

QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 1, 2026

Volume 20 Issue 82

Market Overview



Signals Overview

| Aggregator | CBI Reading |
|------------|-------------|
| Flat | 2 |

Tonight's Research Points

- The turn of month bullish tendency has not played out when SPY has closed strong to finished the last day of the month.
- 10% up months have led to further momentum in recent times, but evidence is not strong enough for me to consider April's rally a bullish indication for the next several months.

Short-term Outlook

The Bottom Line

The Aggregator is now neutral. I am as well.

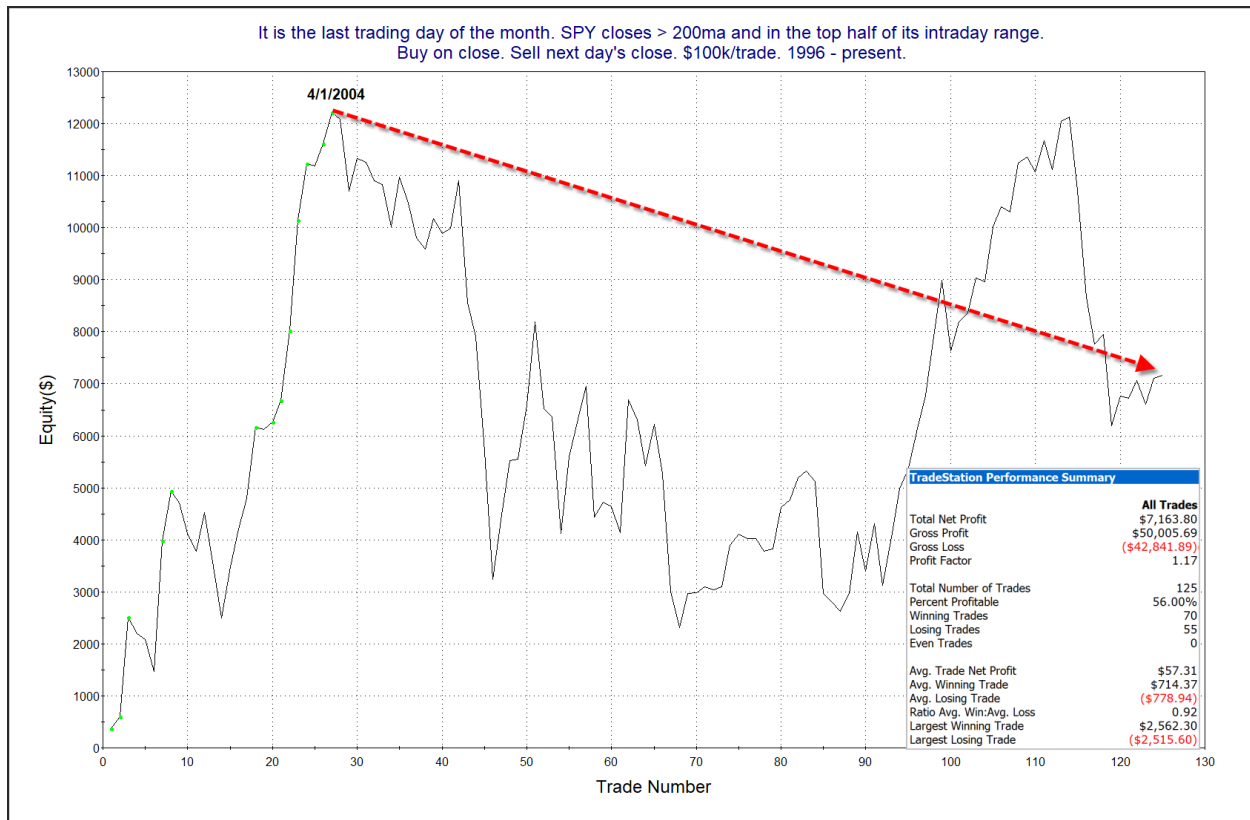
Summary of Recent Active Studies (see Letters from listed dates for details)

| Study Date | Description | Time span | Bias | Avg Run-up | Avg DrawDn | Avg DrawDn - 1 Std Dev |
|----------------------------|---|------------|---------|------------|------------|------------------------|
| Active - Short Term | | | | | | |
| April 30, 2026 | Fed Day with SPX down 2+ days in a row | 1-6 days | Bullish | 2.18% | -1.53% | -3.13% |
| Active - Long Term | | | | | | |
| April 27, 2026 | Sell in May 2nd yr Pres Cycle & 5% pullback | 1-6 months | Bearish | | | |
| 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 | | | |
| June 30, 2025 | SPX Golden Cross (7/1/25) | int term | Bullish | | | |

