

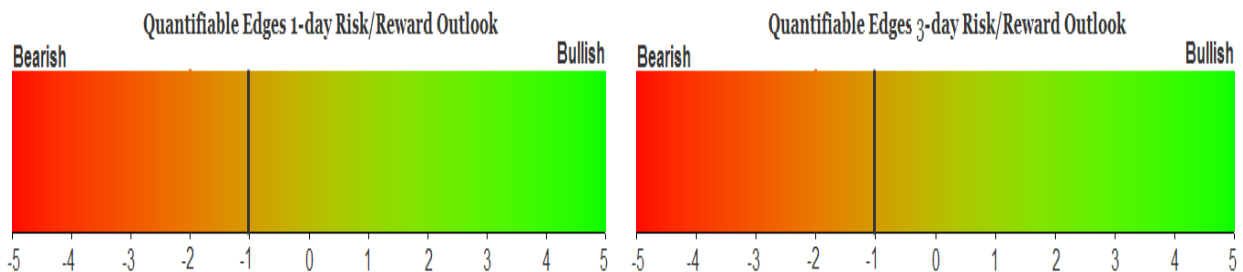
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 6, 2026

Volume 20 Issue 85

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)

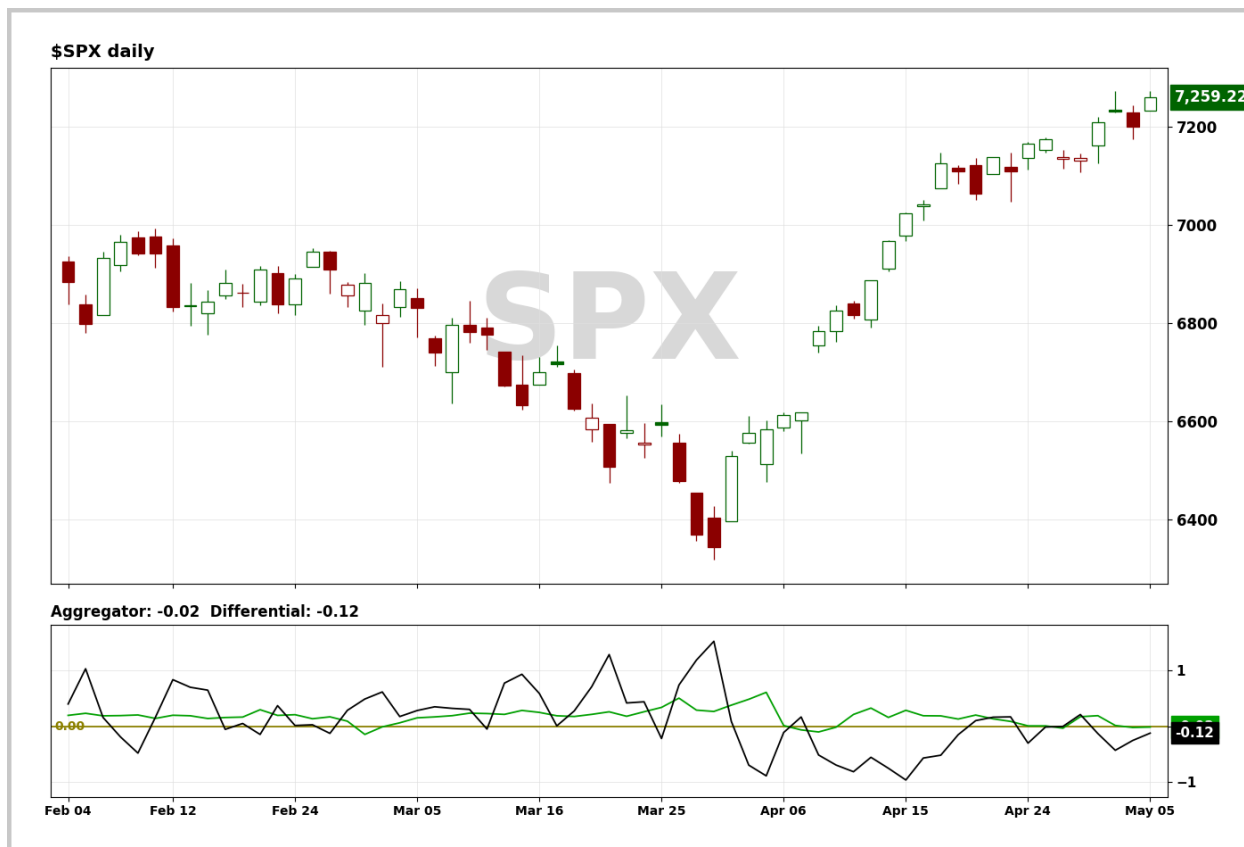
Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
May 4, 2026	SPX higher on 1st trading day of May	1-4 days	Bearish	-2.07%	1.05%	2.39%
May 4, 2026	SPY 20-day intraday high w/ unfilled gap, w	1-4 days	Bullish	1.04%	-0.67%	-1.26%
April 30, 2026	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 rang	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

Tuesday saw the market gap up and never look back. SPX finished up 0.8%, the NASDAQ gained 1.0%, and the Russell 2000 rallied 1.8%. Breadth was solid as the NYSE Up Issues % closed at 69% and the NYSE Up Volume % posted a 66% reading. NYSE total volume was slightly higher than Monday's level.

SPX has reversed direction in the last couple of days. And despite making a new high today, nothing compelling triggered in the Quantifinder. So it is going to be a short letter again tonight.

I have updated the Aggregator chart below.



Without any new studies being added, the green Aggregator Line remained slightly below zero. Negative readings mean net expectations are for downside over the next few days. Meanwhile the black Differential Line also held just 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 stayed short at the close.

Based on the current list of active studies, expectations are set to remain negative on Wednesday. This could easily change if new bullish evidence emerges. Meanwhile, the Differential Pivot will be 7256.84. That is just a few points below Tuesday's close. Therefore, SPX will only need to close down less than 0.1% on Wednesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is bearish. But we have not seen confirming evidence the last 2 nights, and just about any down close will turn SPX oversold. Not to mention that the intermediate-term outlook is still bullish, and the trend is ridiculously strong. I feel no compulsion to try a short trade at this point in time. I will continue to wait for a more favorable reward-risk opportunity to emerge.

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	\$508.93	-0.17%	Catapult
MDT(1/3)	4/30/2026	\$79.37	\$77.79	-1.99%	Catapult

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