

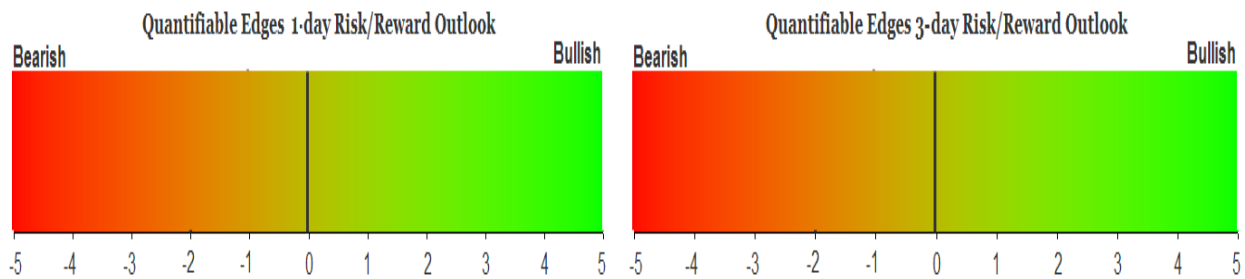
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 27, 2026

Volume 20 Issue 78

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	2

## Tonight's Research Points

- Short-term seasonality looks bullish for the upcoming week.
- Long-term seasonality is looking quite poor starting in May.
- The Fed remains dovish and liquidity is strong.
- Price action is an intermediate-term positive, but lagging breadth is a potential negative.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is neutral. I'm not seeing anything suggesting a short-term edge worth trying to exploit.

**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
<b>Active - Short Term</b>						
None						
<b>Active - Long Term</b>						
April 24, 2026	SPY outside down day from 10-high	1-11 days	Bullish	2.18%	-1.82%	-3.96%
April 21, 2026	SPX up 5+ to 50-high, then down 1	1-10 days	Bullish	1.78%	-1.19%	-2.41%
April 20, 2026	SPX 50-day %b > 100	1-50 days	Bullish	4.90%	-4.30%	-8.75%
April 16, 2026	SPX 50-low to 50-high in 12 days	1-15 days	Bullish	3.71%	-0.94%	-2.05%
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%
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			

***The Evidence***

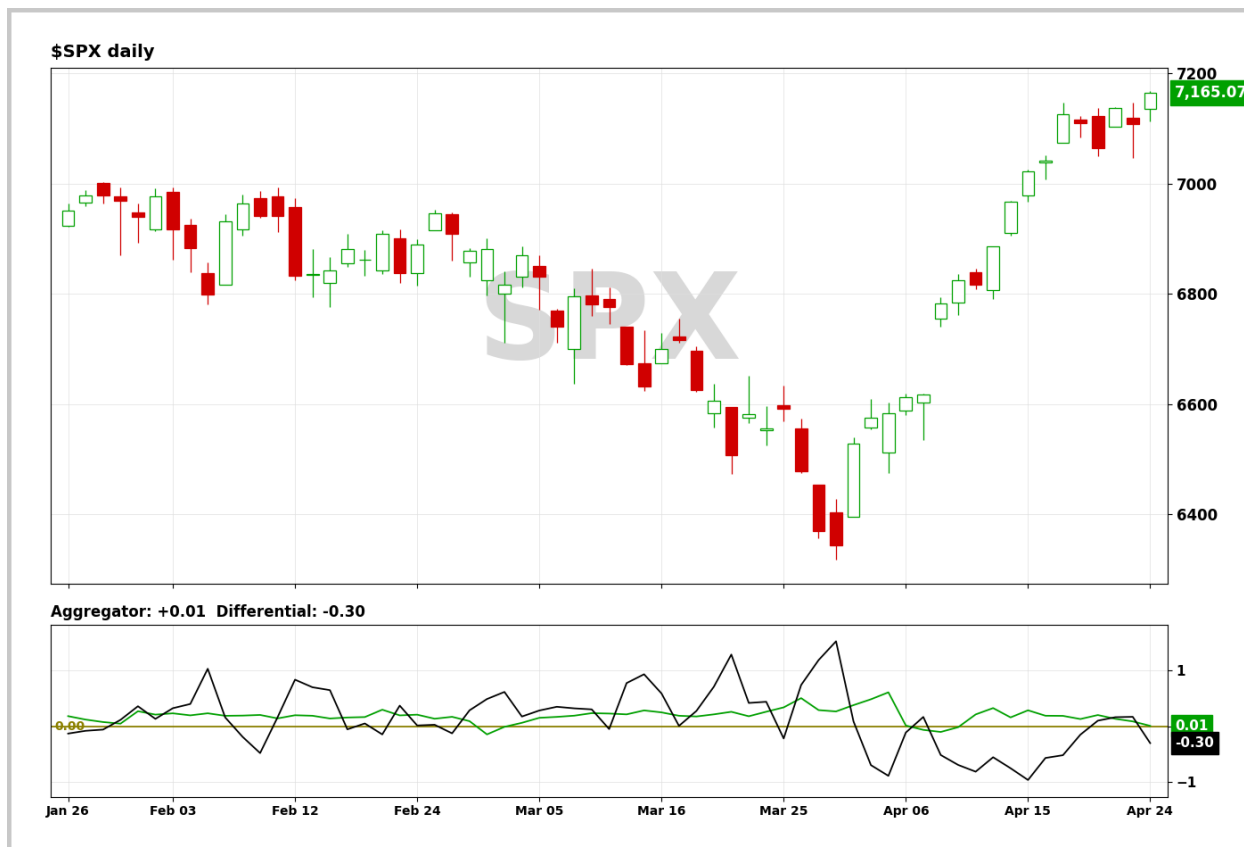
Friday was a good day for the market. SPX finished up 0.8%, the NASDAQ gained 1.6%, and the Russell 2000 climbed 0.4%. Breadth was mixed as the NYSE Up Issues % closed at 55% and the NYSE Up Volume % posted a 48% reading. NYSE total volume declined some from Thursday's level.

