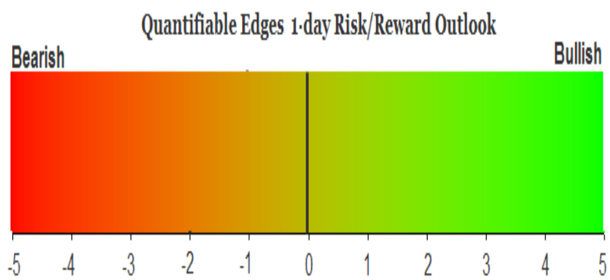
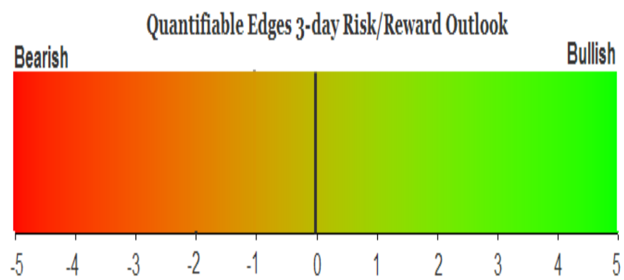
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

May 22, 2026 Volume 20 Issue 97

## Market Overview

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## Signals Overview

| Aggregator | CBI Reading |
|---|---|
| Flat | 0 |

## *Tonight's Research Points*

- No compelling new evidence emerged on Thursday.

## Short-term Outlook

***The Bottom Line***
The Aggregator is neutral. Same here.

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

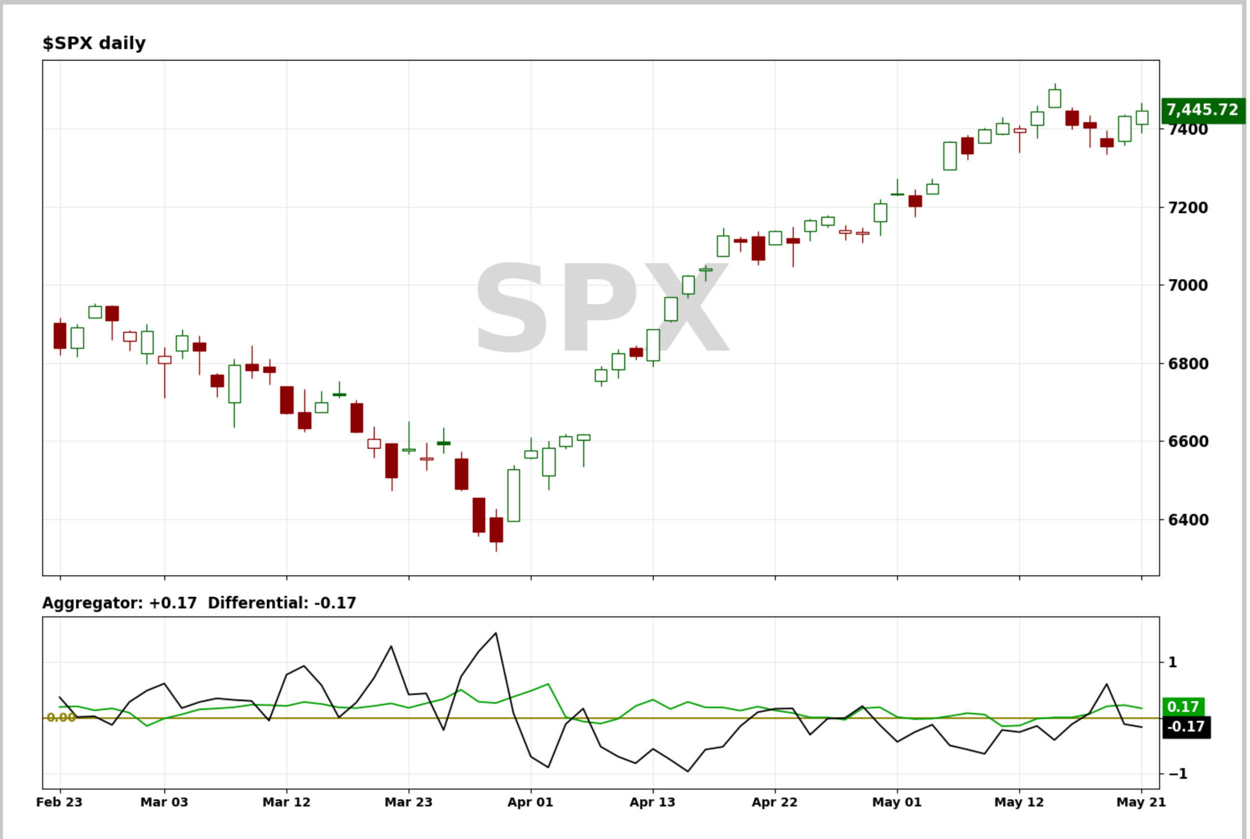
| Study Date | Description | Time span | Bias | Avg Run-up | Avg DrawDn | Avg DrawDn - 1 Std Dev |
|---|---|---|---|---|---|---|
| Active - Short Term | | | | | | |
| May 20, 2026 | SPX dips below 10ma after 25+ days above | 1-9 days | Bullish | 2.49% | -1.19% | -2.41% |
| May 20, 2026 | SPY down 3 days from a 50-day high, closes | 1-4 days | Bullish | 1.56% | -0.86% | -1.81% |
| Active - Long Term | | | | | | |
| 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 | | | |

***The Evidence***

Thursday saw the market start lower but ended with modest gains for the indices. SPX finished up 0.2%, the NASDAQ gained 0.09%, and the Russell 2000 climbed 0.9%. Breadth was moderately positive as the NYSE Up Issues % closed at 52% and the NYSE Up Volume % posted a 60% reading. NYSE total volume declined some from Wednesday's level.

The small moves on Thursday didn't do anything to generate new and compelling evidence. The Quantifinder actually drew a blank for the second day in a row, which is fairly rare. But the market hasn't made much progress in the last 8 to 10 days and today was about as dull as they get as far as the last few weeks. So I'm afraid tonight's letter is going to be about as dull as they get as well. No new studies are going to be added to the active list tonight.

I have updated the Aggregator chart below.




Without any new studies being added, 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 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 stayed 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 7373.52. 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. And while the evidence is still suggesting there may be more upside to come, SPX is squarely overbought. Overbought reduces potential reward and increases potential risk. So with the Aggregator neutral and the reward/risk no longer strongly favorable, I will just be sitting on my hands on Friday.

***Intermediate-term Outlook (2 weeks – 2 months) – updated 5/18 – bullish***

## Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

***Open Catapult Triggers***

**None**

***Broad Market Large Cap CBI* – 0**

## Additional New Trade Ideas

**None tonight**.

## Current Open Trade Ideas

| Symbol | Entry Date | Entry Price | Current Price | % Gain/Loss | Notes |
|---|---|---|---|---|---|
| *SPY(1/4)* | *5/19/2026* | *$733.73* | *$738.64* | *0.67%* | *sold on open* |
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