

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 17, 2026

Volume 20 Issue 72

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- Opex Friday often sees selling after the open.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. The market is too overbought to buy and too strong to short.

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 16, 2026	SPX 50-low to 50-high in 12 days	1-6 days	Bullish	2.25%	-0.73%	-1.46%
Active - Long Term						
April 16, 2026	SPX 50-low to 50-high in 12 days	1-15 days	Bullish	3.71%	-0.94%	-2.05%
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			

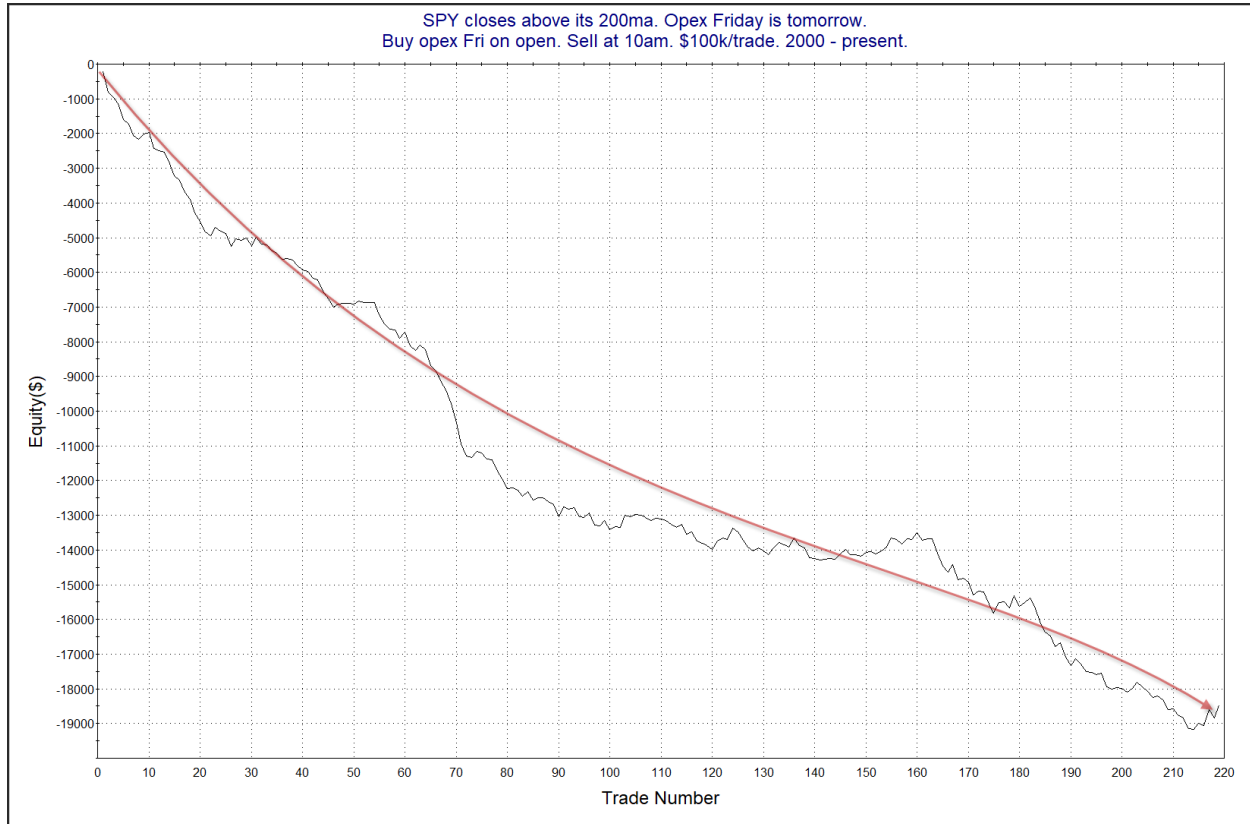
The Evidence

The rally just keeps going. SPX finished higher by 0.3%, the NASDAQ gained 0.4%, and the Russell 2000 climbed 0.2%. Breadth was mildly positive as the NYSE Up Issues % closed at 50% and the NYSE Up Volume % posted a 57% reading. NYSE total volume declined some from Wednesday's level.

