

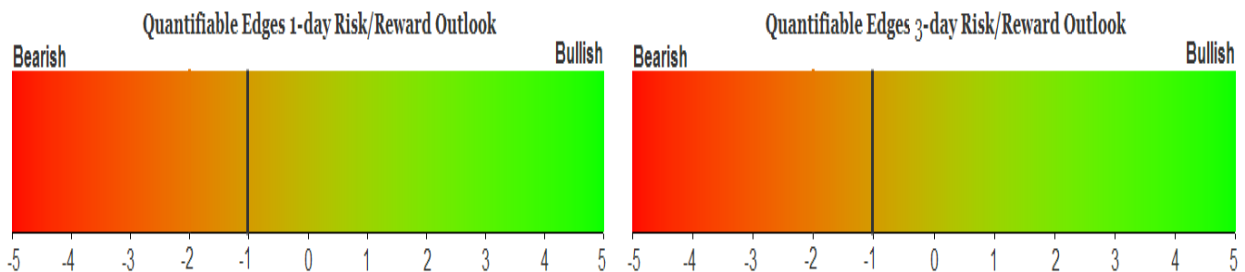
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 29, 2026

Volume 20 Issue 80

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Short	3

## Tonight's Research Points

- Unfilled gaps down from a 50-day high often see further selling the next day.
- The typical Fed Day edge may not be there with the market so close to a long-term high.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bearish, but the edge is small and not likely to last beyond Wednesday.

**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>						
April 29, 2026	SPY unfilled gap down from a 50-day high	1 day	Bearish			
<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			

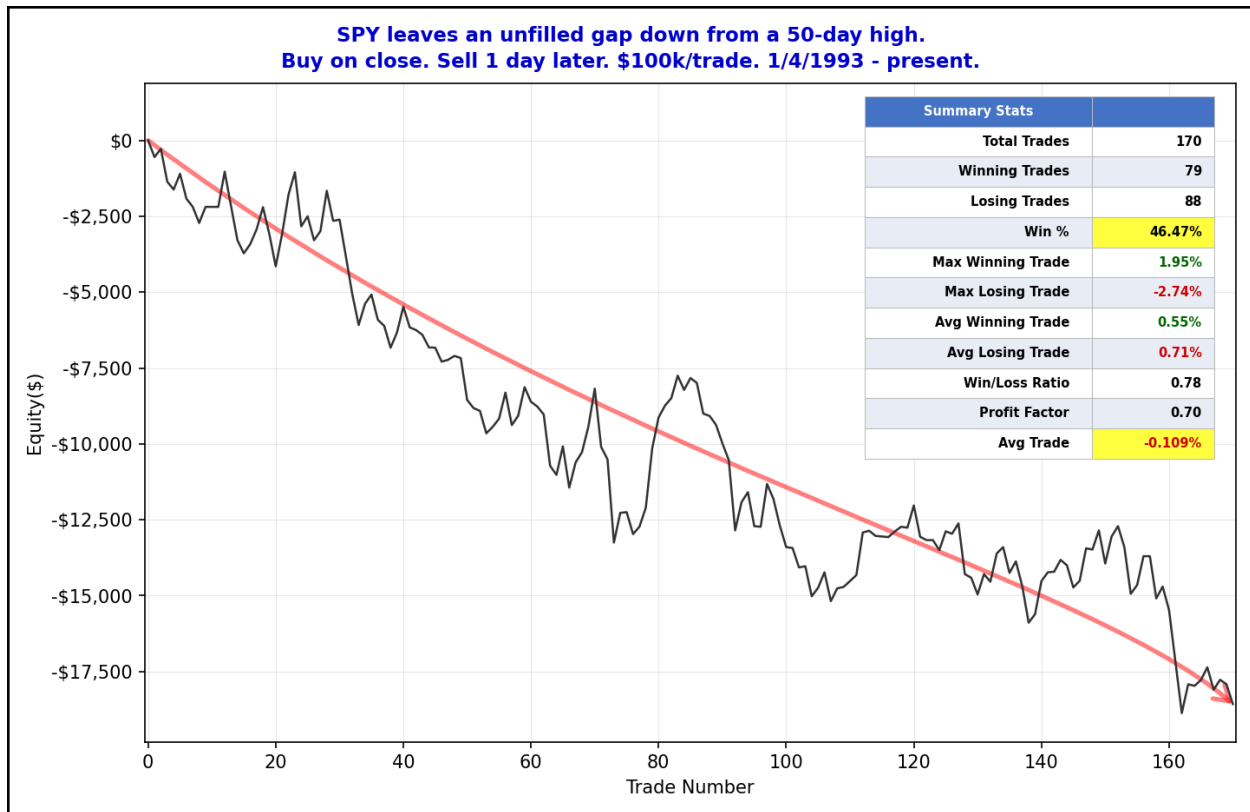
**The Evidence**

Tuesday saw the market sell off a bit. SPX finished down 0.5%, the NASDAQ lost 0.9%, and the Russell 2000 fell 1.2%. Breadth was moderately negative as the NYSE Up Issues % closed at 43% and the NYSE Up Volume % posted a 48% reading. NYSE total volume was down slightly from Monday's level.

