

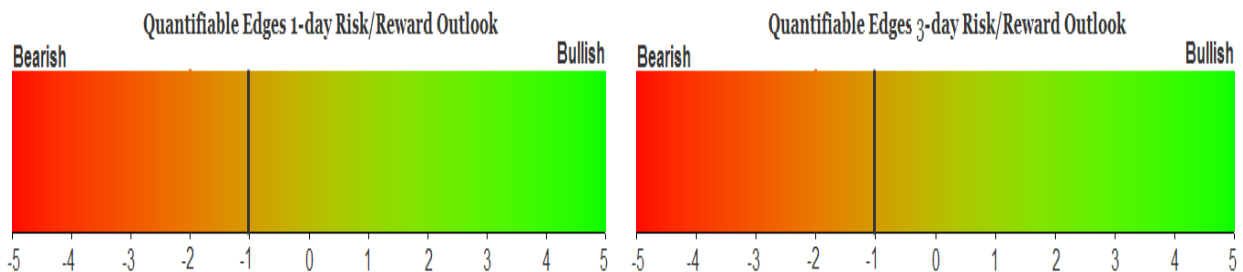
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 5, 2026

Volume 20 Issue 84

Market Overview



Signals Overview

Aggregator	CBI Reading
Short	2

Tonight's Research Points

- No new compelling evidence emerged tonight.

Short-term Outlook

The Bottom Line

The Aggregator is bearish. But there is no supporting evidence that emerged today, SPX is primed to turn back to oversold, and the long-term trend is definitely higher. This does not appear to be a great short set-up.

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

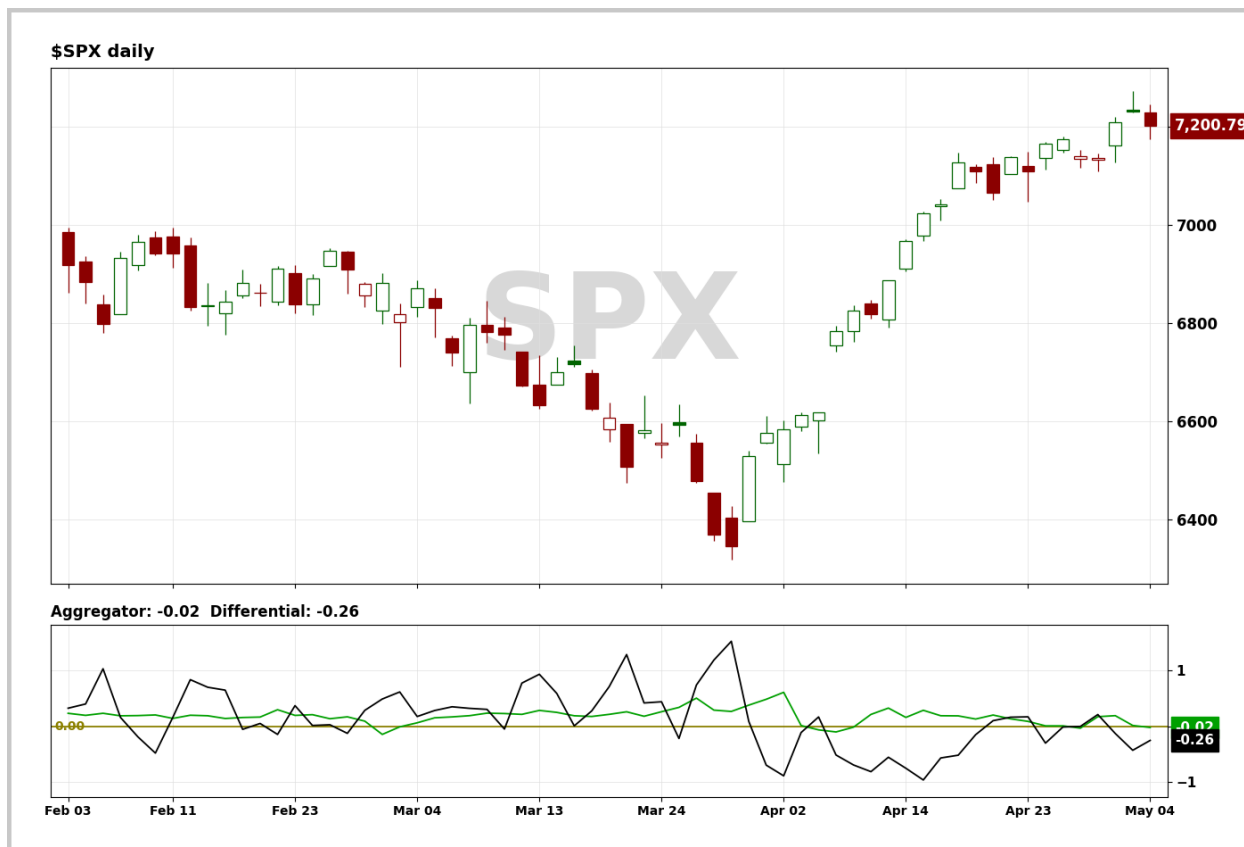
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
May 4, 2026	SPX higher on 1st trading day of May	1-4 days	Bearish	-2.07%	1.05%	2.39%
May 4, 2026	VIX up, SPX at 50-day high, on a Friday	1-2 days	Bearish	-0.81%	0.48%	1.03%
May 4, 2026	SPX 20-day high, closes bottom 10% of range	1-2 days	Bullish	0.85%	-0.58%	-1.14%
May 4, 2026	SPY 20-day intraday high w/ unfilled gap, w	1-4 days	Bullish	1.04%	-0.67%	-1.26%
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						
May 4, 2026	SPX 20-day high, closes bottom 10% of range	1-10 days	Bullish	2.02%	-1.47%	-2.79%
April 27, 2026	Sell in May 2nd yr Pres Cycle & 5% pullback	1-6 months	Bearish			
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

Monday was a down day for the market. SPX finished down 0.4%, the NASDAQ lost 0.2%, and the Russell 2000 lost 0.6%. Breadth was weak as the NYSE Up Issues % closed at 29% and the NYSE Up Volume % posted a 34% reading. NYSE total volume rose some from Friday's level.

So today was the first day down from a long-term high. Last week I showed a study that suggests if you have an unfilled gap down from a long-term high, there could be a bearish edge for the next day. But we didn't get an unfilled gap down today and we're only down one day from an all-time high. So it's not terribly surprising that nothing compelling triggered in the Quantifier. I'll be keeping it very brief tonight you

I have updated the Aggregator chart below.



Without any new studies being added, 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 negative and SPX is 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 remain negative on Tuesday. This could change if compelling new bullish evidence emerges. Meanwhile, the Differential Pivot will be *inverted at 7232.22*. That is 0.4% *above* Monday'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 0.4% on Tuesday in order to remain overbought. Anything other than that and it will flip to oversold versus recent expectations as of Tuesday's close.

So the Aggregator is bearish. But we have an inverted Differential Pivot and a bullish intermediate-term outlook. That is not a combination that gets me excited about shorting. I will wait to see how Tuesday plays out and what new evidence emerges before considering any possible new short term index positions.

Intermediate-term Outlook (2 weeks – 2 months) – updated 5/4 – 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
LMT(1/3)	4/30/2026	\$509.81	\$518.15	1.64%	Catapult
MDT(1/3)	4/30/2026	\$79.37	\$78.30	-1.35%	Catapult

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