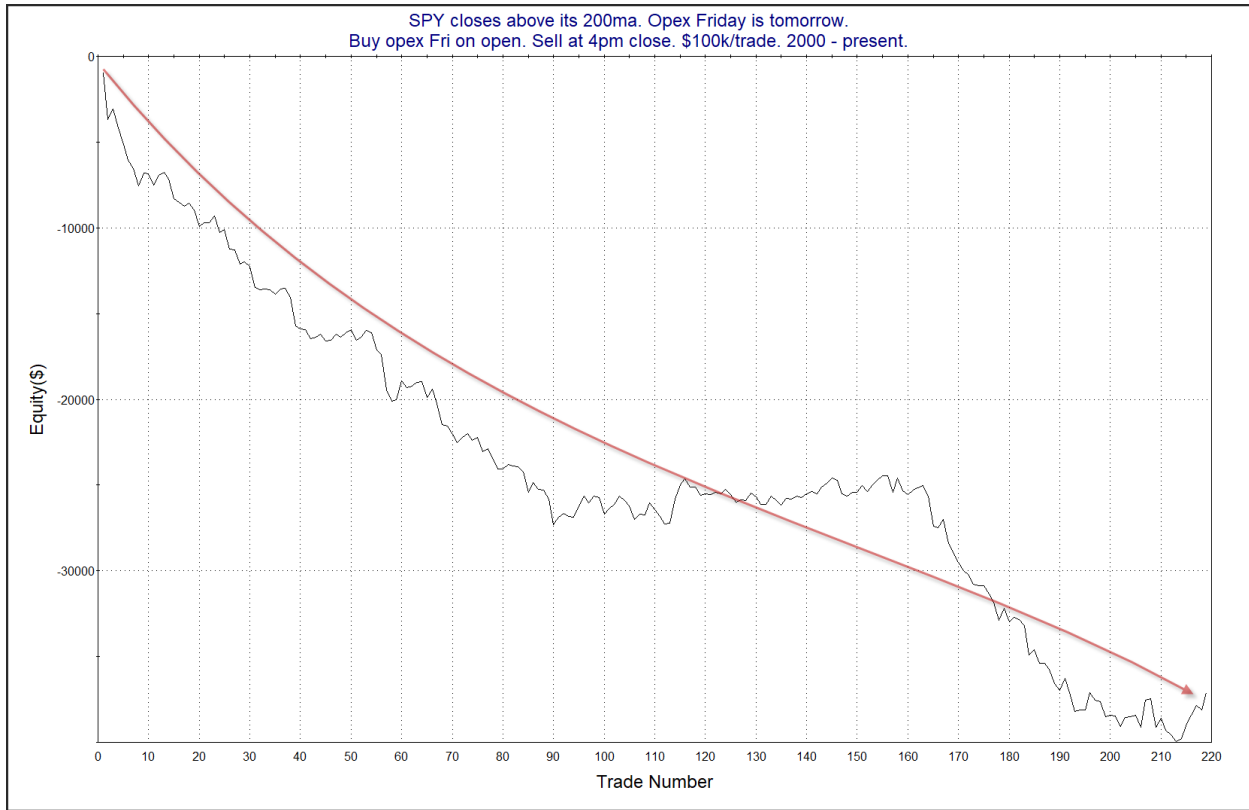
Price action did not generate anything in the way of new, compelling evidence. But Friday is options expiration. Options expiration has long been a day that has seen weakness after the opening bell. The studies below are some that I have shown several times over the years. Note I last updated them in the 1/16/26 letter last month. I did not update them tonight, but the 1/16/26 action saw both SPY and QQQ sell off between the open and the close. This first study shows results of purchasing SPY at the open and then exiting at different times during the day.

SPY closes above its 200ma. Opex Friday is tomorrow. Buy opex Fri on open. Sell at time shown on left. \$100k/trade. 2000 - present.												
OE Op-Ex Fri Intra Short: timeofday	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
1,600	-37,093.92	219	91	128	41.55	1,547.00	-2,746.58	350.42	-538.92	0.65	0.46	-169.38
1,500	-30,848.06	219	91	127	41.55	1,824.10	-2,315.18	336.09	-483.72	0.69	0.50	-140.86
1,400	-30,150.44	219	79	140	36.07	1,751.00	-2,000.00	332.44	-402.95	0.83	0.47	-137.67
1,300	-26,810.86	219	82	136	37.44	2,172.60	-1,324.62	310.54	-384.37	0.81	0.49	-122.42
1,200	-24,957.91	219	78	141	35.62	2,150.50	-1,318.40	304.13	-345.25	0.88	0.49	-113.96
1,100	-22,510.77	219	82	136	37.44	1,103.30	-968.50	233.98	-306.59	0.76	0.46	-102.79
1,000	-18,459.07	219	64	155	29.22	473.34	-629.00	140.88	-177.26	0.79	0.33	-84.29