Action did not inspire anything new in the way of compelling short-term evidence, though we do have some intermediate-term evidence emerging that is worth consideration. Before I get to that, let's take a quick look at the 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
<b>Baseline</b>	<b>54.56</b>	<b>1.155</b>	<b>0.052</b>

Numbers are mildly green for the upcoming week. May 1<sup>st</sup> is not shown, but that also will likely be green. So bull may have a slight seasonal breeze at their back this upcoming week. Nothing new is being added to the Active List.

I have updated the Aggregator chart below.



Without any new studies being added, 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 fell 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.

With the short-term active list currently bare, expectations are positive entirely thanks to intermediate-term evidence. With this being the case, any evidence that emerges over the next few days could be highly impactful on expectations going forward. Meanwhile, the Differential Pivot will be slightly inverted at 7170.65. That is 0.1% *above* Friday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX will need to close up 0.1% on Monday in order to remain overbought. Anything other than that and it will flip to oversold versus recent expectations as of Monday's close.

So the Aggregator is neutral. Short-term evidence is lacking, and the Differential Pivot is slightly inverted. I'm not seeing a good reason to get involved in a short-term index position right now. I'll be waiting to see how market action plays out over the next few days and what new edges emerge before considering any new index trade ideas.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 4/27 – bullish***

<b>Combo #1</b>	<b>Combo #2</b>	<b>Combo #3</b>	<b>Combo #4</b>
<b>Long \$NDX</b>	<b>Long \$NDX</b>	<b>Long \$NDX</b>	<b>Long \$NDX</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 remained Long \$NDX this week.*

Stocks rose for the 4<sup>th</sup> week in a row. The SPX closed up 0.55%, the NASDAQ rallied 1.5%, and the Russell 2000 rose 0.4%. Bonds struggled. The US Aggregate Bond ETF (AGG) lost 0.3%. TLT, the 20-year Treasury Bond ETF, declined 0.4%. The SPX and NASDAQ are both at all-time highs, so clearly we are in a long-term uptrend.

Over the last several years I have looked at the “Worst 6 Months” and filtered it by whether the market has suffered a pullback at any point leading up to the end of April. To define “pullback” I started with a clean slate every year on January 1. The close of Jan 1 was the high for the year as of that date. Each time a new high was made I would measure the pullbacks from the highest close to-date. I broke “Sell in May” down by years the SPX had a 5% pullback before May versus years it did not. Three-quarters of the time we have seen a 5% pullback. The updated results table below shows times where there had NOT been a pullback at some point before May (unlike this year).

**SPX has not pulled back more than 5% on a close to close basis at any point from Jan - April. 6-month performance of May - Oct shown below.**

Symbol	Trade	Date	Price	Ex. date	Ex. Price	% chg	MAE	MFE
\$\$SPX	Long	4/28/1961	65.31	10/31/1961	68.62	5.07%	-1.38%	5.07%
\$\$SPX	Long	4/30/1963	69.8	10/31/1963	74.01	6.03%	-3.24%	7.71%
\$\$SPX	Long	4/30/1964	79.46	10/30/1964	84.86	6.80%	-1.65%	7.85%
\$\$SPX	Long	4/30/1965	89.11	10/29/1965	92.42	3.71%	-9.40%	4.58%
\$\$SPX	Long	4/28/1967	94.01	10/31/1967	93.3	-0.76%	-7.25%	4.57%
\$\$SPX	Long	4/30/1971	103.95	10/29/1971	94.23	-9.35%	-10.72%	0.97%
\$\$SPX	Long	4/28/1972	107.67	10/31/1972	111.58	3.63%	-3.57%	5.37%
\$\$SPX	Long	4/30/1976	101.64	10/29/1976	102.9	1.24%	-3.61%	6.97%
\$\$SPX	Long	4/30/1985	179.83	10/31/1985	189.82	5.56%	-0.82%	9.03%
\$\$SPX	Long	4/28/1989	309.64	10/31/1989	340.36	9.92%	-1.80%	16.41%
\$\$SPX	Long	4/28/1995	514.71	10/31/1995	581.5	12.98%	-0.74%	14.76%
\$\$SPX	Long	4/28/2006	1310.61	10/31/2006	1377.94	5.14%	-6.97%	6.02%
\$\$SPX	Long	4/30/2012	1397.91	10/31/2012	1412.16	1.02%	-9.38%	5.48%
\$\$SPX	Long	4/30/2013	1597.57	10/31/2013	1756.54	9.95%	-2.33%	11.12%
\$\$SPX	Long	4/30/2015	2085.51	10/30/2015	2079.36	-0.29%	-10.48%	2.36%
\$\$SPX	Long	4/28/2017	2384.2	10/31/2017	2575.26	8.01%	-1.32%	8.34%
\$\$SPX	Long	4/30/2019	2945.83	10/31/2019	3037.56	3.11%	-7.37%	3.54%
\$\$SPX	Long	4/30/2021	4181.17	10/29/2021	4605.38	10.15%	-2.97%	10.15%
					<b>Avg</b>	<b>4.55%</b>	<b>-4.72%</b>	<b>7.24%</b>

Results here are actually quite positive, with 15 winning years and only 3 losers. And only twice did the Max Adverse Excursion (drawdown) exceed 10%, and that was just barely in both cases. Overall, the results suggest that when there has been a strong market headed into May that the May-October period has been pretty good. But this year we saw a decent-sized pullback. Here are results for years in which there was a 5% pullback at some point in Jan-April. I have highlighted any run-ups (green) or drawdowns (red) exceeding 10%.

SPX has pulled back > 5% sometime during the Jan-Apr period.  
6-Month Performance of May - Oct shown below. 1961 - 2025.