The Evidence

Thursday was a strong way to finish an extremely strong month. SPX finished up 1%, the NASDAQ gained 0.9%, and the Russell 2000 rallied 2.2%. Breadth was positive as the NYSE Up Issues % closed at 79% and the NYSE Up Volume % posted a 77% reading. NYSE total volume spiked higher from Wednesday's level.

Last night I showed that the turn-of-month edge has primarily played out when SPY has finished poorly on the last trading day of the month. So Thursday's strong finish was not a great sign for Friday. Here is that chart again from last night.



This suggests that the 1st day of the new month is unlikely to provide a bullish seasonal edge on Friday.

I will note that SPX finished April with a 10.4% gain. One-month gains of that magnitude are quite rare. In the 12/1/20 letter I decided to take a look at past instances of 10% gains. I updated that research tonight.

**SPX closes up > 10% on the Month
Forward returns shown. 1928 - present.**

| Date | Current Month %Chg | 21-Day %Chg | 63-Day %Chg | 126-Day %Chg | 252-Day %Chg |
|---------------------|--------------------|---------------|---------------|---------------|---------------|
| 11/30/20 | 10.75% | 3.05% | 5.47% | 16.19% | 26.10% |
| 4/30/20 | 12.68% | 4.92% | 11.46% | 12.31% | 43.56% |
| 10/31/11 | 10.77% | -0.51% | 5.65% | 11.89% | 13.91% |
| 12/31/91 | 11.16% | -1.31% | -3.21% | -2.15% | 5.01% |
| 1/30/87 | 13.18% | 3.66% | 5.09% | 16.27% | -6.21% |
| 8/31/84 | 10.63% | -1.85% | -1.86% | 9.23% | 13.17% |
| 10/29/82 | 11.04% | 3.60% | 8.07% | 22.97% | 23.27% |
| 8/31/82 | 11.60% | 0.76% | 15.91% | 26.25% | 35.76% |
| 11/28/80 | 10.24% | -3.69% | -6.06% | -5.77% | -10.98% |
| 1/30/76 | 11.83% | -0.28% | 0.77% | 2.56% | 1.06% |
| 1/31/75 | 12.28% | 8.55% | 15.90% | 14.30% | 31.02% |
| 10/31/74 | 16.30% | -7.83% | 4.17% | 20.73% | 20.85% |
| 11/30/62 | 10.16% | 0.69% | 3.95% | 13.54% | 18.25% |
| 9/29/39 | 14.40% | 0.31% | -0.16% | -2.11% | -15.09% |
| 7/31/39 | 10.87% | -4.65% | 7.64% | 0.08% | -14.78% |
| 6/30/38 | 24.70% | 5.97% | 2.94% | 14.45% | -3.20% |
| 4/29/38 | 15.06% | -5.21% | 26.07% | 34.36% | 15.03% |
| 1/31/34 | 12.04% | -1.43% | -7.88% | -19.34% | -20.41% |
| 11/29/33 | 10.27% | 2.33% | 11.44% | -3.95% | -3.24% |
| 8/31/33 | 11.46% | -13.26% | -10.73% | -4.42% | -16.95% |
| 6/30/33 | 13.17% | -6.05% | -10.91% | -8.62% | -9.99% |
| 5/31/33 | 23.12% | 11.41% | 16.18% | 2.49% | -1.56% |
| 4/28/33 | 33.85% | 24.90% | 33.21% | 21.84% | 30.91% |
| 8/31/32 | 39.14% | -3.69% | -22.88% | -17.40% | 32.66% |
| 7/29/32 | 36.12% | 42.29% | 17.58% | 15.09% | 75.62% |
| 6/30/31 | 13.90% | -7.35% | -29.20% | -45.38% | -70.13% |
| 2/27/31 | 11.37% | -7.60% | -26.18% | -24.02% | -54.02% |
| 6/28/29 | 10.39% | 3.98% | 10.43% | -22.73% | -25.36% |
| 11/30/28 | 11.99% | 2.18% | 4.28% | 5.60% | -9.93% |
| 3/30/28 | 11.70% | 2.59% | -0.73% | 9.65% | 31.22% |
| % Winners | | 53.33% | 63.33% | 63.33% | 53.33% |
| Average %Chg | | 1.88% | 2.88% | 3.80% | 5.18% |
| Median %Chg | | 0.50% | 4.22% | 7.42% | 3.04% |