As you can see, the bearish implications primarily play themselves out by early afternoon. (1000 = 10am EST, 1200 = noon EST, 1400 = 2pm EST, etc.) Close to half of the downside would have been achieved by exiting after just 30 minutes. Below is a look at a profit curve for the 10am exit.



Despite the recent bump the strong move from upper left to lower right supports the bearish case. Next is the 4pm exit.



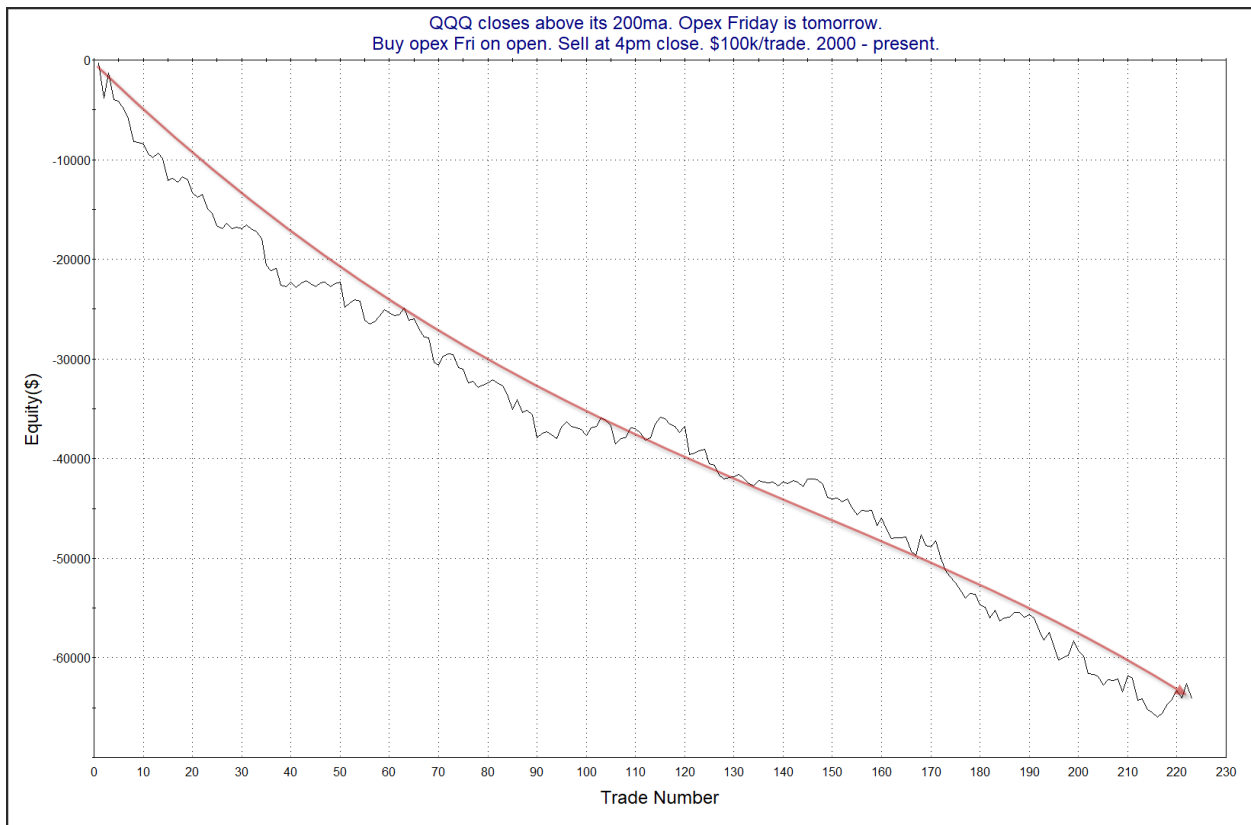
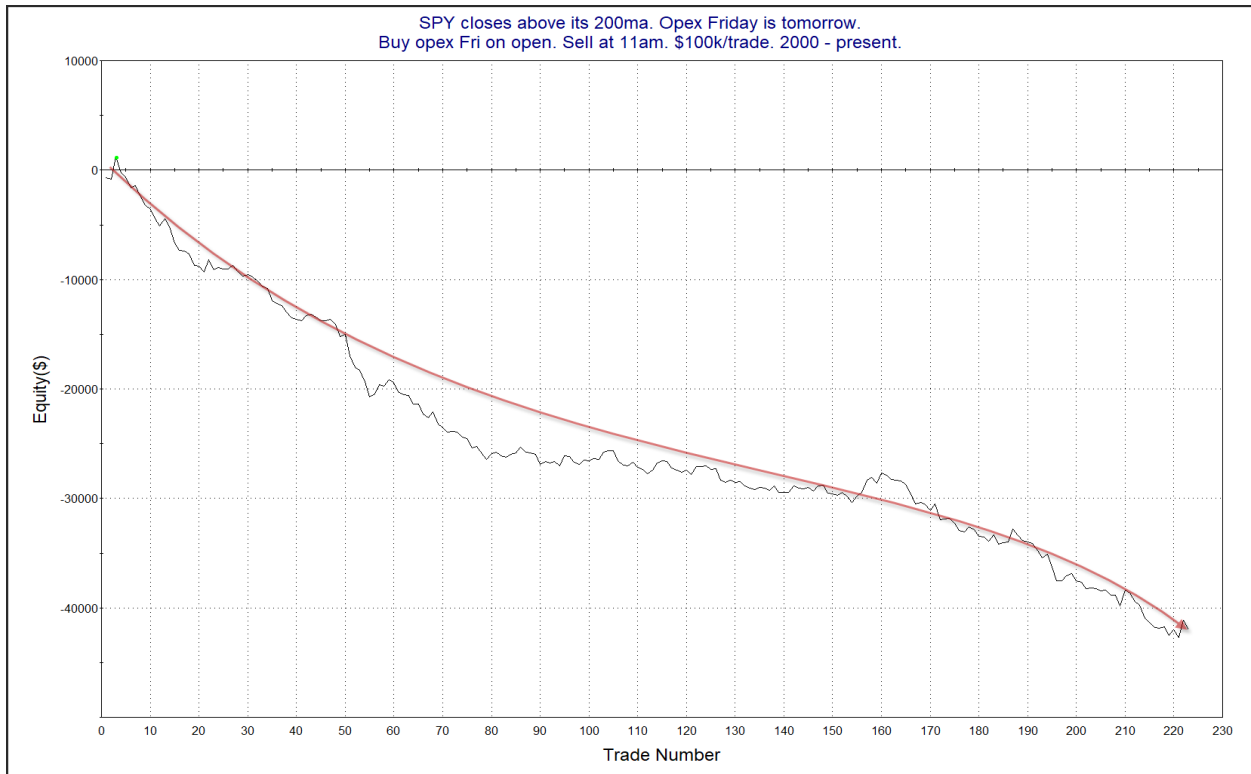
Again...despite the last few instances not panning out, this is also impressive.