Symbol	Trade	Date	Price	Ex. date	Ex. Price	% chg	MAE	MFE
\$SPX	Long	4/30/1962	65.24	10/31/1962	56.52	-13.37%	-21.29%	2.59%
\$SPX	Long	4/29/1966	91.06	10/31/1966	80.2	-11.93%	-20.62%	0.88%
\$SPX	Long	4/30/1968	97.46	10/31/1968	103.41	6.11%	-1.71%	8.54%
\$SPX	Long	4/30/1969	103.69	10/31/1969	97.12	-6.34%	-15.09%	2.94%
\$SPX	Long	4/30/1970	81.52	10/30/1970	83.25	2.12%	-15.84%	7.64%
\$SPX	Long	4/30/1973	106.97	10/31/1973	108.29	1.23%	-6.76%	5.47%
\$SPX	Long	4/30/1974	90.31	10/31/1974	73.9	-18.17%	-32.50%	3.82%
\$SPX	Long	4/30/1975	87.3	10/31/1975	89.04	1.99%	-6.56%	10.63%
\$SPX	Long	4/29/1977	98.44	10/31/1977	92.34	-6.20%	-8.37%	4.20%
\$SPX	Long	4/28/1978	96.83	10/31/1978	93.15	-3.80%	-5.35%	11.59%
\$SPX	Long	4/30/1979	101.76	10/31/1979	101.82	0.06%	-4.20%	10.22%
\$SPX	Long	4/30/1980	106.29	10/31/1980	127.47	19.93%	-2.62%	27.84%
\$SPX	Long	4/30/1981	132.81	10/30/1981	121.89	-8.22%	-17.03%	2.15%
\$SPX	Long	4/30/1982	116.44	10/29/1982	133.72	14.84%	-12.23%	20.58%
\$SPX	Long	4/29/1983	164.43	10/31/1983	163.55	-0.54%	-3.61%	5.00%
\$SPX	Long	4/30/1984	160.05	10/31/1984	166.09	3.77%	-7.99%	6.00%
\$SPX	Long	4/30/1986	235.52	10/31/1986	243.98	3.59%	-3.16%	7.95%
\$SPX	Long	4/30/1987	288.36	10/30/1987	251.79	-12.68%	-24.93%	17.18%
\$SPX	Long	4/29/1988	261.33	10/31/1988	278.97	6.75%	-4.78%	8.66%
\$SPX	Long	4/30/1990	330.8	10/31/1990	304	-8.10%	-10.97%	11.78%
\$SPX	Long	4/30/1991	375.35	10/31/1991	392.46	4.56%	-2.54%	5.93%
\$SPX	Long	4/30/1992	414.95	10/30/1992	418.68	0.90%	-4.37%	2.49%
\$SPX	Long	4/30/1993	440.19	10/29/1993	467.83	6.28%	-0.76%	7.02%
\$SPX	Long	4/29/1994	450.91	10/31/1994	472.35	4.75%	-2.46%	5.92%
\$SPX	Long	4/30/1996	654.17	10/31/1996	705.27	7.81%	-7.38%	9.16%
\$SPX	Long	4/30/1997	801.34	10/31/1997	914.62	14.14%	-1.26%	22.68%
\$SPX	Long	4/30/1998	1111.77	10/30/1998	1098.67	-1.18%	-16.95%	7.09%
\$SPX	Long	4/30/1999	1335.18	10/29/1999	1362.93	2.08%	-7.60%	6.36%
\$SPX	Long	4/28/2000	1452.43	10/31/2000	1429.4	-1.59%	-10.10%	5.35%
\$SPX	Long	4/30/2001	1249.49	10/31/2001	1059.78	-15.18%	-24.39%	5.32%
\$SPX	Long	4/30/2002	1076.92	10/31/2002	885.7601	-17.75%	-28.63%	2.76%
\$SPX	Long	4/30/2003	916.92	10/31/2003	1050.71	14.59%	-1.54%	14.93%
\$SPX	Long	4/30/2004	1107.3	10/29/2004	1130.2	2.07%	-4.21%	3.53%
\$SPX	Long	4/29/2005	1156.85	10/31/2005	1207.01	4.34%	-1.53%	7.69%
\$SPX	Long	4/30/2007	1482.37	10/31/2007	1549.38	4.52%	-7.54%	6.32%
\$SPX	Long	4/30/2008	1385.59	10/31/2008	968.75	-30.08%	-39.39%	3.94%
\$SPX	Long	4/30/2009	872.81	10/30/2009	1036.19	18.72%	-0.77%	26.19%
\$SPX	Long	4/30/2010	1186.69	10/29/2010	1183.26	-0.29%	-14.81%	1.79%
\$SPX	Long	4/29/2011	1363.61	10/31/2011	1253.3	-8.09%	-21.18%	0.51%
\$SPX	Long	4/30/2014	1883.95	10/31/2014	2018.05	7.12%	-3.36%	7.18%
\$SPX	Long	4/29/2016	2065.3	10/31/2016	2126.15	2.95%	-3.56%	6.22%
\$SPX	Long	4/30/2018	2648.05	10/31/2018	2711.74	2.41%	-2.02%	11.06%
\$SPX	Long	4/30/2020	2912.43	10/30/2020	3269.96	12.28%	-5.01%	23.20%
\$SPX	Long	4/29/2022	4131.93	10/31/2022	3871.98	-6.29%	-15.50%	4.68%
\$SPX	Long	4/28/2023	4169.48	10/31/2023	4193.8	0.58%	-2.91%	10.50%
\$SPX	Long	4/30/2024	5035.69	10/31/2024	5705.45	13.30%	-0.49%	16.74%
\$SPX	Long	4/30/2025	5569.06	10/31/2025	6840.2	22.83%	-2.44%	24.26%
					<b>Average</b>	<b>0.78%</b>	<b>-9.75%</b>	<b>9.03%</b>

Of the 47 years where a 5% pullback has occurred, 16 of them saw the market drop more than 10% from its April closing price during the next 6 months. And 7 of them were more than 10% lower at the close of October. There were more winning years than losing ones (29 vs 18), but the losers were quite a bit bigger, leaving the overall average instance not much above breakeven (0.8% gain). The tendency to sell off has not been nearly as prevalent in recent years, but it is still worth being alert to the fact that the market could be susceptible to some poor seasonal influence over the May – October timeframe.

Of course it is also the 2<sup>nd</sup> year of the Presidential Cycle. That is often a weak year, and the “Worst 6 Months” period of these years has been especially challenging. All instances since 1960 can be seen below.

