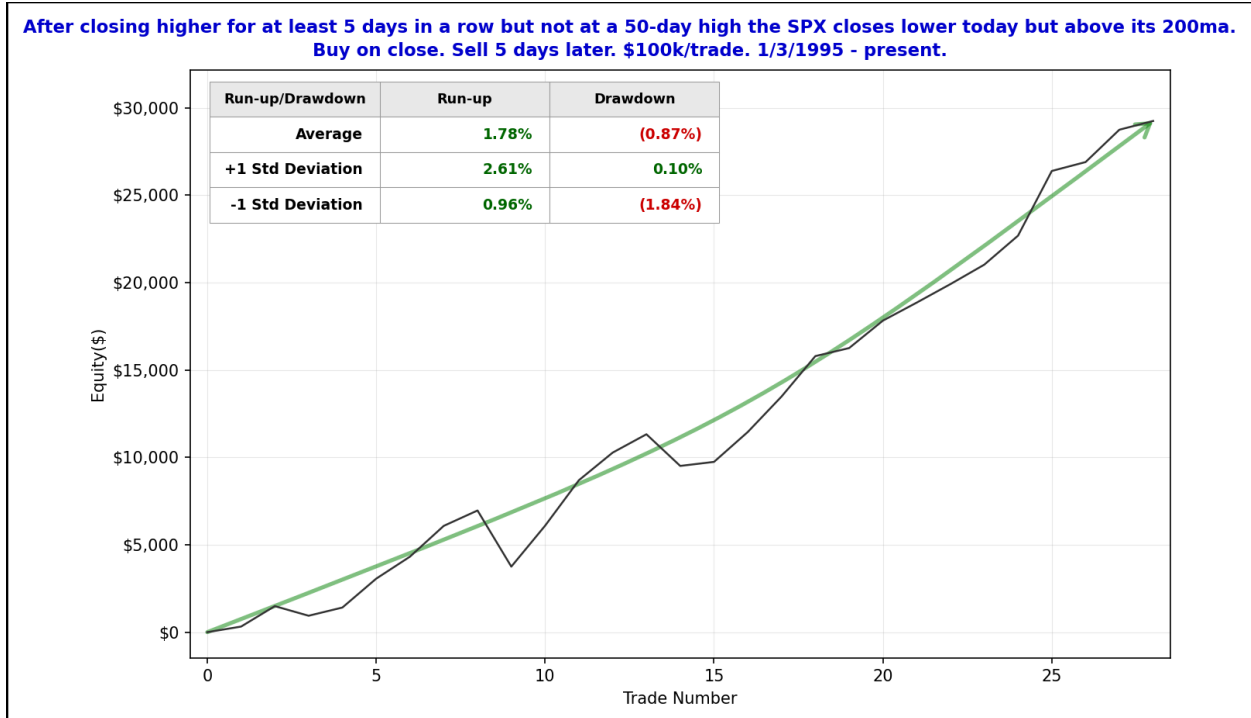
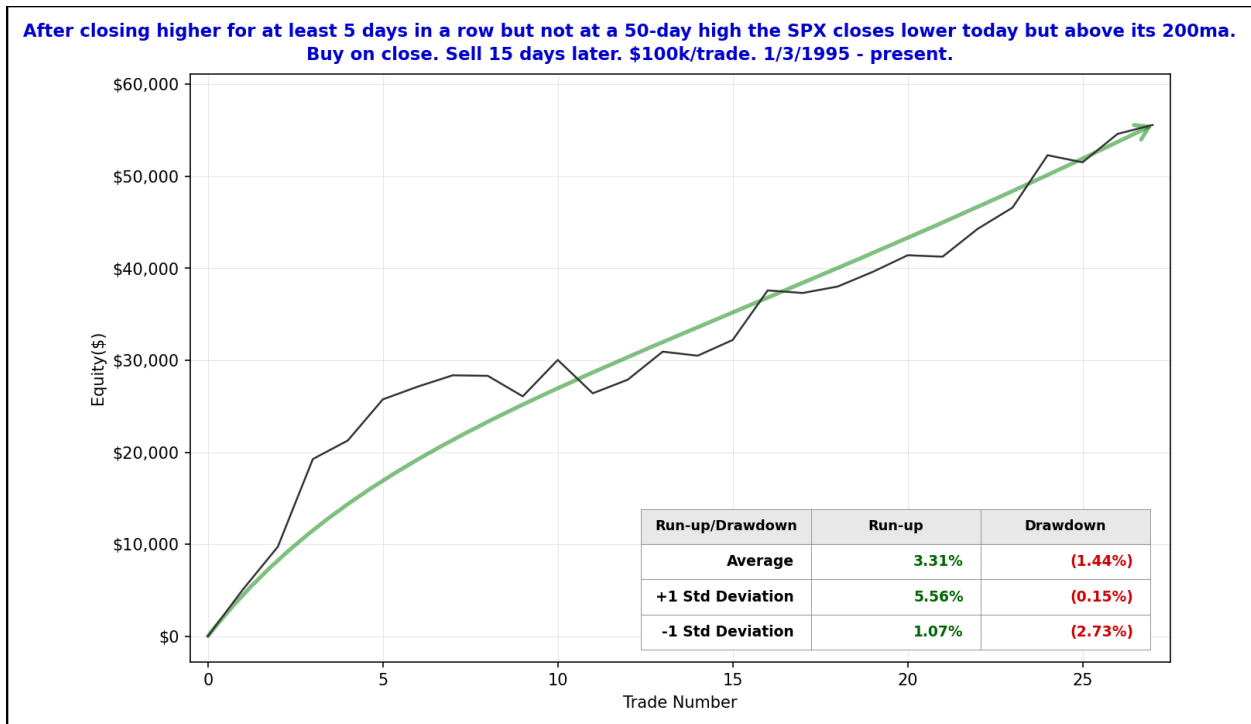
The Evidence

Stocks did not do much on Friday. SPX finished down 0.1%, the NASDAQ gained 0.35%, and the Russell 2000 lost 0.3%. Breadth was solid as the NYSE Up Issues % closed at 64% and the NYSE Up Volume % posted a 54% reading. NYSE total volume declined some from Wednesday's level.

Over the last few days we have seen some studies suggesting persistent streaks of up days like the one we have recently seen tend to lead to higher prices. The study below looks at what happens when a down day follows a 5+ day streak higher for the SPX with market position similar to now. It was last seen in the 12/2/25 Subscriber Letter. I have updated the results.