QQQ has seen an even stronger tendency to sell off. This can be seen in the table below.

QQQ closes above its 200ma. Opex Friday is tomorrow.
Buy opex Fri on open. Sell at time shown on left. \$100k/trade. 2000 - present.

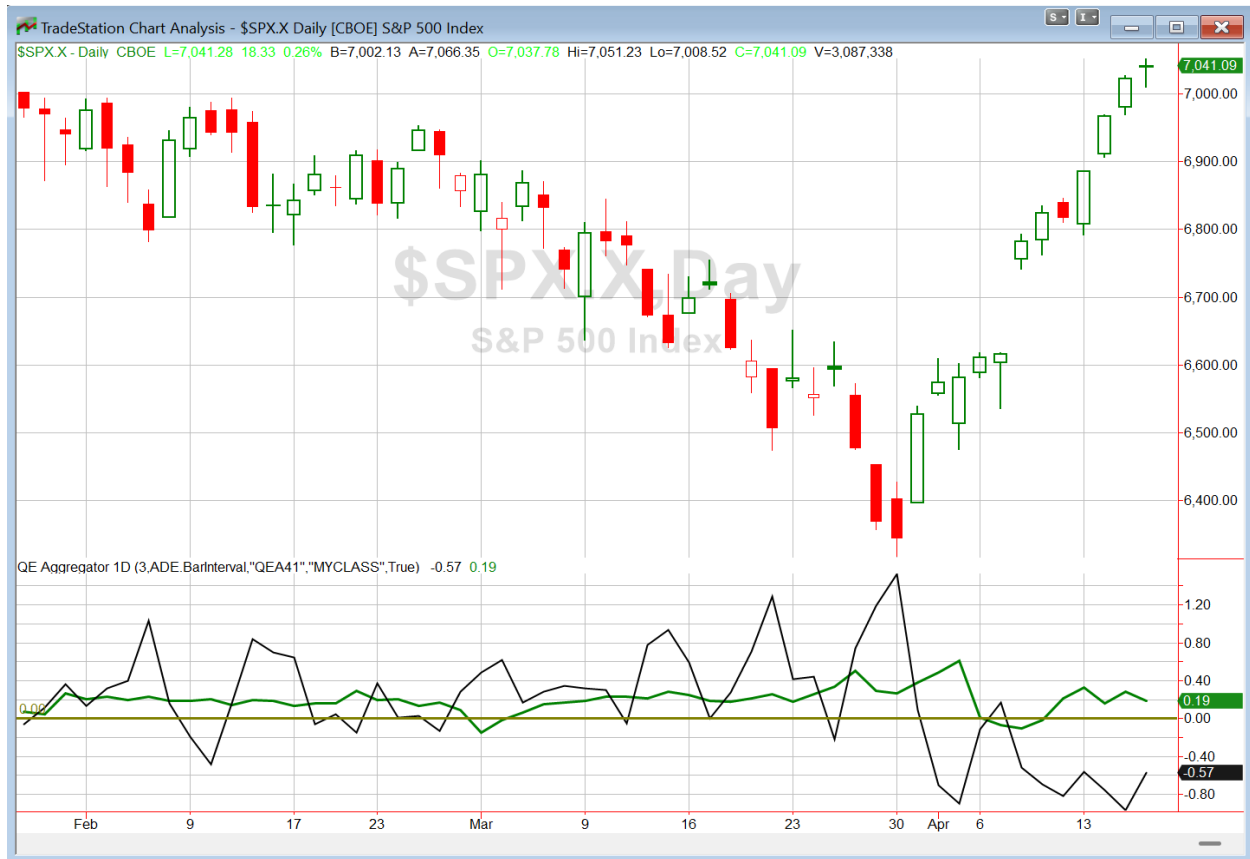
OE Op-Ex Fri Intra Short: timeofday	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
1,600	-64,084.23	223	87	136	39.01	2,516.00	-3,525.88	477.32	-776.55	0.61	0.39	-287.37
1,500	-57,187.75	223	82	139	36.77	2,246.52	-2,590.84	465.24	-685.88	0.68	0.40	-256.45
1,400	-55,463.29	223	73	147	32.74	2,104.90	-2,431.68	458.26	-604.87	0.76	0.38	-248.71
1,300	-48,277.09	223	77	145	34.53	2,541.40	-2,382.80	421.03	-556.53	0.76	0.40	-216.49
1,200	-46,720.78	223	81	141	36.32	2,518.12	-1,843.43	382.25	-550.94	0.69	0.40	-209.51
1,100	-41,997.87	223	74	148	33.18	1,998.00	-1,936.40	382.76	-475.15	0.81	0.40	-188.33
1,000	-31,830.30	223	70	152	31.39	1,332.00	-1,198.29	226.98	-313.94	0.72	0.33	-142.74

Also notable is that about 2/3 of the downside edge has occurred in the 90 minutes of trading. Below are profit curves for 11am and 4pm.



The bearish edge appears alive and well here. It is something traders may want to consider on Friday morning.

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 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 Friday. This could change if new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7015.69. That is 0.4% below Thursday's close. Therefore, SPX will need to close down at least 0.4% on Friday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. And my short-term outlook basically remains the same. From a swing trade perspective, I still feel this market is too strong to try and short, and it is too overbought to try and buy. I don't have any index trade ideas listed right now, and I won't until a more compelling reward/risk setup emerges.

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

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

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