SPX Performance in the May - Oct "Worst 6 Months" Period of Year 2 of the Presidential Cycle.1960 - 2025.									
Symbol	Trade	Date	Price	Ex. date	Ex. Price	% Profit	MAE	MFE	
\$\$SPX	Long	4/30/1962	65.24	10/31/1962	56.52	-13.37%	-21.29%	2.59%	
\$\$SPX	Long	4/29/1966	91.06	10/31/1966	80.2	-11.93%	-20.62%	0.88%	
\$\$SPX	Long	4/30/1970	81.52	10/30/1970	83.25	2.12%	-15.84%	7.64%	
\$\$SPX	Long	4/30/1974	90.31	10/31/1974	73.9	-18.17%	-32.50%	3.82%	
\$\$SPX	Long	4/28/1978	96.83	10/31/1978	93.15	-3.80%	-5.35%	11.59%	
\$\$SPX	Long	4/30/1982	116.44	10/29/1982	133.72	14.84%	-12.23%	20.58%	
\$\$SPX	Long	4/30/1986	235.52	10/31/1986	243.98	3.59%	-3.16%	7.95%	
\$\$SPX	Long	4/30/1990	330.8	10/31/1990	304	-8.10%	-10.97%	11.78%	
\$\$SPX	Long	4/29/1994	450.91	10/31/1994	472.35	4.75%	-2.46%	5.92%	
\$\$SPX	Long	4/30/1998	1111.77	10/30/1998	1098.67	-1.18%	-16.95%	7.09%	
\$\$SPX	Long	4/30/2002	1076.92	10/31/2002	885.76	-17.75%	-28.63%	2.76%	
\$\$SPX	Long	4/28/2006	1310.61	10/31/2006	1377.94	5.14%	-6.97%	6.02%	
\$\$SPX	Long	4/30/2010	1186.69	10/29/2010	1183.26	-0.29%	-14.81%	1.79%	
\$\$SPX	Long	4/30/2014	1883.95	10/31/2014	2018.05	7.12%	-3.36%	7.18%	
\$\$SPX	Long	4/30/2018	2648.05	10/31/2018	2711.74	2.41%	-2.02%	11.06%	
\$\$SPX	Long	4/29/2022	4131.93	10/31/2022	3871.98	-6.29%	-15.50%	4.68%	
						<b>Average</b>	<b>-2.56%</b>	<b>-13.29%</b>	<b>7.08%</b>
						<b>Win%</b>	<b>43.8%</b>		

Net negative over the sixteen instances demonstrates how tough this period of the cycle has been. So between the dip we already saw earlier in the year, and the weak cycle period, seasonality will not be on the side of the bulls over the next 6 months.

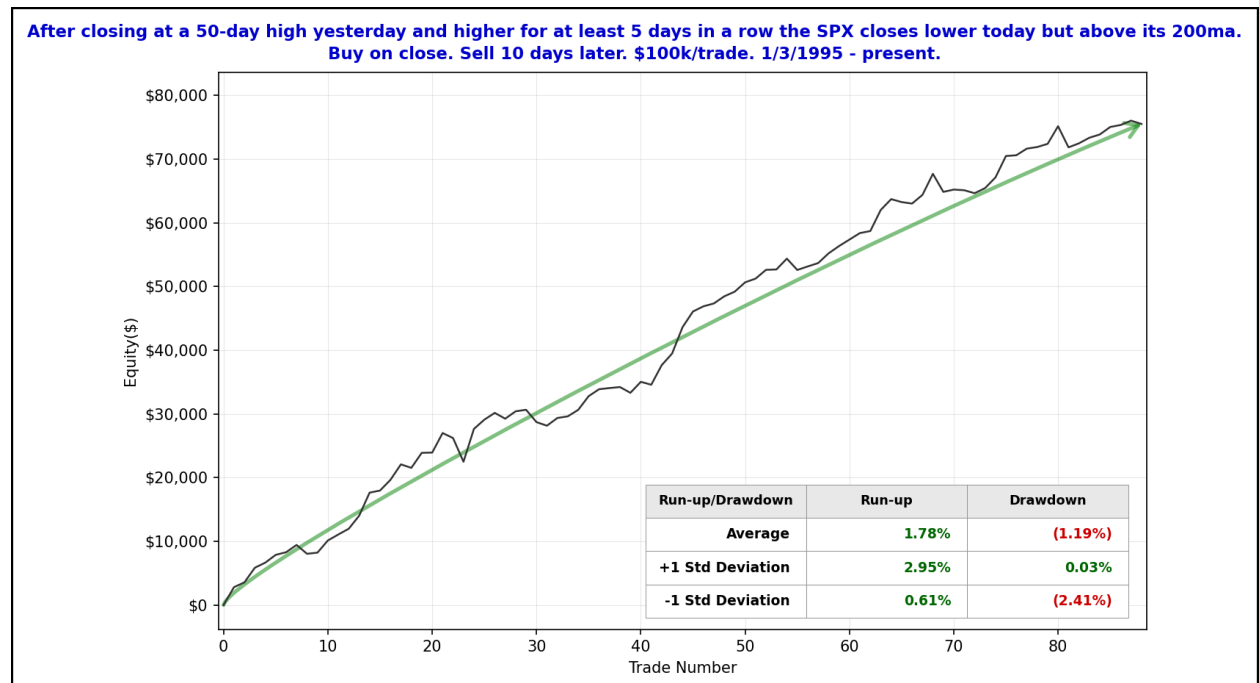
There were also a couple of studies that emerged over the last few days with intermediate-term implications. The first one appeared in the Monday night letter. I have copied it below.