I discussed in the 9/2/25 letter that the 1<sup>st</sup> day down from a high does not often suggest a strong edge. But when the 1<sup>st</sup> day down is accompanied by an unfilled gap, then that has increased the odds of additional selling. We saw this happen on Tuesday. The unfilled gap will sometimes leave buyers from the day before with losing positions where they had no opportunity to exit. And they may not be let off the hook too quickly. The studies below demonstrate this. The 1st one shows performance following down closes from a 50-day high that do not include an unfilled gap lower.

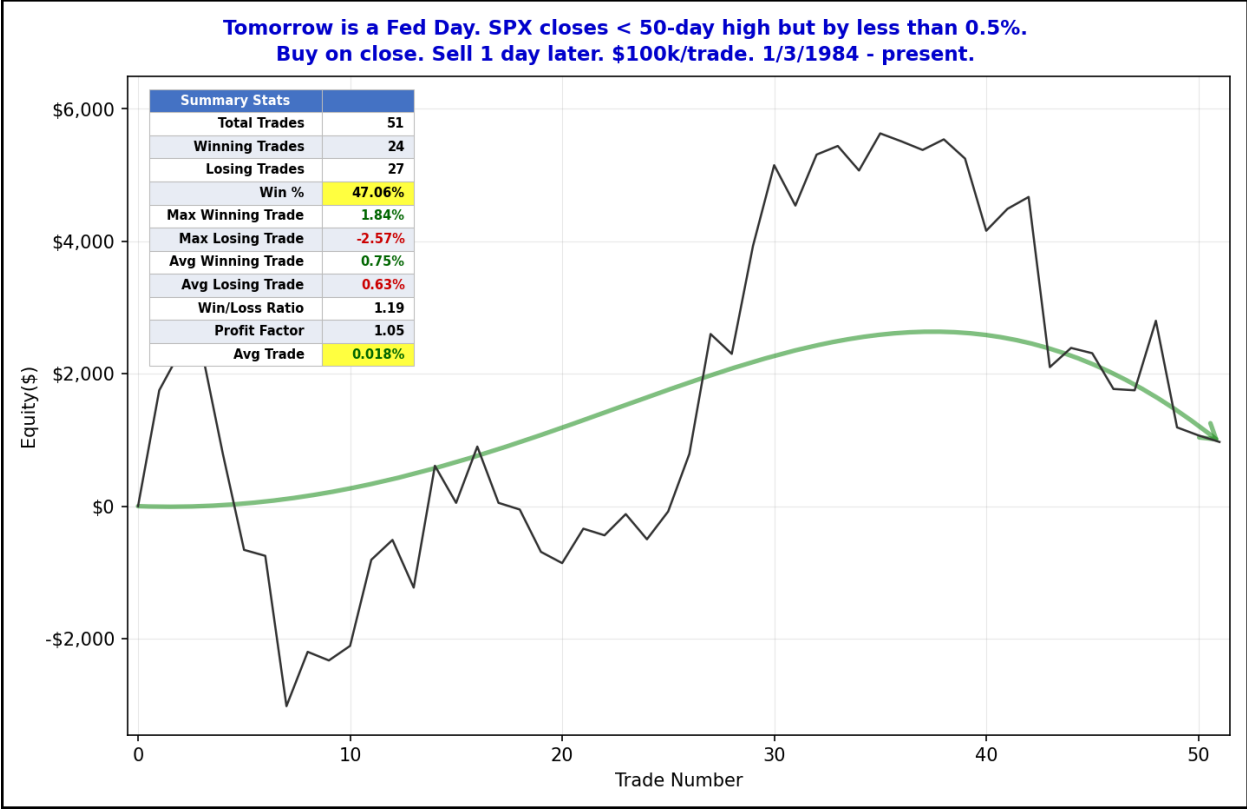


There is no compelling edge suggested by either the numbers or the profit curve here. Now let's look at instances that see an unfilled gap down follow a 50-day high.



