

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 15, 2026

Volume 20 Issue 92

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Flat	2

## Tonight's Research Points

- Opex Friday often sees selling after the open.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is now neutral. That's where I'm at 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
<b>Active - Short Term</b>						
None						
<b>Active - Long Term</b>						
May 13, 2026	SPX historically strong 6-week rally	1-12 months	Bullish	18.96%	-8.29%	-10.88%
April 27, 2026	Sell in May 2nd yr Pres Cycle & 5% pullback	1-6 months	Bearish			
April 6, 2026	NASDAQ leading	int term	Bullish			
December 15, 2025	QE active. Rates dropping. Fed dovish	int term	Bullish			
June 30, 2025	SPX Golden Cross (7/1/25)	int term	Bullish			
<b>Dropped Tonight (target hit, or avg drawdown + 1 std dev exceeded)</b>						
April 20, 2026	SPX 50-day %b > 100	1-50 days	Bullish	4.90%	-4.30%	-8.75%

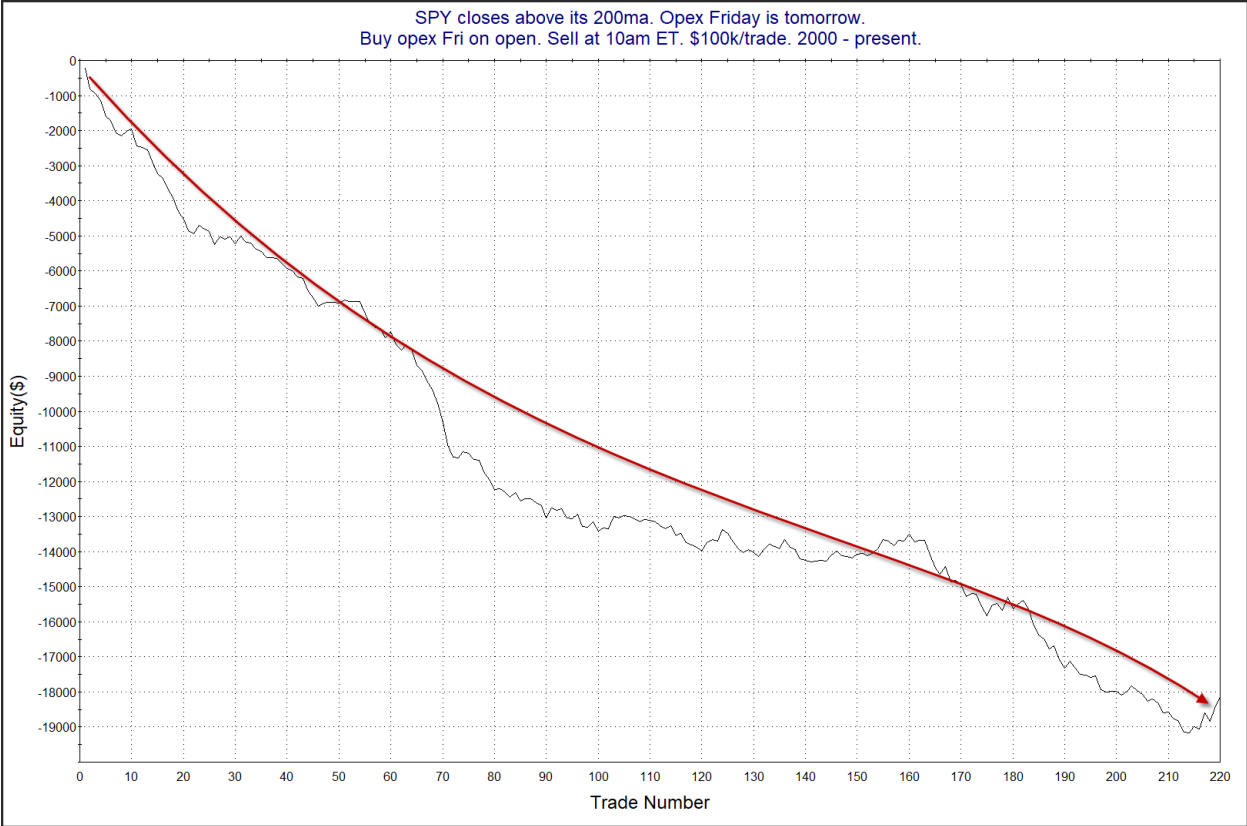
### The Evidence

Thursday was yet another day of rallying. SPX finished up 0.8%, the NASDAQ gained 0.9%, and the Russell 2000 climbed 0.7%. Breadth was positive as the NYSE Up Issues % closed at 59% and the NYSE Up Volume % posted a 60% reading. NYSE total volume dropped quite a bit from Wednesday's level.