It was fairly common during the 1930s. Since then, not nearly as much. Overall, the forward returns appear moderate. But returns have seemed to do better in modern times vs the 1920s/30s. Here are the two periods broken apart.

**SPX closes up > 10% on the Month
Forward returns shown. 1928 - 1956.**

| Date | Current Month %Chg | 21-Day %Chg | 63-Day %Chg | 126-Day %Chg | 252-Day %Chg |
|--------------|--------------------|-------------|-------------|--------------|--------------|
| 9/29/39 | 14.40% | 0.31% | -0.16% | -2.11% | -15.09% |
| 7/31/39 | 10.87% | -4.65% | 7.64% | 0.08% | -14.78% |
| 6/30/38 | 24.70% | 5.97% | 2.94% | 14.45% | -3.20% |
| 4/29/38 | 15.06% | -5.21% | 26.07% | 34.36% | 15.03% |
| 1/31/34 | 12.04% | -1.43% | -7.88% | -19.34% | -20.41% |
| 11/29/33 | 10.27% | 2.33% | 11.44% | -3.95% | -3.24% |
| 8/31/33 | 11.46% | -13.26% | -10.73% | -4.42% | -16.95% |
| 6/30/33 | 13.17% | -6.05% | -10.91% | -8.62% | -9.99% |
| 5/31/33 | 23.12% | 11.41% | 16.18% | 2.49% | -1.56% |
| 4/28/33 | 33.85% | 24.90% | 33.21% | 21.84% | 30.91% |
| 8/31/32 | 39.14% | -3.69% | -22.88% | -17.40% | 32.66% |
| 7/29/32 | 36.12% | 42.29% | 17.58% | 15.09% | 75.62% |
| 6/30/31 | 13.90% | -7.35% | -29.20% | -45.38% | -70.13% |
| 2/27/31 | 11.37% | -7.60% | -26.18% | -24.02% | -54.02% |
| 6/28/29 | 10.39% | 3.98% | 10.43% | -22.73% | -25.36% |
| 11/30/28 | 11.99% | 2.18% | 4.28% | 5.60% | -9.93% |
| 3/30/28 | 11.70% | 2.59% | -0.73% | 9.65% | 31.22% |
| % Winners | | 52.94% | 52.94% | 47.06% | 29.41% |
| Average %Chg | | 2.75% | 1.24% | -2.61% | -3.48% |
| Median %Chg | | 0.31% | 2.94% | -2.11% | -9.93% |