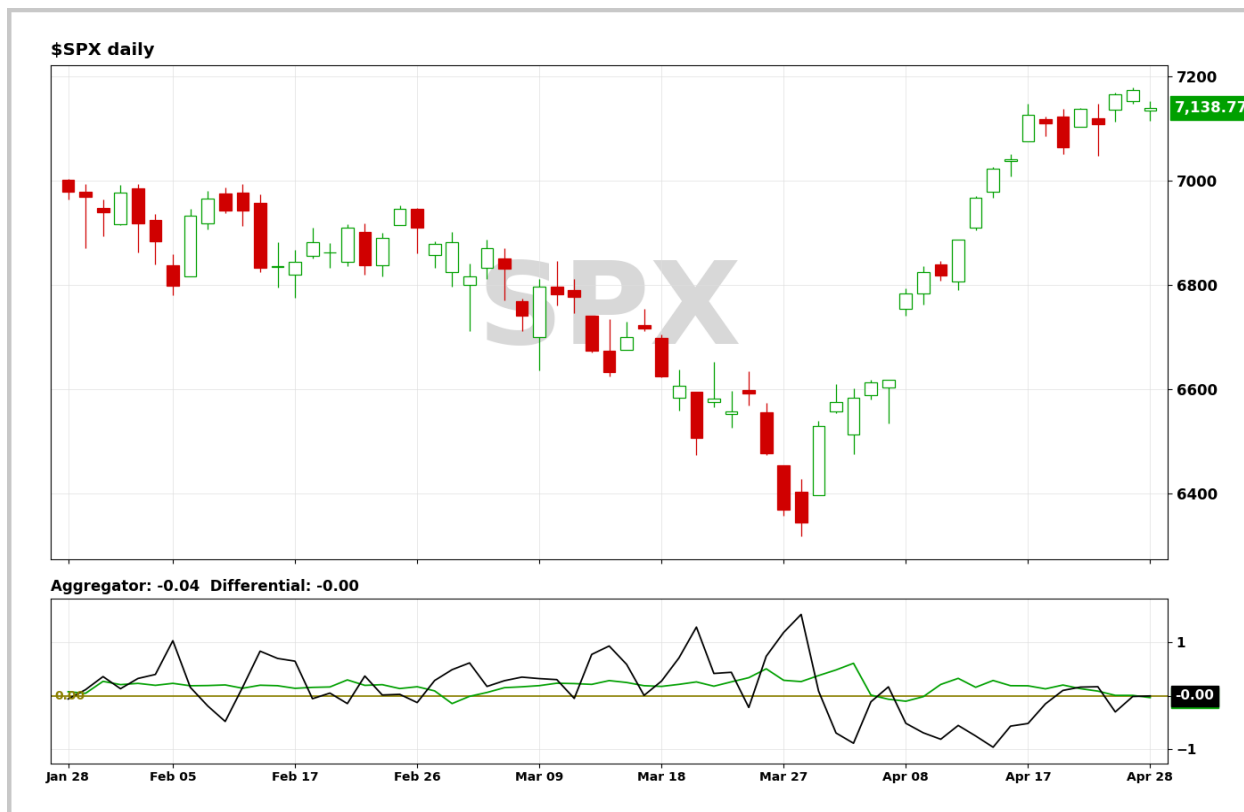
The move lower has persisted for a long time. The curve is back near new lows. The study overall is impressive considering the market must be in an uptrend since it was at a 50-day high the day before. It suggests a moderate downside edge for Wednesday.

Wednesday is a Fed Day. Fed Days are often bullish. But that has not been the case when SPX is at or near an intermediate-term high. The study below looks at times SPX closed below a 50-day high, but by less than 0.5%, on the day before a Fed Day. It is updated from the 7/28/21 letter.



This study suggests the Fed Day edge just isn't there for tomorrow.

I have updated the Aggregator chart below.



With tonight's evidence considered, the green Aggregator Line dipped below zero. Negative readings mean net expectations are for downside 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 slightly negative and SPX is slightly overbought. This is considered a bearish configuration. Bearish configurations are visible on the chart whenever both lines close below zero. Therefore, the Aggregator formation turned short at the close.

Based on the current list of active studies, expectations are set to turn positive on Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be *inverted at 7180.94*. That is 0.6% above Tuesday'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 at least 0.6% on Wednesday in order to remain overbought. Anything other than that and it will flip to oversold versus recent expectations as of Wednesday's close.

So the Aggregator is bearish. But the edge is tiny, and if nothing changes it will flip to bullish on Wednesday. This limits reward potential. And when you are talking about a small edge and a potential counter-trend trade, it simply is not appealing. Add to that the elevated risk that comes with the potential for high volatility thanks to the Fed announcement, and trying a short trade here appears reckless. I'm not enthusiastic about taking on short-term index exposure.

**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)

GD – 1/3 @ \$312.53 – (bought @ limit)

### ***Broad Market Large Cap CBI – 3 (GD-3)***

## **Additional New Trade Ideas**

**None tonight.**

## **Current Open Trade Ideas**

<b>Symbol</b>	<b>Entry Date</b>	<b>Entry Price</b>	<b>Current Price</b>	<b>% Gain/Loss</b>	<b>Notes</b>
GD(1/3)	4/24/2026	\$316.64	\$313.68	-0.93%	Catapult
GD(1/3)	4/27/2026	\$313.21	\$313.68	0.15%	Catapult
GD(1/3)	4/28/2026	\$312.53	\$313.68	0.37%	Catapult

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