After closing higher for at least 5 days in a row but not at a 50-day high the SPX closes lower today but above its 200ma. Buy 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
15	28	20	7	71.43%	9.53%	-3.63%	3.16%	1.08%	2.92	8.35	1.985%
14	28	22	5	78.57%	9.79%	-3.84%	2.75%	1.64%	1.68	7.38	1.869%
13	29	23	5	79.31%	9.78%	-3.99%	2.57%	2.09%	1.23	5.67	1.682%
12	29	21	7	72.41%	7.86%	-3.37%	2.66%	1.40%	1.91	5.73	1.592%
11	29	23	5	79.31%	7.37%	-3.96%	2.31%	1.34%	1.72	7.90	1.597%
10	29	23	5	79.31%	4.88%	-2.98%	2.02%	1.34%	1.50	6.91	1.370%
9	29	23	5	79.31%	5.26%	-3.27%	1.97%	1.48%	1.33	6.10	1.306%
8	29	24	4	82.76%	4.83%	-4.06%	1.96%	1.69%	1.16	6.95	1.387%
7	29	24	4	82.76%	4.60%	-4.00%	1.62%	1.92%	0.84	5.05	1.073%
6	29	23	5	79.31%	3.83%	-3.41%	1.63%	1.48%	1.10	5.06	1.037%
5	29	25	3	86.21%	3.70%	-3.21%	1.39%	1.86%	0.75	6.25	1.008%
4	29	24	4	82.76%	3.58%	-2.51%	1.25%	1.07%	1.17	7.01	0.885%
3	29	22	6	75.86%	3.41%	-2.87%	1.16%	1.12%	1.04	3.81	0.651%
2	29	18	10	62.07%	2.49%	-2.47%	0.80%	0.97%	0.83	1.49	0.164%
1	29	19	9	65.52%	1.70%	-2.56%	0.52%	0.73%	0.71	1.51	0.116%

The stats here are impressive. There has been a strong tendency to bounce over the next week (and longer). I generated profit curves for the 15 and the 5-day holding periods.



Those are strong, persistent moves from lower left to upper right. This serves as some nice confirmation of the upside edge suggested by the numbers. I have added this study to the short-

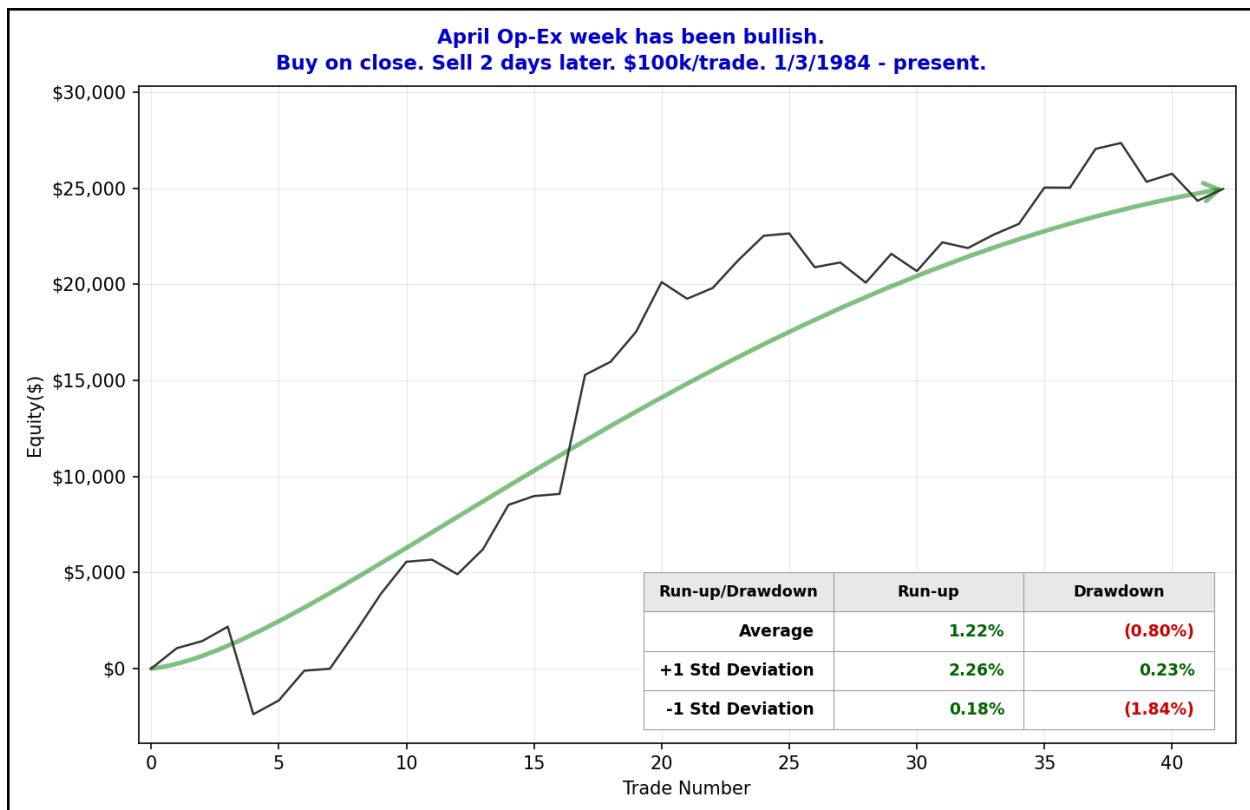
term Active List tonight. I did not add it to the intermediate-term list, because it is a bit duplicative of the 7-days up study from a couple of days ago.

It is also notable that April expirations week is here. Historically it been quite bullish. That bullishness has faded in recent year, but the Mon-Tues returns have remained strong. The study below, from the 4/14/25 letter shows this. Results are updated.

April Op-Ex week has been bullish.
Buy on close. Sell X days later. 1/3/1984 - 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	43	25	17	58.14%	5.33%	-3.83%	2.05%	1.65%	1.24	1.83	0.541%
4	43	26	16	60.47%	5.93%	-3.59%	1.87%	1.44%	1.30	2.11	0.596%
3	43	26	16	60.47%	5.16%	-2.75%	1.77%	1.06%	1.68	2.73	0.679%
2	43	32	10	74.42%	6.20%	-4.56%	1.21%	1.36%	0.88	2.83	0.580%
1	43	25	17	58.14%	3.24%	-2.35%	0.72%	0.71%	1.01	1.49	0.137%

The consistency has been very impressive. Below is a profit curve that assumes a 2-day holding period.