**SPX closes up > 10% on the Month
Forward returns shown. 1957 - present.**

| Date | Current Month %Chg | 21-Day %Chg | 63-Day %Chg | 126-Day %Chg | 252-Day %Chg |
|--------------|--------------------|-------------|-------------|--------------|--------------|
| 11/30/20 | 10.75% | 3.05% | 5.47% | 16.19% | 26.10% |
| 4/30/20 | 12.68% | 4.92% | 11.46% | 12.31% | 43.56% |
| 10/31/11 | 10.77% | -0.51% | 5.65% | 11.89% | 13.91% |
| 12/31/91 | 11.16% | -1.31% | -3.21% | -2.15% | 5.01% |
| 1/30/87 | 13.18% | 3.66% | 5.09% | 16.27% | -6.21% |
| 8/31/84 | 10.63% | -1.85% | -1.86% | 9.23% | 13.17% |
| 10/29/82 | 11.04% | 3.60% | 8.07% | 22.97% | 23.27% |
| 8/31/82 | 11.60% | 0.76% | 15.91% | 26.25% | 35.76% |
| 11/28/80 | 10.24% | -3.69% | -6.06% | -5.77% | -10.98% |
| 1/30/76 | 11.83% | -0.28% | 0.77% | 2.56% | 1.06% |
| 1/31/75 | 12.28% | 8.55% | 15.90% | 14.30% | 31.02% |
| 10/31/74 | 16.30% | -7.83% | 4.17% | 20.73% | 20.85% |
| 11/30/62 | 10.16% | 0.69% | 3.95% | 13.54% | 18.25% |
| % Winners | | 53.85% | 76.92% | 84.62% | 84.62% |
| Average %Chg | | 0.75% | 5.02% | 12.18% | 16.52% |
| Median %Chg | | 0.69% | 5.09% | 13.54% | 18.25% |

Modern returns have been quite a bit better. Strong momentum is often a positive, and that may be the message here. But I also noted that such strong moves most often happen coming off a bottom, rather than at multi-year highs. I decided to filter the complete list to see those instances that also included a 24-month SPX high.

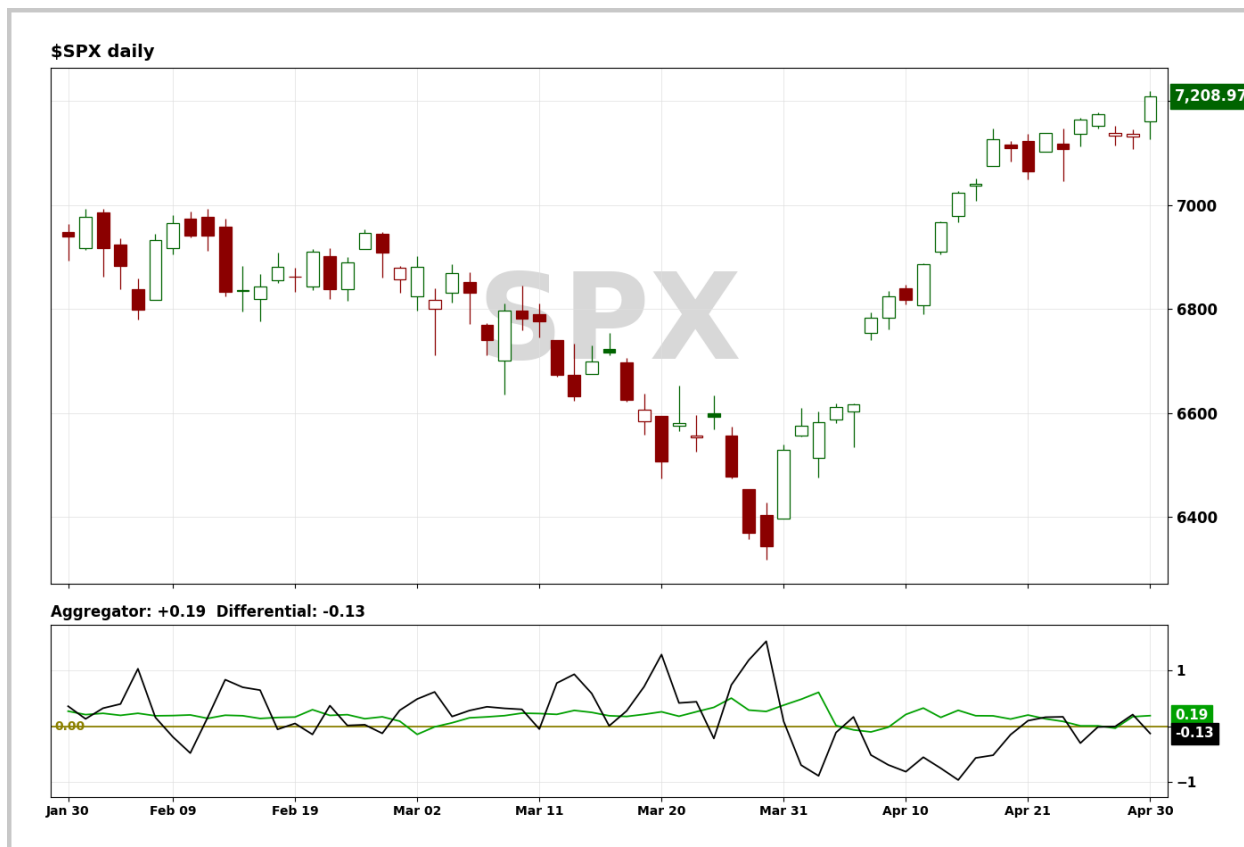
| SPX gains > 10% in one month and makes the highest high in the last 24 months Forward returns shown. 1957 - present. | | | | | |
|--|---------------------------|--------------------|--------------------|---------------------|---------------------|
| Date | Current Month %Chg | 21-Day %Chg | 63-Day %Chg | 126-Day %Chg | 252-Day %Chg |
| 11/30/20 | 10.75% | 3.05% | 5.47% | 16.19% | 26.10% |
| 12/31/91 | 11.16% | -1.31% | -3.21% | -2.15% | 5.01% |
| 1/30/87 | 13.18% | 3.66% | 5.09% | 16.27% | -6.21% |
| 11/28/80 | 10.24% | -3.69% | -6.06% | -5.77% | -10.98% |
| 1/30/76 | 11.83% | -0.28% | 0.77% | 2.56% | 1.06% |
| % Winners | | 40.00% | 60.00% | 60.00% | 60.00% |
| Average %Chg | | 0.29% | 0.41% | 5.42% | 3.00% |
| Median %Chg | | -0.28% | 0.77% | 2.56% | 1.06% |