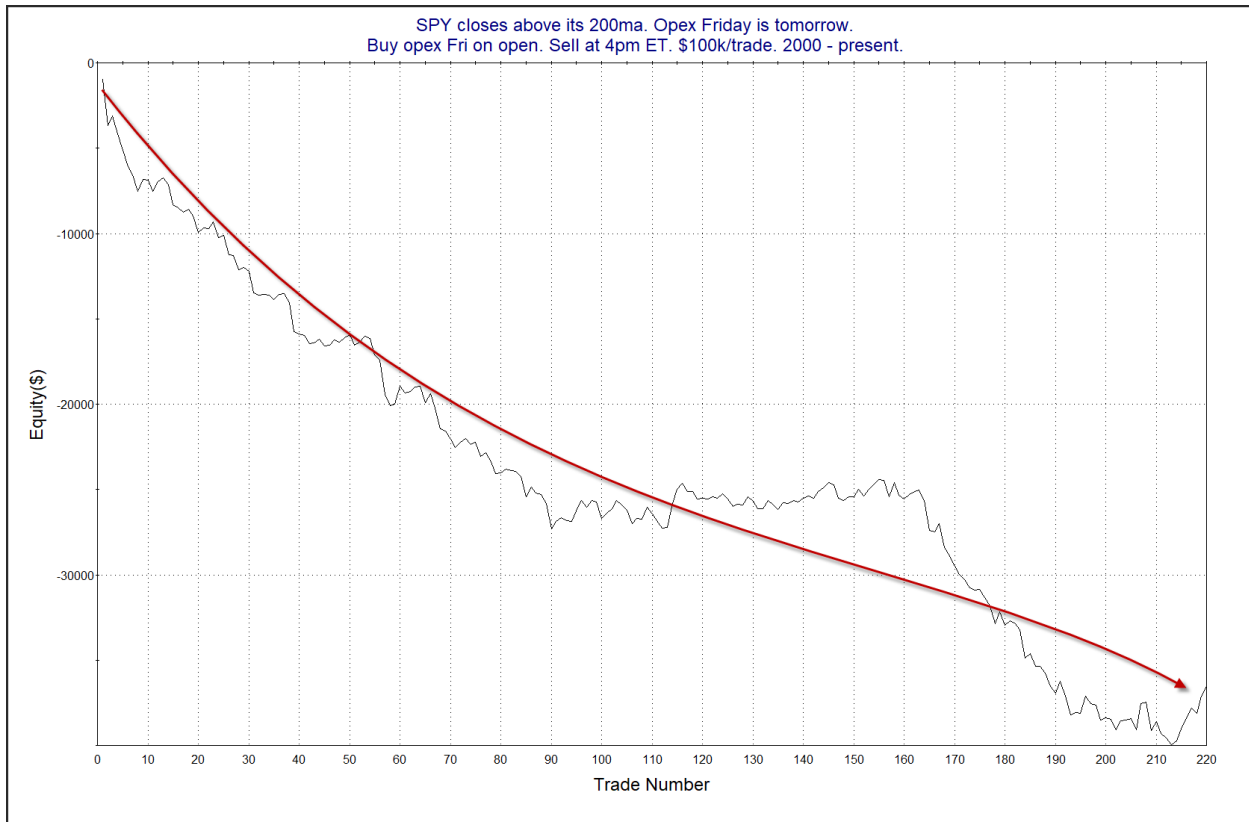
Price action did not generate anything in the way of new, compelling evidence. But Friday is options expiration. Options expiration has long been a day that has seen weakness after the opening bell. The studies below are some that I have shown several times over the years. Tonight I have updated them from the 4/17/26 letter. This first study shows results of purchasing SPY at the open and then exiting at different times during the day.

SPY closes above its 200ma. Opex Friday is tomorrow. Buy opex Fri on open. Sell at time shown on left. \$100k/trade. 2000 - present.												
OE Op-Ex Fri Intra Short: timeofday	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
1,600	-36,544.54	220	92	128	41.82	1,547.00	-2,746.58	352.58	-538.92	0.65	0.47	-166.11
1,500	-30,358.32	220	92	127	41.82	1,824.10	-2,315.18	337.76	-483.72	0.70	0.51	-137.99
1,400	-29,566.98	220	80	140	36.36	1,751.00	-2,000.00	335.57	-402.95	0.83	0.48	-134.40
1,300	-25,998.78	220	83	136	37.73	2,172.60	-1,324.62	316.58	-384.37	0.82	0.50	-118.18
1,200	-24,311.97	220	79	141	35.91	2,150.50	-1,318.40	308.46	-345.25	0.89	0.50	-110.51
1,100	-21,901.75	220	83	136	37.73	1,103.30	-968.50	238.49	-306.59	0.78	0.47	-99.55
1,000	-18,155.35	220	65	155	29.55	473.34	-629.00	143.39	-177.26	0.81	0.34	-82.52