The strong upslope is encouraging, and serves as some confirmation of the upside edge.

Next is a look at the QE Seasonality Calendar:

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

This upcoming week does NOT look favorable based on the Calendar algorithms over the last 10 years or so. Notably, Tuesday is still strong. But it certainly appears that seasonality may be against the bulls later in the week.

I have updated the Aggregator chart below.



With tonight's evidence considered, the green Aggregator Line moved 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 turned flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Monday. This could change if compelling bearish evidence emerges. Meanwhile, the Differential Pivot will be 6771.77. That is 0.7% below Friday's close. Therefore, SPX will need to close down at least 0.7% on Monday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. Some bullish evidence has emerged but SPX is still quite overbought. This is not a greatly favorable reward/risk setup. I'll continue to remain patient and alert, waiting for the next compelling index trading opportunity.

Intermediate-term Outlook (2 weeks – 2 months) – updated 4/13 – neutral to slightly bullish

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

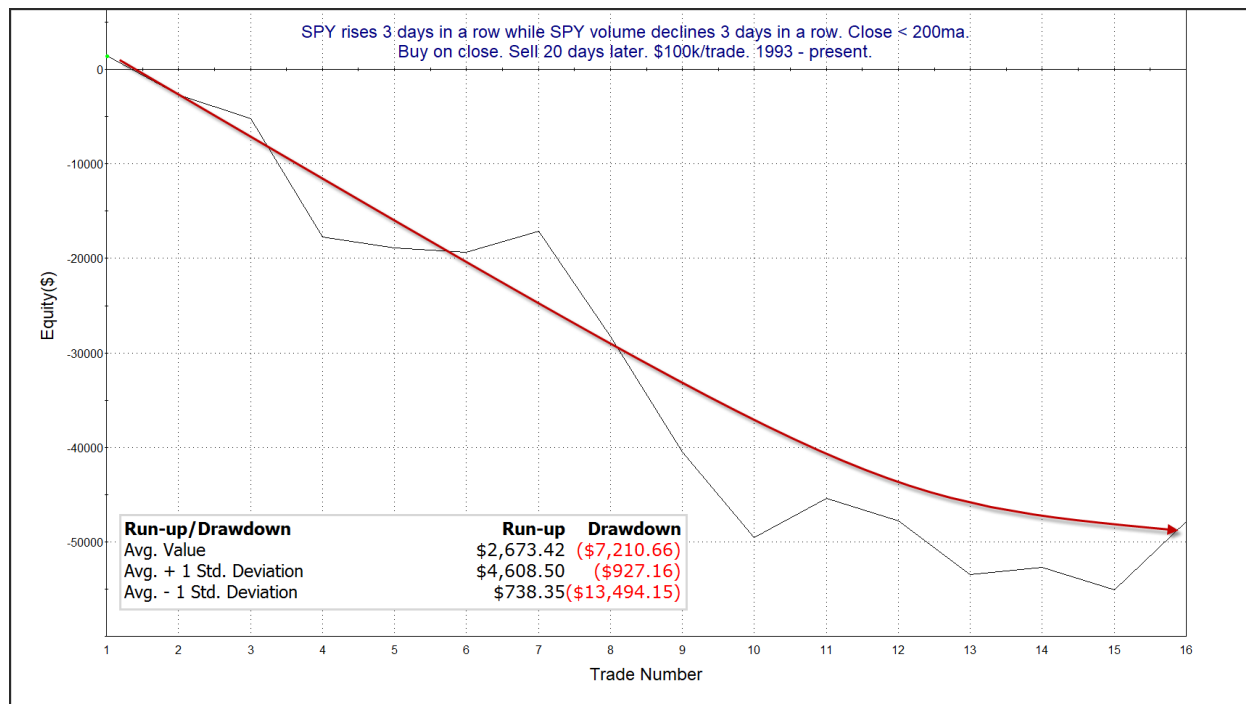
Above is the status of the different Combination Signals from the Quantifiable Edges Market Dynamics Course. Signals are long-term in nature. All 4 can be either flat or long. None of them look to short. More information on these signals can be found in the Quantifiable Edges Market Dynamics Course, which is included with all annual subscriptions. *All 4 Combo models remained Long \$NDX this week.*

This past week was a strong one for stocks. The SPX closed up 3.6%, the NASDAQ rallied 4.7%, and the Russell 2000 rose 4.0%. Bonds were mixed. The US Aggregate Bond ETF (AGG) closed up 0.1%. TLT, the 20-year Treasury Bond ETF, lost 0.35%. With the SPX now above both its 50 and 200ma, but still a good distance from its January highs, the intermediate-term trend is now uncertain. There were several studies that emerged in the last few days with intermediate-term implications. The 1st one below was from Monday night’s letter:

There were several studies that triggered in the Quantifinder. I will cover some of the most relevant and compelling ones. A few studies noted SPY volume. The one below I found to be especially appealing, and worth showing again because it seems to suggest not just a short-term edge, but perhaps an intermediate-term one as well. It is updated from the 4/29/25 letter.