*Another study that triggered noted that SPX has had a streak of its own. It examined what happens after the market moves up at least 5 days in a row to a 50-day high, and then pulls back. It was last seen in the 1/29/26 Letter. I have updated the stats in the table below.*

**After closing at a 50-day high yesterday and higher for at least 5 days in a row 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
10	88	71	17	80.68%	5.15%	-3.72%	1.36%	1.23%	1.10	4.60	0.858%
9	92	73	19	79.35%	5.04%	-4.21%	1.33%	1.36%	0.97	3.74	0.771%
8	93	62	31	66.67%	4.88%	-4.94%	1.46%	1.01%	1.45	2.89	0.639%
7	96	63	33	65.62%	3.88%	-4.60%	1.29%	1.11%	1.17	2.23	0.468%
6	98	67	31	68.37%	4.31%	-3.67%	1.18%	1.16%	1.02	2.20	0.440%
5	98	62	36	63.27%	4.26%	-4.81%	1.06%	0.96%	1.11	1.91	0.320%
4	98	60	38	61.22%	3.85%	-3.01%	1.06%	0.79%	1.33	2.10	0.339%
3	98	57	41	58.16%	2.50%	-2.41%	0.84%	0.83%	1.01	1.40	0.140%
2	98	62	36	63.27%	2.45%	-2.63%	0.76%	0.75%	1.02	1.76	0.207%
1	98	62	36	63.27%	1.75%	-1.75%	0.52%	0.51%	1.02	1.76	0.143%

*We see here a decent edge that becomes stronger and more consistent as you look out over the next several days. The 9-10 day time frame shows exceptional stats. Below is a look at a 10-day profit curve.*



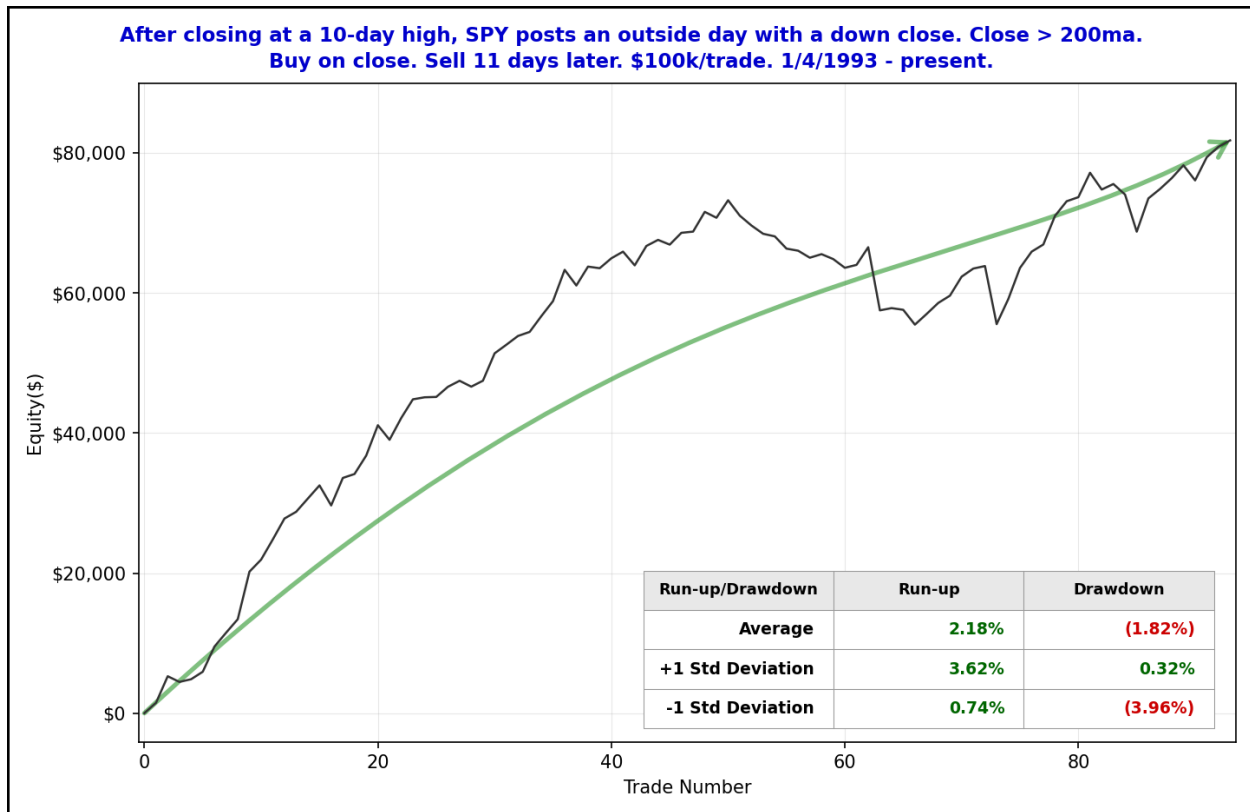
*The strong upslope appears to confirm the bullish edge. The study also appears worthy of consideration. I have added it to the intermediate-term active list.*

This next study is from the Thursday night letter.

*When price makes a new short-term high as it did Thursday, and then reverses down to form an outside day, and closes negative, that is sometimes considered a "key reversal". I looked at reversals like this a number of times in the past. For the very short-term there rarely appears to be a substantial edge. Often test results will show churn or very mildly bearish numbers. But when you look out 1 to 2 weeks what you often see is that the uptrend most of the time will reassert itself. In the 12/5/14 subscriber letter there was a study that exemplified this. I have updated its results below.*