As you can see, the bearish implications primarily play themselves out by early afternoon. (1000 = 10am EST, 1200 = noon EST, 1400 = 2pm EST, etc.) Close to half of the downside would have been achieved by exiting after just 30 minutes. Below is a look at a profit curve for the 10am exit.



Overall, the strong move from upper left to lower right supports the bearish case. But we have seen a bump in the last several months that is worth keeping an eye on. Next is the 4pm exit.



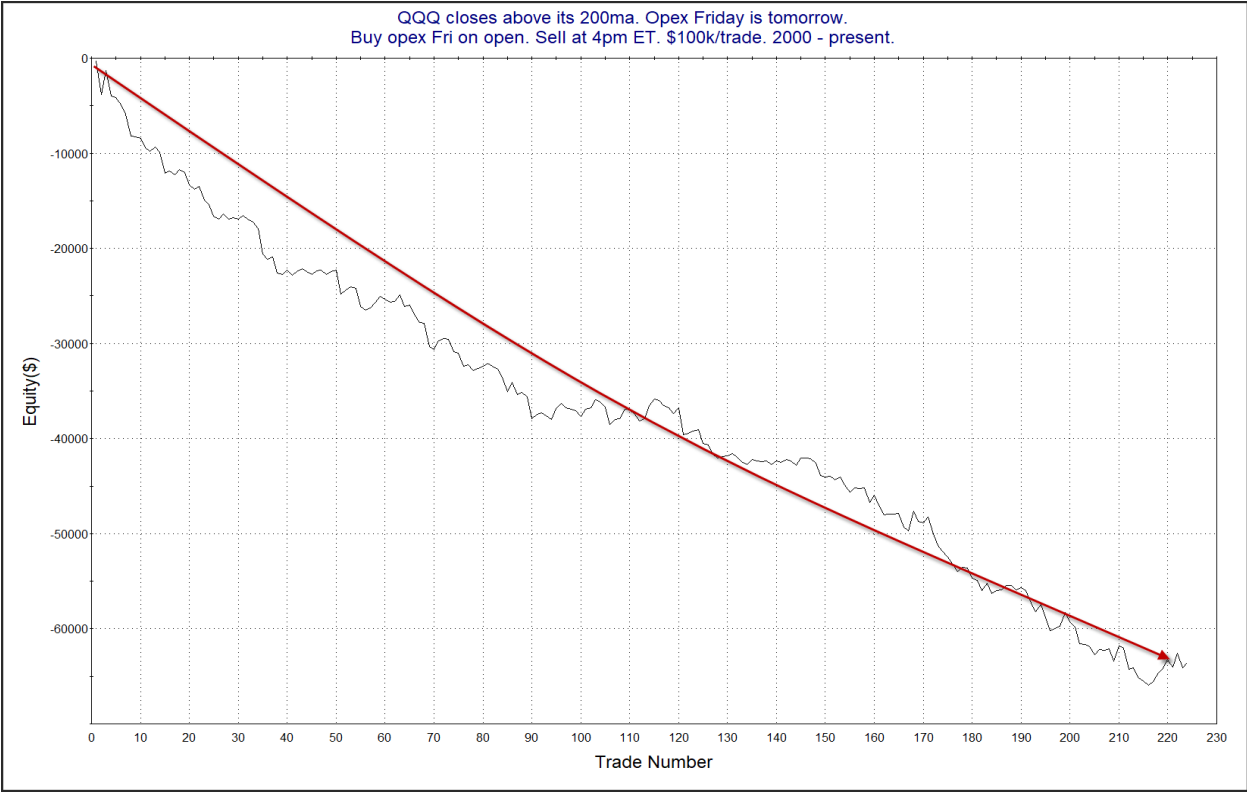
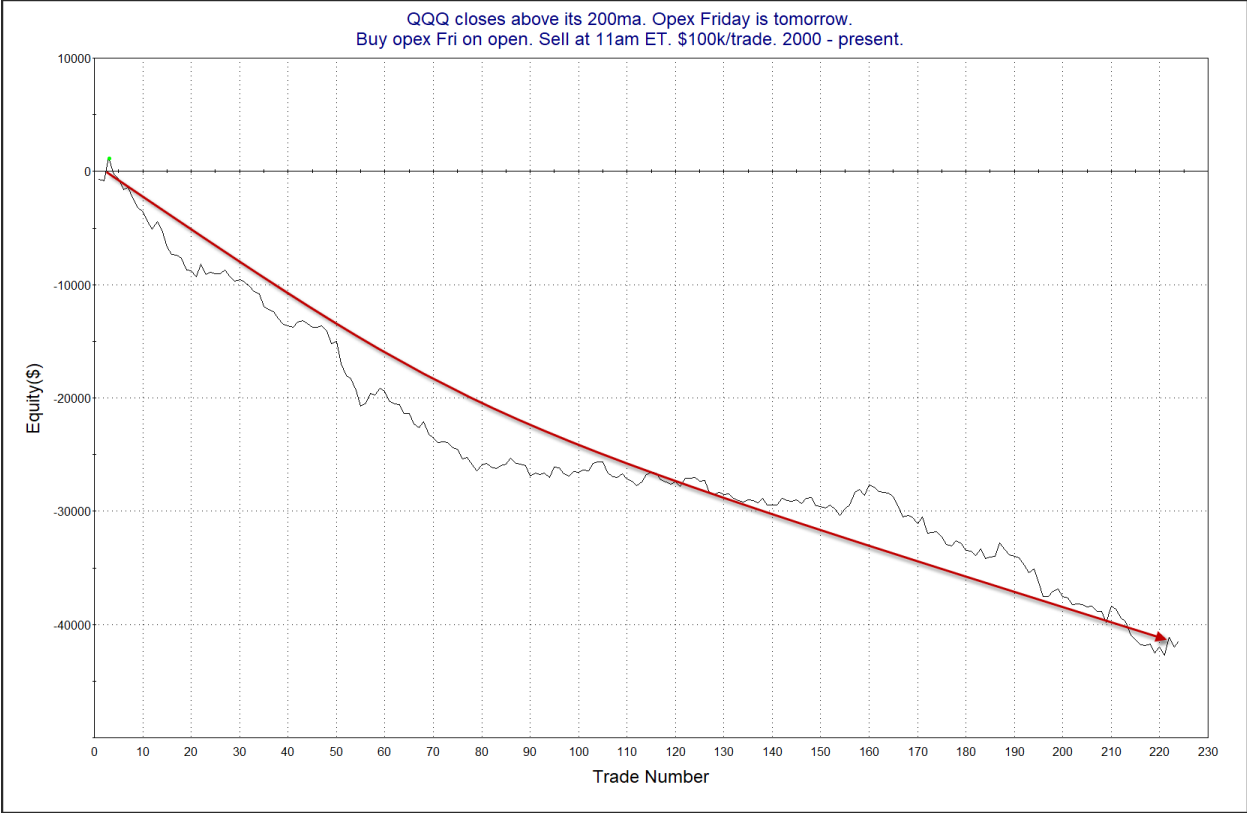
Again this is also impressive despite the last few instances not panning out.