SPY rises 3 days in a row while SPY volume declines 3 days in a row. Close < 200ma. Buy on close. Sell X days later. \$100k/trade. 1993 - 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
20	-47,824.26	16	5	11	31.25	7,294.30	-12,586.76	3,192.11	-5,798.62	0.55	0.25	-2,989.02
19	-44,474.79	16	6	10	37.50	5,115.06	-15,435.00	2,387.64	-5,880.06	0.41	0.24	-2,779.67
18	-35,942.76	18	8	10	44.44	5,855.31	-11,688.04	2,621.07	-5,691.14	0.46	0.37	-1,996.82
17	-31,628.48	18	6	12	33.33	5,793.81	-8,411.13	2,954.91	-4,113.16	0.72	0.36	-1,757.14
16	-23,877.51	18	6	12	33.33	7,602.00	-11,782.05	4,011.68	-3,995.63	1.00	0.50	-1,326.53
15	-30,944.13	18	6	12	33.33	7,964.00	-12,430.32	3,756.37	-4,456.86	0.84	0.42	-1,719.12
14	-39,085.30	18	6	12	33.33	7,846.35	-18,100.11	3,568.74	-5,041.48	0.71	0.35	-2,171.41
13	-33,888.85	18	8	10	44.44	7,169.41	-22,288.14	2,175.89	-5,129.59	0.42	0.34	-1,882.71
12	-18,187.67	18	10	8	55.56	6,649.94	-16,062.69	2,169.16	-4,984.91	0.44	0.54	-1,010.43
11	-10,139.20	18	10	8	55.56	6,514.19	-10,320.87	2,271.04	-4,106.20	0.55	0.69	-563.29
10	-13,088.63	18	9	9	50.00	5,817.34	-11,977.56	2,565.80	-4,020.10	0.64	0.64	-727.15
9	-18,040.58	18	9	9	50.00	4,481.28	-10,794.21	2,124.37	-4,128.88	0.51	0.51	-1,002.25
8	-21,328.83	18	7	11	38.89	6,231.78	-11,701.12	2,824.20	-3,736.20	0.76	0.48	-1,184.94
7	-22,951.39	18	9	9	50.00	2,649.09	-11,617.41	1,384.29	-3,934.44	0.35	0.35	-1,275.08
6	-21,396.29	18	7	11	38.89	1,720.62	-7,552.86	1,440.75	-2,861.96	0.50	0.32	-1,188.68
5	-21,215.14	18	7	10	38.89	2,551.35	-6,540.81	1,451.20	-3,137.35	0.46	0.32	-1,178.62
4	-23,251.20	18	5	13	27.78	2,879.71	-6,615.42	1,622.76	-2,412.69	0.67	0.26	-1,291.73
3	-27,347.28	18	6	12	33.33	1,564.94	-6,431.25	927.30	-2,742.59	0.34	0.17	-1,519.29
2	-11,332.42	19	7	12	36.84	5,169.81	-5,350.20	1,342.43	-1,727.45	0.78	0.45	-596.44
1	2,939.54	22	12	10	54.55	3,862.77	-8,857.80	1,439.52	-1,433.47	1.00	1.21	133.62

Here we see what appears to be a strong downside inclination... I also ran the 20-day curve.



Despite the failure on the last instance, that is an impressive move from upper left to lower right. And the run-up/drawdown stats are heavily skewed to the downside. I have included this study on the short and intermediate-term Active Lists tonight.

After Monday, we started seeing some bullish intermediate-term evidence. This is from Tuesday night's letter:

Tuesday marked the 5th higher close in a row for SPX. In the 7/13/10 Subscriber Letter I showed that this kind of persistence coming off a low has almost always led to further upside over the intermediate-term. I've updated that study below.

After closing at 50-day low, SPX then makes 5 consecutive higher closes. Close < 200ma.
(No repeat instances in last 20 days.) Forward SPX results shown. 1957 - present.

Ticker	Date/Time	Next Day %Chg	2-Day %Chg	3-Day %Chg	4-Day %Chg	5-Day %Chg	10-Day %Chg	15-Day %Chg	20-Day %Chg	23-Day %Chg	24-Day %Chg	25-Day %Chg
\$SPX	7/3/1962	0.57	-0.57	0.11	1.26	2.2	-0.51	-0.05	2.23	2.23	1.54	1.81
\$SPX	3/22/1966	-0.37	-0.19	0.09	0.18	-0.21	2.07	2.33	2.93	2.93	2.83	2.57
\$SPX	12/1/1971	0.42	1.7	1.12	1.5	1.55	3.25	6.01	6.64	6.97	7.98	8.46
\$SPX	9/20/1974	-1.03	-3.02	-3.66	-5.25	-7.41	-11.12	1.43	3.05	1.27	0.11	-0.03
\$SPX	4/14/1977	0.04	-0.46	-0.92	-0.59	-1.24	-2.77	-0.88	-2.25	-1.22	-0.69	-1.11
\$SPX	11/9/1977	1.86	3.23	2.52	3.17	2.66	3.77	1.84	-0.02	0.62	1.13	0.61
\$SPX	3/13/1978	0.45	0.19	0.63	1.41	2.1	0.62	-0.1	1.46	4.46	6.18	5.04
\$SPX	7/13/1981	0.01	0.46	0.54	0.86	-0.71	0.2	0.65	2.24	2.99	2.2	1.22
\$SPX	10/2/1981	0.13	0.03	1.63	2.47	1.75	-0.14	-0.64	2.12	4.51	3.5	2.77
\$SPX	10/16/1992	0.79	0.91	0.96	0.77	0.58	1.69	1.42	2.6	2.7	2.89	3.62
\$SPX	12/15/1994	0.76	0.56	0.39	0.94	0.95	0.86	1.21	3.08	2.55	2.07	2.3
\$SPX	12/28/2000	-1.04	-3.82	1	-0.07	-2.69	-1.17	0.65	2.24	2.94	1.14	1.51
\$SPX	3/18/2003	0.87	1.08	3.39	-0.26	0.96	-0.92	1.37	2.81	2.95	5.18	6.07
\$SPX	8/2/2004	-0.63	-0.72	-2.34	-3.85	-3.74	-2.47	-0.99	-0.68	1.06	0.63	1.33
\$SPX	11/28/2008	-8.93	-5.29	-2.85	-5.69	-2.25	-1.84	-0.93	-2.99	3.97	3.48	4.29
\$SPX	7/12/2010	1.54	1.52	1.64	-1.29	-0.7	3.36	4.37	4.55	0.45	0.05	0.06
	Win %	68.75%	56.25%	75.00%	56.25%	50.00%	50.00%	62.50%	75.00%	93.75%	93.75%	87.50%
	Avg Trade	-0.29	-0.27	0.27	-0.28	-0.39	-0.32	1.11	1.88	2.59	2.51	2.53

Short-term results were very choppy. But you can see that once you get out a month or so the results strongly favor the bulls. I've added this to the intermediate-term list.