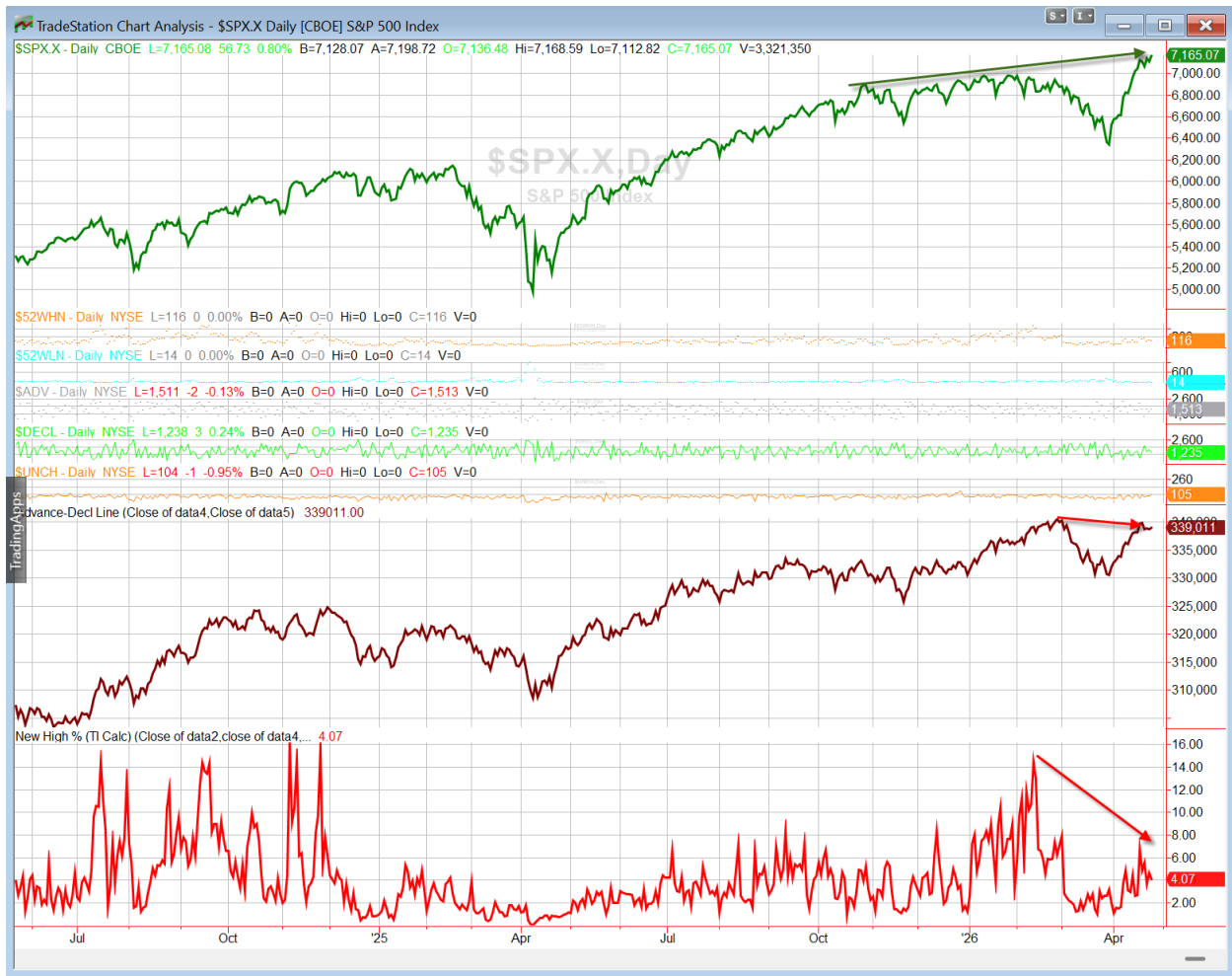
<b>After closing at a 10-day high, SPY posts an outside day with a down close. Close &gt; 200ma.                      Buy on close. Sell X days later. 1/4/1993 - present.</b>											
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
12	93	62	31	66.67%	8.56%	-10.92%	2.38%	1.89%	1.26	2.51	0.955%
11	93	67	26	72.04%	6.79%	-9.02%	2.02%	2.07%	0.98	2.52	0.879%
10	96	69	27	71.88%	5.98%	-12.10%	1.76%	2.24%	0.78	2.00	0.632%
9	98	66	32	67.35%	5.33%	-11.73%	1.79%	1.92%	0.93	1.92	0.575%
8	100	67	33	67.00%	7.59%	-7.58%	1.71%	1.69%	1.01	2.04	0.584%
7	100	64	35	64.00%	7.75%	-7.24%	1.67%	1.51%	1.11	2.03	0.542%
6	102	65	37	63.73%	5.33%	-4.34%	1.49%	1.36%	1.10	1.93	0.459%
5	107	70	36	65.42%	4.54%	-4.35%	1.30%	1.15%	1.13	2.19	0.461%
4	107	62	44	57.94%	5.22%	-4.23%	1.29%	1.10%	1.17	1.65	0.292%
3	107	67	40	62.62%	3.56%	-5.29%	1.00%	1.22%	0.82	1.37	0.168%
2	111	59	52	53.15%	2.64%	-3.74%	0.76%	0.80%	0.95	1.08	0.030%
1	111	61	49	54.95%	1.74%	-3.91%	0.58%	0.70%	0.83	1.03	0.010%

*Inconsistent results over the next couple of days is normal, but before long the move higher often sees a continuation. Below is a profit curve using an 11-day holding period.*



*This study struggled for a while, and so I stopped featuring it for a period of time. But the curve has righted itself in recent years. It seems worth including it on the intermediate-term active list, and that is what I did tonight.*

While price action has been positive and the market continues to make new highs, breadth is still lagging. As I have discussed a few times lately, the [QE Study of Tops](#) shows that nearly every major market top since 1970 saw a breadth divergence occur ahead of it. The lone exception was 2020. The measurements the study looks at are 1) the NYSE Advance/Decline Line, and 2) the Net % of NYSE stocks making new highs (vs new lows). When SPX topped at the end of January, there was no divergence. Breadth was strong by both measures. This led me to believe that a major selloff (20%+) seemed unlikely. But here is an updated look at where we are now:

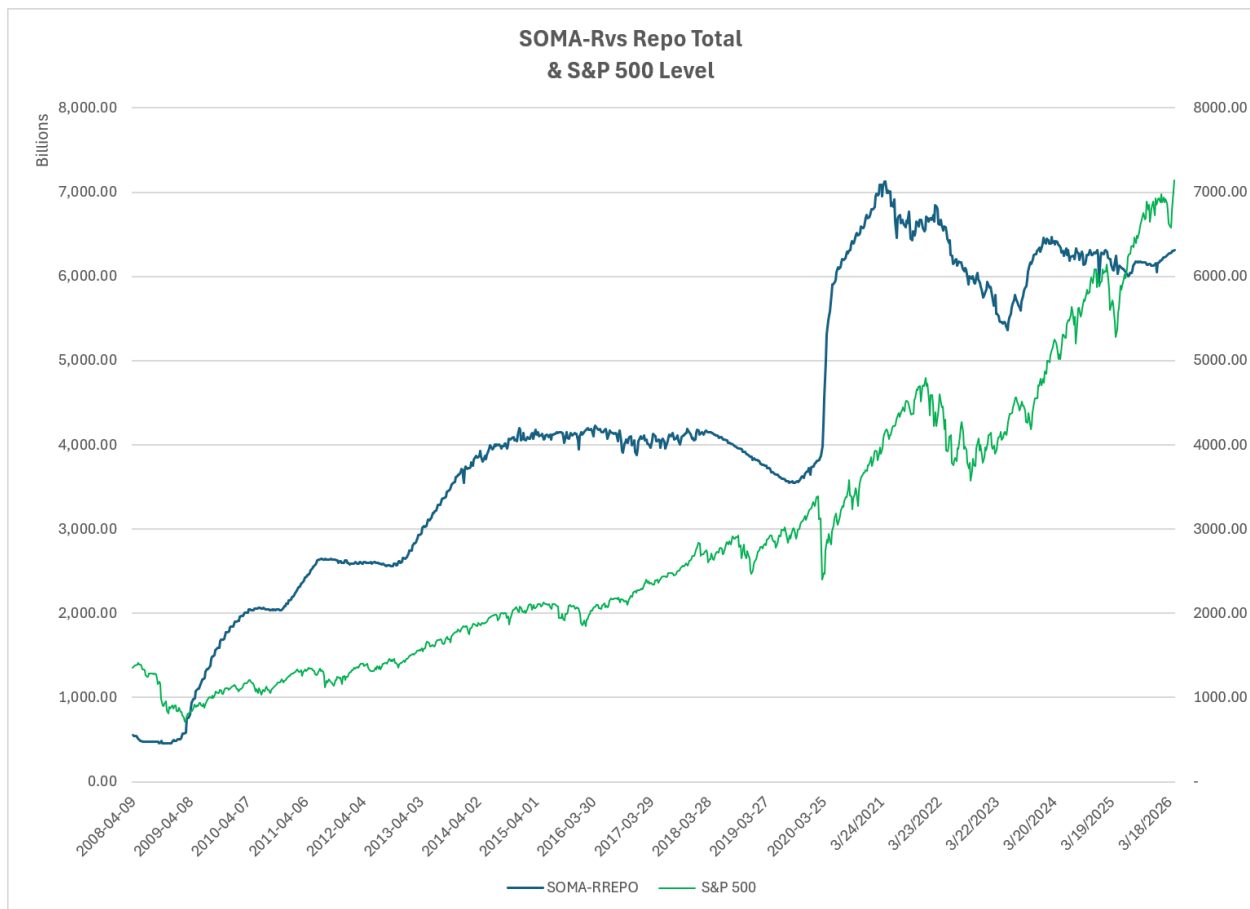


The Advance/Decline line is lagging, and it got worse this past week. The Net New High % is *way* off. This is not a trigger to sell. It is a condition that sets the stage for a possible major top. But that top could still be many weeks or months away. If this divergence resolves itself and the Net New High % and the NYSE Advance/Decline Line make new highs, then we will be back to a point where the market would be unlikely to top out for at least 2-3 more months. So it is nothing to act on yet. But it is something that bears watching. I'll especially be watching the Net New High % very closely should this rally continue, since that is lagging by such a large amount.