QQQ has seen an even stronger tendency to sell off. This can be seen in the table below.

QQQ closes above its 200ma. Opex Friday is tomorrow.  
Buy opex Fri on open. Sell at time shown on left. \$100k/trade. 2000 - present.

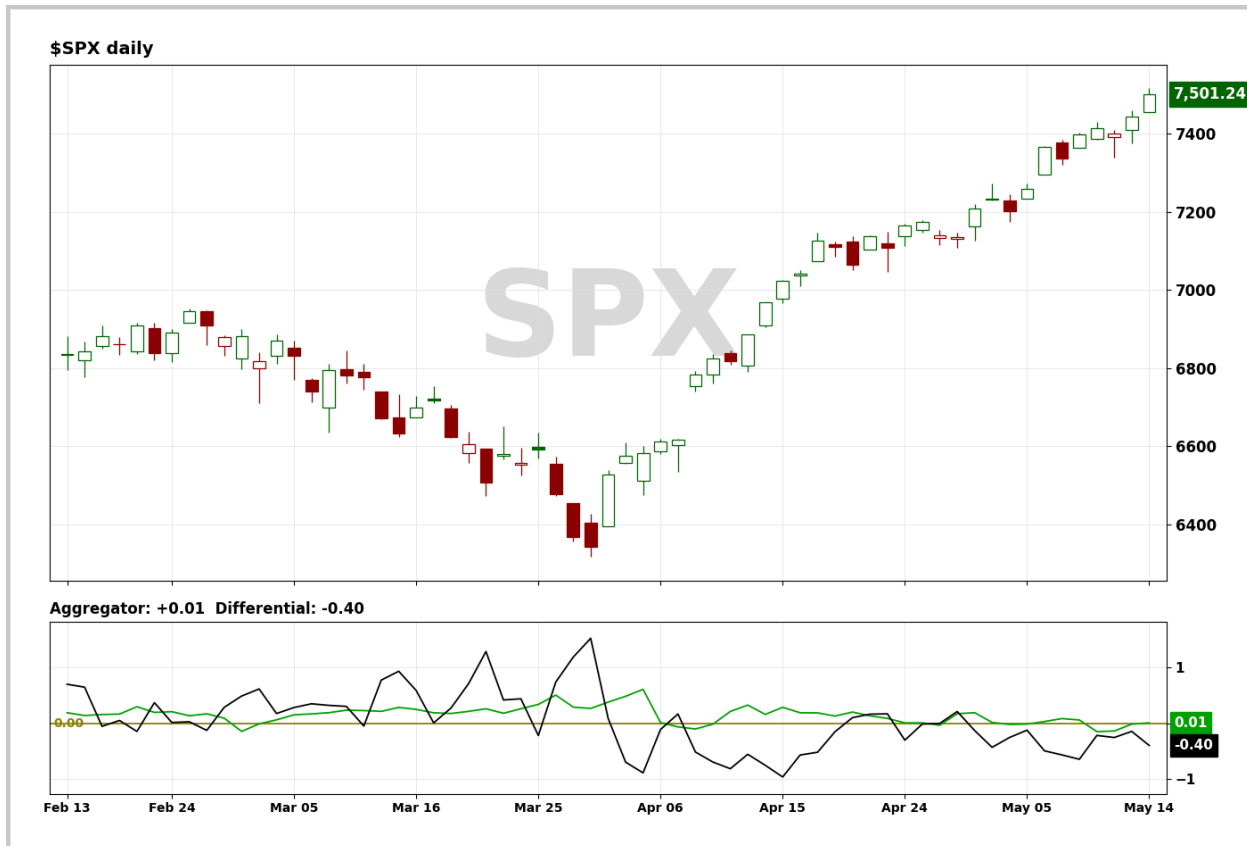
OE Op-Ex Fri Intra Short: timeofday	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
1,600	-63,585.04	224	88	136	39.29	2,516.00	-3,525.88	477.57	-776.55	0.61	0.40	-283.86
1,500	-56,857.04	224	83	139	37.05	2,246.52	-2,590.84	463.62	-685.88	0.68	0.40	-253.83
1,400	-55,045.21	224	74	147	33.04	2,104.90	-2,431.68	457.72	-604.87	0.76	0.38	-245.74
1,300	-47,665.57	224	78	145	34.82	2,541.40	-2,382.80	423.47	-556.53	0.76	0.41	-212.79
1,200	-46,312.06	224	82	141	36.61	2,518.12	-1,843.43	382.57	-550.94	0.69	0.40	-206.75
1,100	-41,493.99	224	75	148	33.48	1,998.00	-1,936.40	384.37	-475.15	0.81	0.41	-185.24
1,000	-31,686.78	224	71	152	31.70	1,332.00	-1,198.29	225.81	-313.94	0.72	0.34	-141.46

Also notable is that about 2/3 of the downside edge has occurred in the 1<sup>st</sup> 90 minutes of trading. Below are profit curves for 11am and 4pm.



The bearish edge appears alive and well here. And the recent bump is barely noticeable for the QQQ 11am exit. Traders may want to keep this in mind Friday morning.

I have updated the Aggregator chart below.



Without any new studies being added, the green Aggregator Line inched above zero. Positive readings mean net expectations are for upside 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 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 7382.34. That is 1.6% below Thursday's close. Therefore, SPX will need to close down a sizable 1.6% on Friday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is now neutral. Short-term evidence is lacking and the market has been persistently over-bought. This is still not the kind of high-probability setup that I would like to see before taking on new short-term index exposure. I will remain sidelined and looking forward to examining any new evidence that emerges over the weekend.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 5/11 – [bullish](#)***

**Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

***Open Catapult Triggers***

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

ABT – 1/3 @ \$86.30 – (bought @ limit)

***Broad Market Large Cap CBI – 2 (MDT, ABT)***

**Additional New Trade Ideas**

**None tonight.**

**Current Open Trade Ideas**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
MDT(1/3)	4/30/2026	\$79.37	\$76.97	-3.02%	Catapult
ABT(1/3)	5/7/2026	\$86.30	\$84.90	-1.62%	Catapult

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