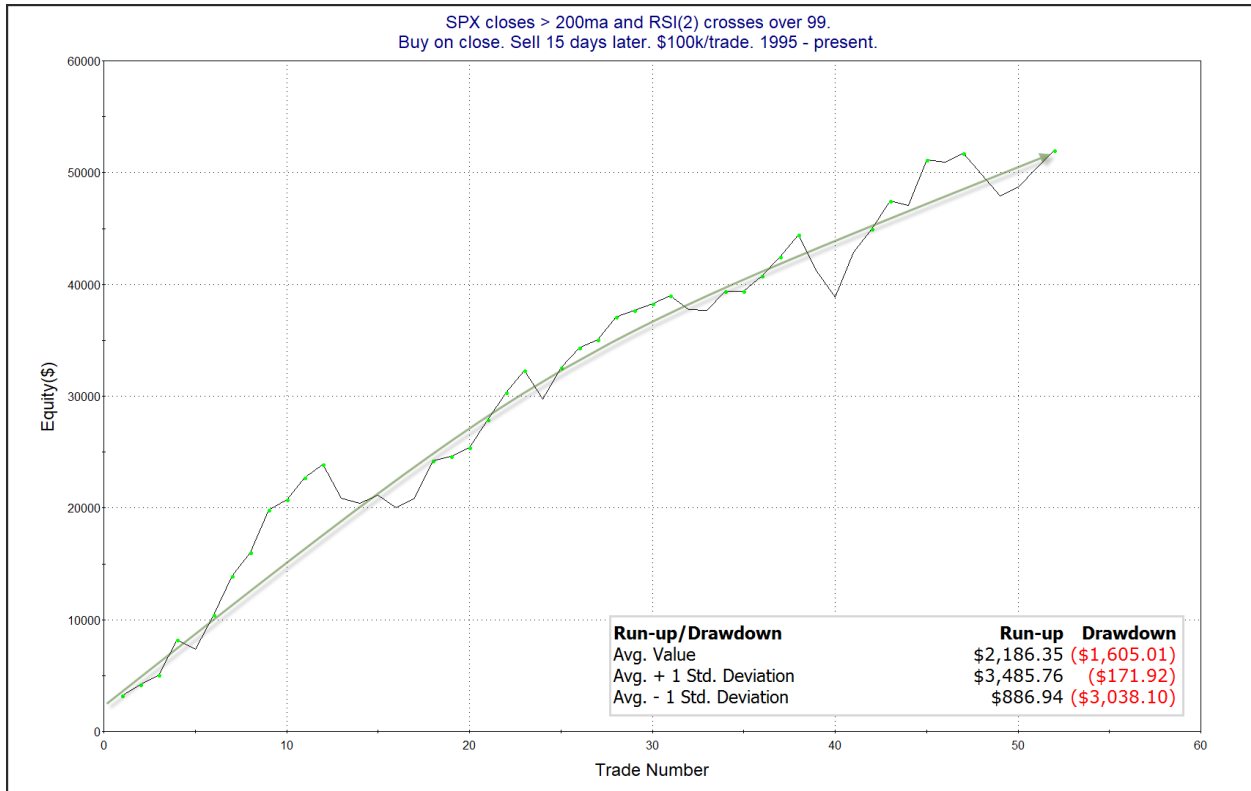
Then Wednesday night another bullish study...

The recent rally has left the market short-term overbought by most measures. Short-term overbought often triggers some studies that suggest a downside edge, but when the overbought condition gets very strongly overbought, then those downside edges often disappear. And at some point, rather than strength leading to weakness the strength will beget more strength. The strong move higher over the last several days has turned the market so overbought that we are now starting to see this scenario unfold. It is exemplified in the study below from the 7/1/25 Letter, which uses RSI(2).

SPX closes > 200ma and RSI(2) crosses over 99.
Buy on close. Sell X days later. \$100k/trade. 1995 - 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
15	51,975.38	52	39	13	75.00	4,070.44	-3,265.02	1,826.53	-1,481.47	1.23	3.70	999.53
14	44,485.27	52	39	13	75.00	4,461.36	-4,024.68	1,704.66	-1,692.04	1.01	3.02	855.49
13	42,655.19	54	39	15	72.22	3,989.82	-3,397.11	1,631.04	-1,397.03	1.17	3.04	789.91
12	40,355.96	55	41	14	74.55	4,058.61	-3,175.53	1,464.53	-1,406.41	1.04	3.05	733.74
11	38,213.93	56	40	16	71.43	4,106.40	-3,989.73	1,545.92	-1,476.42	1.05	2.62	682.39
10	31,213.35	57	40	17	70.18	3,824.48	-3,907.12	1,388.11	-1,430.05	0.97	2.28	547.60
9	30,871.25	57	40	17	70.18	3,453.27	-3,440.07	1,256.22	-1,139.85	1.10	2.59	541.60
8	26,974.45	58	37	21	63.79	3,621.20	-4,112.92	1,317.82	-1,037.38	1.27	2.24	465.08
7	17,453.76	59	36	23	61.02	3,564.39	-4,153.62	1,134.06	-1,016.20	1.12	1.75	295.83
6	8,864.14	59	35	24	59.32	2,760.12	-5,296.92	1,018.05	-1,115.32	0.91	1.33	150.24
5	11,292.61	59	38	21	64.41	2,859.08	-3,596.40	873.37	-1,042.63	0.84	1.52	191.40
4	11,028.09	59	40	19	67.80	2,697.92	-3,039.18	809.92	-1,124.67	0.72	1.52	186.92
3	3,323.58	61	36	25	59.02	3,504.64	-2,880.45	727.26	-914.31	0.80	1.15	54.48
2	5,163.69	61	36	25	59.02	2,273.92	-2,348.76	617.07	-682.03	0.90	1.30	84.65
1	105.00	61	30	31	49.18	2,096.10	-3,515.37	462.96	-444.64	1.04	1.01	1.72

The numbers here are basically neutral for the first few days. On a short-term basis there is no edge apparent. But once you get out 2-3 weeks, it appears the strength has re-asserted itself and the market is often higher. Below is a profit curve showing a 15-day holding period.



Gotta love the move from lower left to upper right. I have added this study to the intermediate-term list.