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

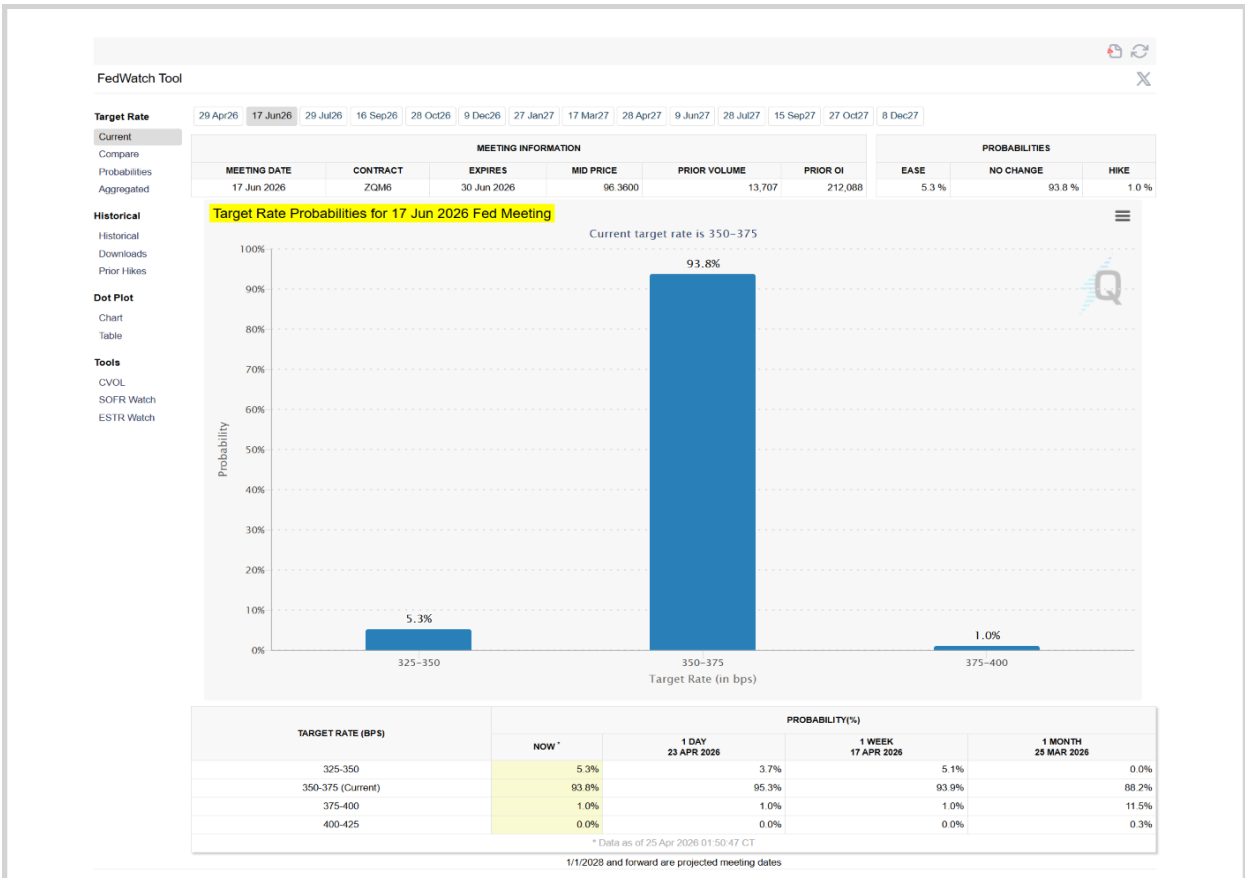
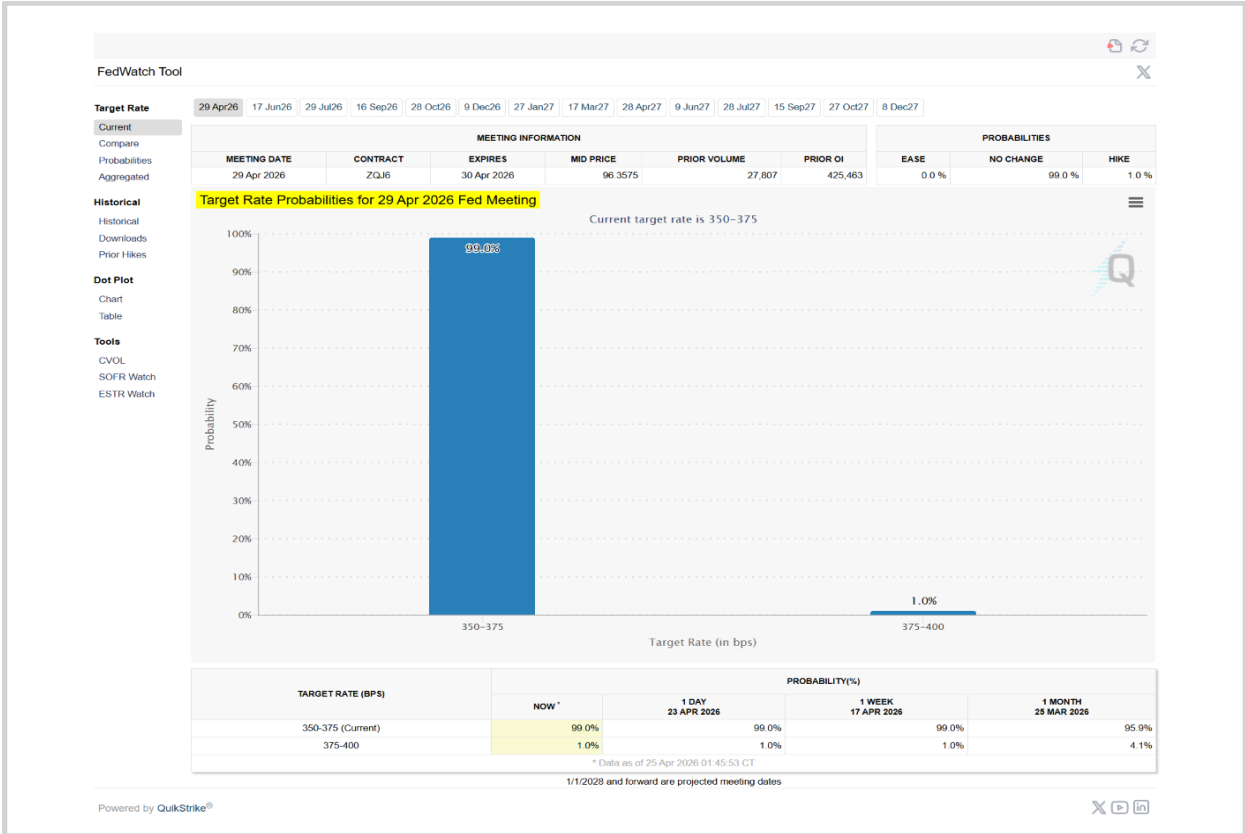
<b>Domestic Security Holdings as of April 22, 2026</b>	
<b>SECURITY TYPE</b>	<b>TOTAL (\$Thousands)</b>
US Treasury Bills	425,213,926.7
US Treasury Notes and Bonds	3,602,253,322.4
US Treasury FRNs	16,412,388.3
US Treasury TIPS	275,768,943.5
Federal Agency Securities	2,347,000.0
Agency MBS	1,985,616,303.8
Agency CMBS	7,660,059.5
<b>Total SOMA Holdings</b>	<b>6,315,271,944.2</b>
<b>Change From Prior Week</b>	<b>+9,443,697.7</b>

The SOMA rose over \$9.4 billion this week, adding some liquidity to the system. Meanwhile, reverse repos rose by a mild \$315 million for the week ending 4/22/26. 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 \$9.1 billion (through Wednesday the 22<sup>nd</sup>). 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 while current Fed policy is a bit dovish, the market is unsure of what or when the next policy move will be.

With regards to rates, there was not a big change this past week. The chance of rates being changed on this upcoming Wednesday is again about 1%. (Not gonna happen.) Meanwhile, the June meeting shows a 1% chance of an increase from current levels and a 5% 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.

It is tough to argue with a market that just keeps going up. Price momentum studies with bullish intermediate-term implications continue to trigger. The NASDAQ took leadership from the SPX a few weeks ago, and that was nearly perfect timing. 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. Seasonality is going to turn bearish once we enter May at the end of the upcoming week. The lagging A/D line and Net New Highs % have created a divergence that could lead to trouble at some point, but that is not a great timing signal. Risks remain elevated in a news-driven environment. Overall, I am leaning bullish. I am always willing to change my stance if new evidence emerges, but for now I will be more willing to take long positions than short positions.

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

[Catapult & CBI Presentation Link](#)

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

GD – 1/3 @ \$318.71 – (bought @ limit)

*New*

GD – 1/3 @ \$313.21 – (buy @ limit)

#### ***Broad Market Large Cap CBI – 2 (GD-2)***

### **Additional New Trade Ideas**

**GD – Buy 1/3 Catapult position @ \$313.21 LIMIT.** From the Catapult section above, this is the 2<sup>nd</sup> of up to 3 possible lots of GD.

## Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
GD(1/3)	4/24/2026	\$316.64	\$313.21	-1.08%	Catapult

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