

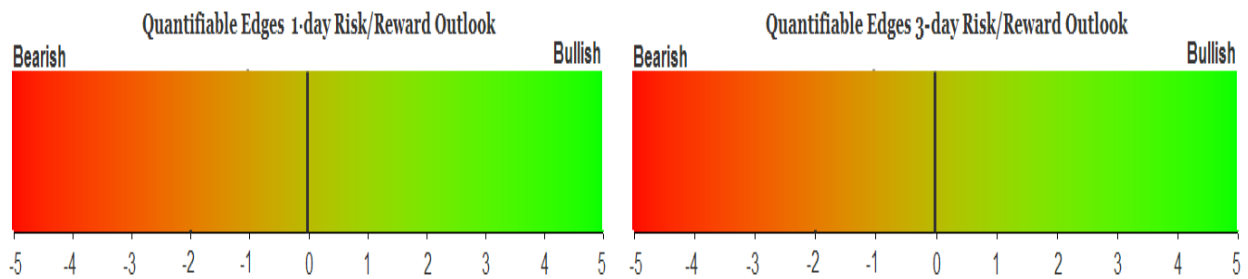
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 28, 2026

Volume 20 Issue 79

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	3

Tonight's Research Points

- No new compelling evidence emerged on Monday.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am 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						
None						
Active - Long Term						
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

The market was mixed on Monday. SPX finished up 0.1%, the NASDAQ gained 0.2%, and the Russell 2000 rose 0.04%. Breadth was moderately positive as the NYSE Up Issues % closed at 53% and the NYSE Up Volume % posted a 58% reading. NYSE total volume rose some from Friday's level.

SPX managed to make an intraday high for the 5th day in a row. An interesting study from the Quantifinder looked at the possible impact of 5 higher highs occurring. I last looked at this in the 6/30/25 letter. The studies examined the impact of the position of the market when the 5 higher highs occurred. I broke it down again tonight. I wanted to see all times the 5 higher highs were accompanied by a 50-day high versus times they weren't. First let's look at times where 5 higher highs occur without a 50-day high.

SPY makes 5 higher highs. It does NOT make a 50-day intraday high. Buy on close. Sell X days later. 1/4/1993 - 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	84	46	38	54.76%	9.12%	-6.72%	1.46%	1.83%	0.80	0.96	-0.030%	
4	84	42	42	50.00%	3.32%	-7.88%	1.11%	1.70%	0.65	0.65	-0.294%	
3	84	51	33	60.71%	4.06%	-4.56%	1.02%	1.71%	0.60	0.92	-0.053%	
2	84	48	36	57.14%	5.37%	-2.40%	0.94%	1.07%	0.88	1.17	0.078%	
1	84	41	43	48.81%	3.06%	-2.25%	0.62%	0.55%	1.13	1.08	0.023%	