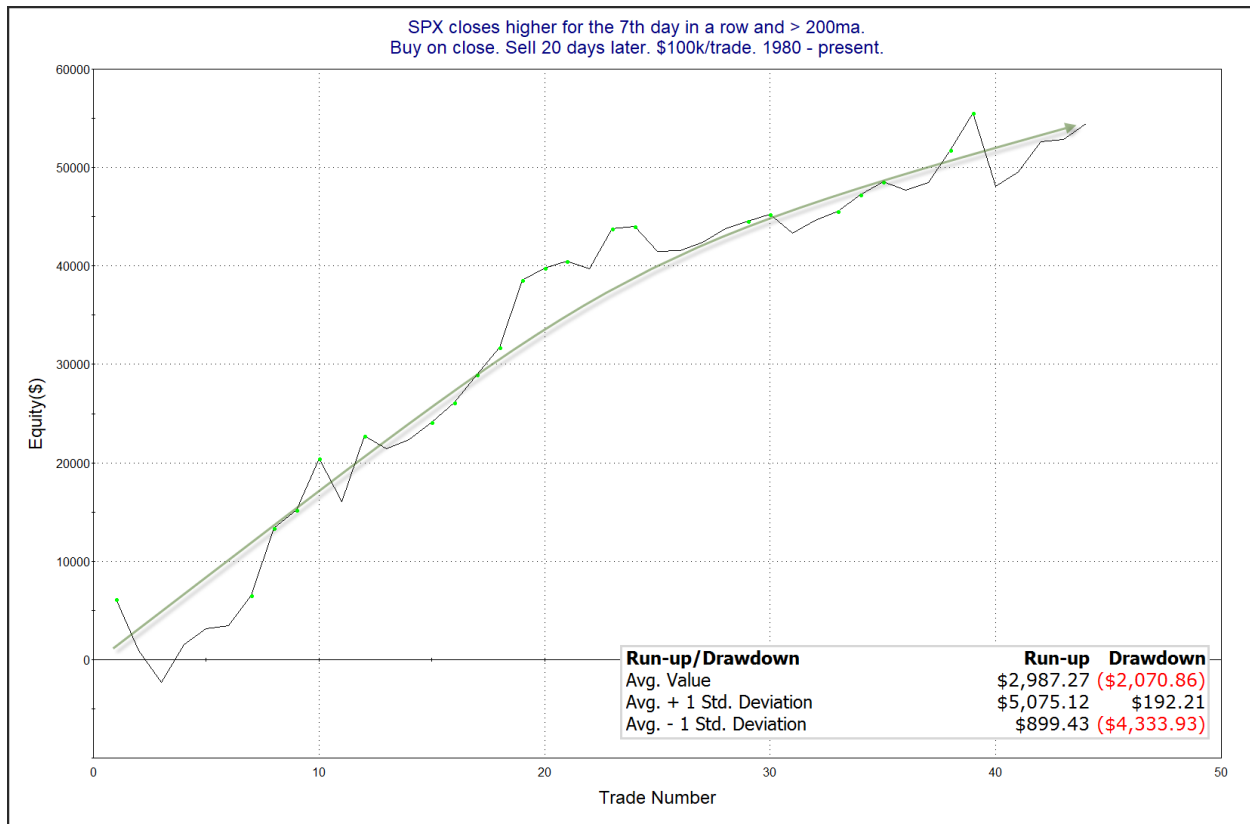
And the bullish intermediate-term evidence continued on Thursday night...

Thursday marked the 7th day in a row in which SPX closed higher. Looking back to 1980, there have been 47 previous streaks of 7-day rallies where SPX closed above the 200ma. The study below was last seen in the 10/7/25 letter. I have updated the stats table.

SPX closes higher for the 7th day in a row and > 200ma.
Buy on close. Sell X days later. \$100k/trade. 1980 - 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
20	54,436.52	44	35	9	79.55	6,854.40	-7,384.97	2,342.21	-3,060.11	0.77	2.98	1,237.19
19	56,084.00	44	34	10	77.27	7,580.16	-6,695.96	2,568.08	-3,123.06	0.82	2.80	1,274.64
18	49,158.18	44	31	13	70.45	8,006.40	-7,608.86	2,508.33	-2,200.01	1.14	2.72	1,117.23
17	49,290.32	45	32	13	71.11	7,422.72	-7,532.75	2,490.80	-2,339.64	1.06	2.62	1,095.34
16	42,773.05	45	29	16	64.44	6,021.12	-6,880.25	2,528.54	-1,909.67	1.32	2.40	950.51
15	41,150.01	45	31	14	68.89	6,197.76	-5,270.75	2,268.87	-2,084.63	1.09	2.41	914.44
14	30,781.43	46	35	11	76.09	5,439.96	-5,279.12	1,875.07	-3,167.82	0.59	1.88	669.16
13	31,477.67	46	30	16	65.22	5,349.12	-4,228.00	1,903.05	-1,600.87	1.19	2.23	684.30
12	34,352.42	46	31	15	67.39	5,794.56	-4,104.27	1,835.45	-1,503.10	1.22	2.52	746.79
11	29,773.66	47	28	19	59.57	5,750.00	-3,989.73	1,995.96	-1,374.38	1.45	2.14	633.48
10	25,412.37	47	29	18	61.70	5,076.56	-4,247.60	1,826.06	-1,530.19	1.19	1.92	540.69
9	28,553.81	47	33	14	70.21	4,669.08	-4,677.12	1,535.64	-1,580.15	0.97	2.29	607.53
8	21,255.52	47	31	16	65.96	5,222.40	-4,726.96	1,430.45	-1,443.02	0.99	1.92	452.25
7	18,239.84	47	34	13	72.34	3,635.40	-6,521.20	1,268.63	-1,914.89	0.66	1.73	388.08
6	15,580.02	47	31	16	65.96	3,501.08	-4,932.76	1,165.85	-1,285.08	0.91	1.76	331.49
5	22,213.96	47	35	12	74.47	3,582.84	-2,665.71	1,021.44	-1,128.02	0.91	2.64	472.64
4	12,357.26	47	32	15	68.09	3,720.08	-3,022.92	826.84	-940.12	0.88	1.88	262.92
3	15,911.79	47	30	17	63.83	2,917.08	-2,626.02	906.84	-664.32	1.37	2.41	338.55
2	4,985.34	47	25	22	53.19	1,998.39	-1,508.17	582.47	-435.29	1.34	1.52	106.07
1	-2,743.49	47	21	26	44.68	1,606.89	-840.84	363.91	-399.45	0.91	0.74	-58.37

No apparent edge over the 1st few days, but the market has typically pressed higher over the intermediate term. Momentum this strong often sees follow through. Below is a look at the 20-day profit curve.



More confirmation that suggests the strong momentum is a positive sign for the intermediate-term. This study has been added to the intermediate-term active list.