Only 5 instances. Results were mixed.

Overall, the strong April was notable. But I am not sure the 10% gain is really indicative of much. I won't be adding any of this to the active list, but I thought it was interesting enough to share.

It is also worth noting that we are now entering the "Worst 6 Months". Being in the 2nd year of the Presidential Cycle makes the "Worst 6 Months" even worse, and so does the fact that SPX underwent a 5%+ correction already in 2026. I covered these points in detail in last weekend's letter. You can find it here: <https://quantifiableedges.com/current-weekly-letter/>

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 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.

Based on the current list of active studies, expectations are set to remain positive on Friday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7136.29. That is 1.0% below Thursday's close. Therefore, SPX will need to close down at least 1.0% on Friday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. While SPX is overbought, evidence continues to suggest it could go even higher. This is not a great combination for a favorable reward/risk entry into a short-term trade. I won't be looking to add any new index exposure on Friday.

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

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link](#)

Open Catapult Triggers

LMT – 1/3 @ \$509.81 – (bought @ limit)

MDT – 1/3 @ \$79.37 – (bought @ limit)

Broad Market Large Cap CBI – 2 (LMT, MDT)

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

| Symbol | Entry Date | Entry Price | Current Price | % Gain/Loss | Notes |
|----------------|------------------|-----------------|-----------------|--------------|---------------------|
| <i>GD(1/3)</i> | <i>4/24/2026</i> | <i>\$316.64</i> | <i>\$340.15</i> | <i>7.42%</i> | <i>sold on open</i> |
| <i>GD(1/3)</i> | <i>4/27/2026</i> | <i>\$313.21</i> | <i>\$340.15</i> | <i>8.60%</i> | <i>sold on open</i> |
| <i>GD(1/3)</i> | <i>4/28/2026</i> | <i>\$312.53</i> | <i>\$340.15</i> | <i>8.84%</i> | <i>sold on open</i> |
| LMT(1/3) | 4/30/2026 | \$509.81 | \$517.97 | 1.60% | Catapult |
| GD(1/3) | 4/28/2026 | \$79.37 | \$80.97 | 2.02% | Catapult |

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