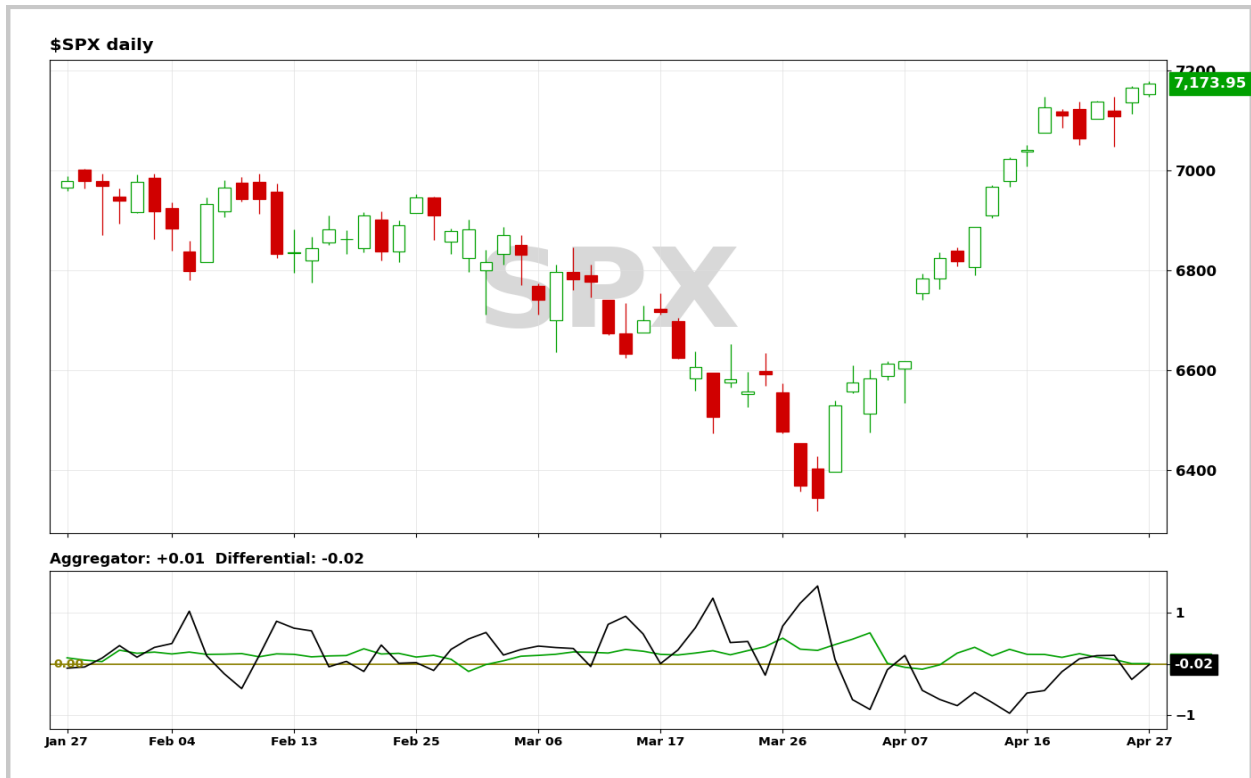
Stats over the 1st few days suggest a possible mild downside edge. After 5 higher highs the market will sometimes need a breather. But what of times (like now) when a strong uptrend exists, and the market is also making a 50-day high? Those stats can be found below.

**SPY makes at least 5 higher highs and today is the highest high in 50 days.
Buy on close. Sell X days later. 1/4/1993 - 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	105	54	50	51.43%	3.49%	-4.04%	1.11%	1.04%	1.06	1.15	0.073%
4	105	66	39	62.86%	2.69%	-3.80%	0.85%	1.11%	0.77	1.31	0.126%
3	105	59	43	56.19%	2.36%	-3.69%	0.73%	0.87%	0.84	1.15	0.054%
2	105	63	41	60.00%	2.60%	-2.59%	0.58%	0.69%	0.83	1.28	0.075%
1	105	54	49	51.43%	1.48%	-1.75%	0.39%	0.40%	0.98	1.08	0.015%

Interestingly, there have not been that many more instances than without a 50-day high. But with an intermediate-term rally also occurring the tendency to pull back no longer exists. So the 5 higher highs are really of no concern in situations like the current one. No short-term studies are being added to the active list tonight.

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 held barely below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is slightly 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.

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 7137.87. That is 0.5% below Monday's close. Therefore, SPX will need to close down at least 0.5% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. And Monday didn't really change anything. Short-term evidence is lacking, and SPX is slightly overbought. 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***

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

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

GD – 1/3 @ \$313.21 – (bought @ limit)

New

GD – 1/3 @ \$312.53 – (buy @ limit)

Broad Market Large Cap CBI – 3 (GD-3)

Additional New Trade Ideas

GD – Buy 1/3 Catapult position @ \$312.53 LIMIT. From the Catapult section above, this is the 3rd and final lot of GD.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
GD(1/3)	4/24/2026	\$316.64	\$312.53	-1.30%	Catapult
GD(1/3)	4/27/2026	\$313.21	\$312.53	-0.22%	Catapult

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