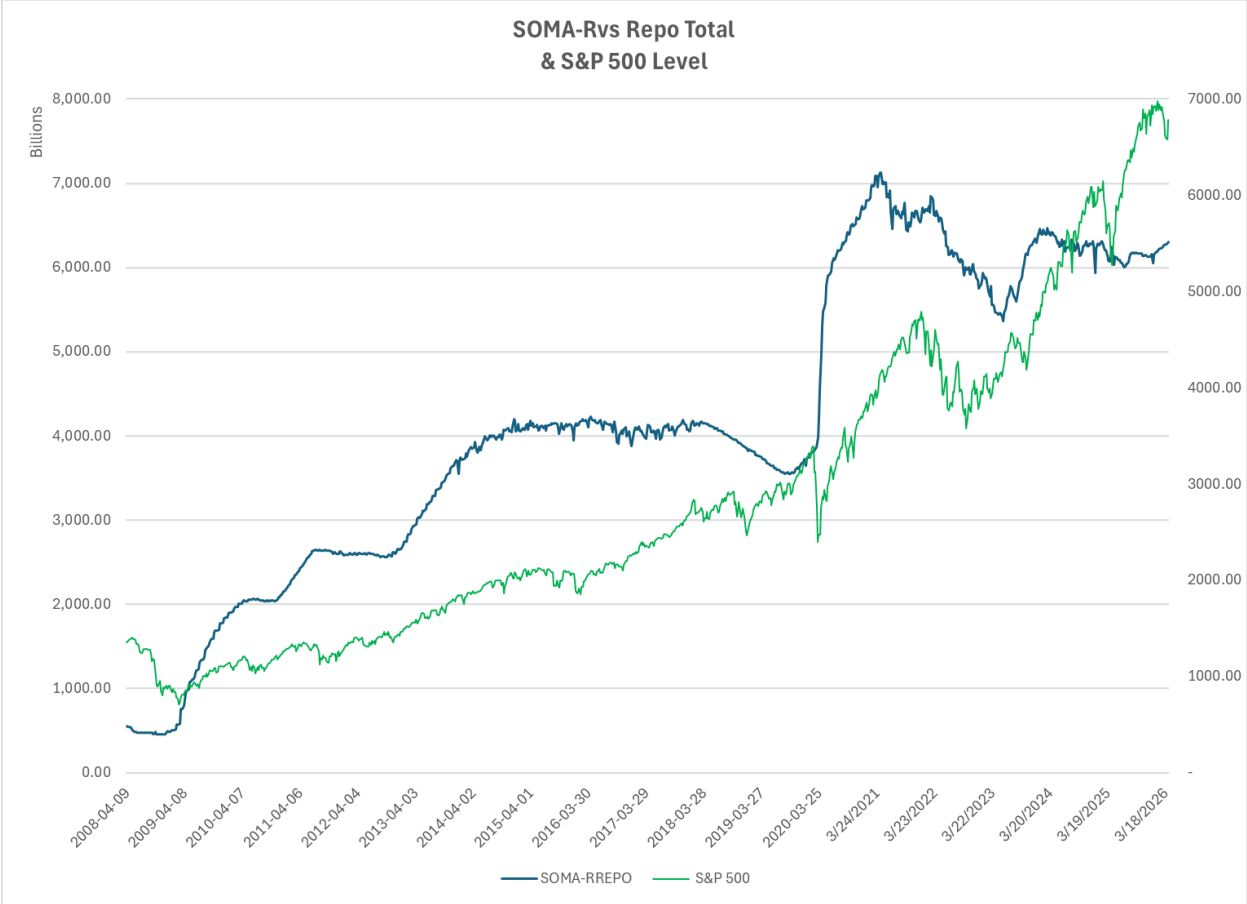
We also saw the “1st day down after 5+ up” study in the short-term section above. Bottom line seems to be that the strong price momentum we have seen recently is something that often leads to higher prices over the intermediate-term.

So price momentum has been great. Breadth has not confirmed though. We have not seen any of the breadth-thrust type signals that I look for when a new rally is emerging. These include studies like the Zweig Breadth Thrust as well as Deemer, Whaley, and DeGraff thrusts, or the Quantifiable Edges Triple 70 or Double 86 thrusts. Breadth so far is lagging, so that is a bit disappointing. Of course a breadth positive that I have been noting is that we did not see an extended divergence prior to the late January SPX top. In almost all cases of major (20%-plus) market declines over the last 60 years or so, there has been a breadth divergence at the top. So perhaps we will get back to a new high (and maybe get a breadth divergence then) before we see SPX drop below the March lows.

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

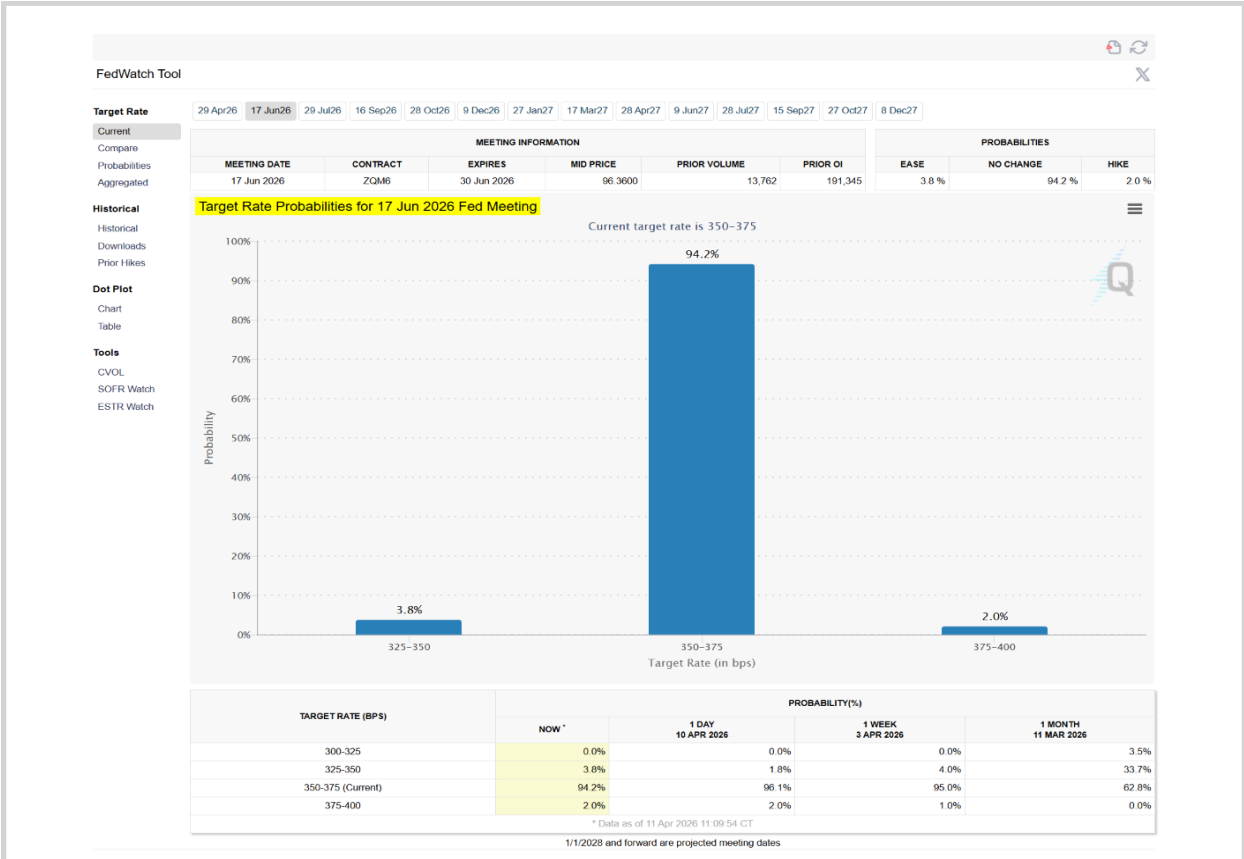
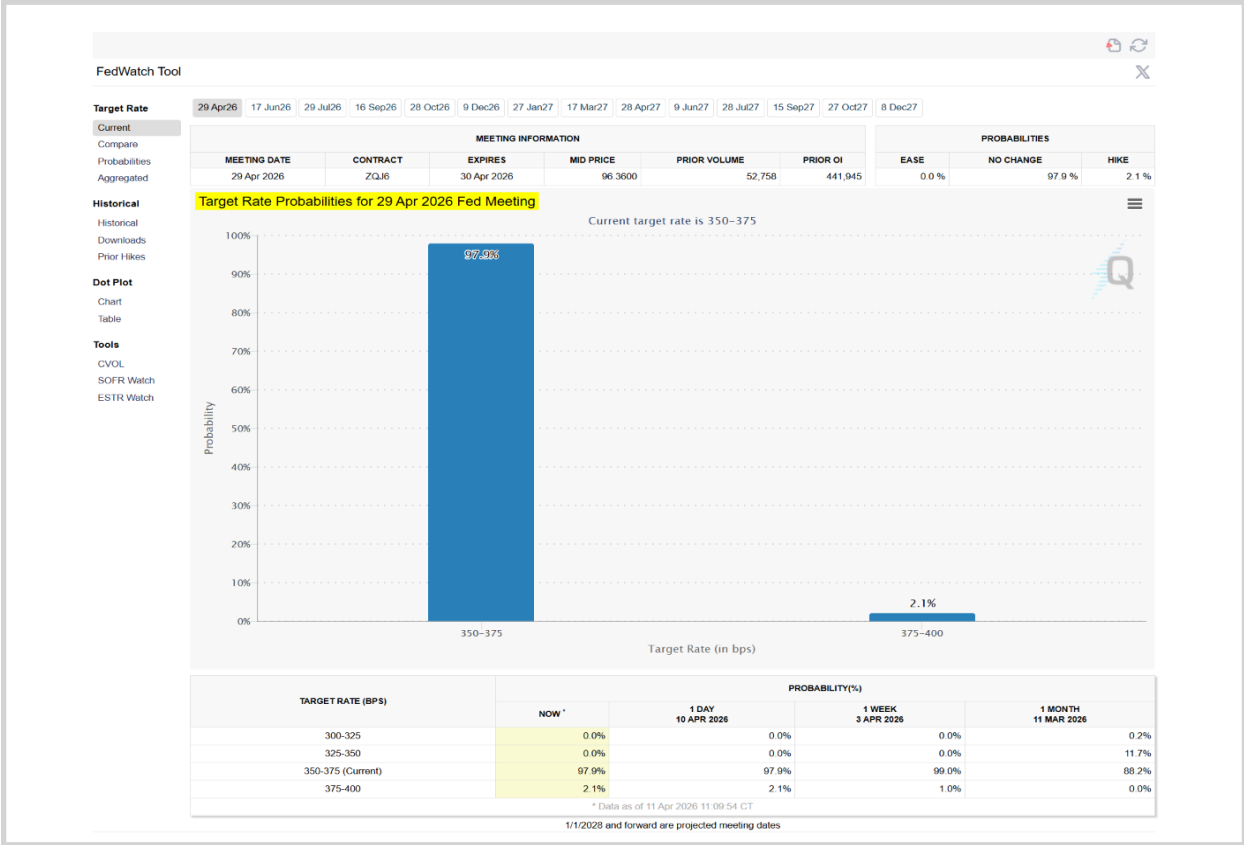
Domestic Security Holdings as of 2026-04-08	
SECURITY TYPE	TOTAL (\$Thousands)
US Treasury Bills	412,568,926.7
US Treasury Notes and Bonds	3,583,733,004.3
US Treasury FRNs	16,412,388.3
US Treasury TIPS	290,669,115.8
Federal Agency Securities	2,347,000.0
Agency MBS	1,989,008,552.4
Agency CMBS	7,671,726.2
Total SOMA Holdings	6,302,410,713.8
Change From Prior Week	+16,142,000.0

The SOMA rose over \$16 billion this week, adding some liquidity to the system. Meanwhile, reverse repos declined by \$1.9 billion for the week ending 4/8/26. 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 \$18 billion (through Wednesday the 8th). 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 battling to keep the market down . 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 2%. Meanwhile, the June meeting shows a 2% chance of an increase from current levels and a 4% chance of a decrease. 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.

Evidence remains mixed, but is starting to lean a little more bullish. Multiple price momentum studies triggered this past week with bullish intermediate-term implications. Last weekend I discussed that the NASDAQ had taken leadership from the SPX and that was a favorable condition. Additionally, the Fed appears dovish since it is increasing the size of the SOMA, so liquidity is positive. Of course the Fed could turn more neutral 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). We did see the one bearish intermediate-term study early in the week and SPY crept higher on declining volume. The recent cluster of Hindenburg Omen signals was a potential warning sign. Risks remain elevated in a news-driven environment. I find myself feeling neutral to slightly bullish. That could change if we see some additional evidence appear. I will continue to trade mostly conservatively – more conservatively with shorts than longs.

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

New

ADBE – 1/3 @ \$225.35 (buy @ limit)

Broad Market Large Cap CBI – 1 (ADBE)

Additional New Trade Ideas

[ADBE – Buy 1/3 Catapult position @ \\$225.35 LIMIT](#). From the Catapult section above, this is the 1st of up to 3 possible lots of ADBE.

Current Open Trade Ideas

None

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