

ON THE EDGE – APRIL 2026

Market Review

The war in the Middle East, rising Treasury yields, and stubborn inflation were key catalysts that led to significant drawdowns in the major averages before a reversal at the end of the month. Driven by hopes of an end to the Iran War, equities surged into April, trimming March's steep losses. The bulls attempted to turn the tide early in the period as every dip was bought, even as investors continued rotating into safer assets while rising yields weighed on interest sensitive and housing-related stocks. Global markets were also under pressure, bowing to a 52% spike in crude oil prices. Higher fuel prices hit transportation stocks hard with the US Global Jets ETF (JETS) losing -16.9%, causing the DJ Transportation Index to break below its 50-day MA. VIX, also known as the fear index, surged to its highest level (35.30) since last year's 'Liberation Day' on fears the Iran conflict could extend longer than expected. Strength in oil related shares provided a lift to the Energy (XLE) sector as Chevron (CVX), Exxon-Mobil (XOM) Valero Energy (VLO) and others posted new record highs. The selloff saw 10 of 11 sectors finish the month in the red with Consumer Staples (XLP), Healthcare (XLV), Industrial (XLI) and REITs (XLRE) the weakest groups. The major averages erased year-to-date gains by mid-month and ended on a five-week losing streak.

During the second half of the month, a two-day relief rally, fueled by hopes that oil tankers would soon resume passage through the Strait of Hormuz, was halted by a hotter-than-expected February PPI report and rising oil prices. Equities took a second leg lower after Fed Chair Powell followed the FOMC's decision to leave rates unchanged with hawkish comments indicating the committee now projects only one rate cut this year and another in 2027. Ongoing attacks on Gulf energy sites kept yields higher and stocks lower, culminating in all the major averages breaching their respective 200-day moving averages, with the S&P 500, NASDAQ and NDX 100 falling into correction territory. A poor T-Bill Auction sent yields higher again the last week of the month with the 10-year Treasury climbing to 4.48%, a seven-month high, while the two-year T-Bill jumped to 3.98%. As March drew to a close, reports that Iran was open to ending the conflict in exchange for security guarantees helped spark a sharp rebound in a broadly oversold market, resulting in the best one-day gain since last May, with the Dow surging 1,100 points. However, both the DJIA & S&P 500 still recorded their worst quarter since 2022.



For the month, the DJIA lost 2636.41 points (-5.38%) and settled at 46341.51. The blue-chip index finished the first quarter down -3.58%. The S&P 500 was lower by 350.36 points (-5.09%) for the month, closing at 6528.52. The benchmark index was off -4.63% for the quarter. The NASDAQ dropped 1077.58 points (-4.75%) and finished at 21590.63. The tech heavy index tumbled by -7.11% for the first quarter. Finally, the small cap Russell 2000 was lower by 135.99 points (-5.17%) and settled at 2496.37 and was flat for the quarter, gaining 0.58%.

Market Outlook

The technical condition of the market deteriorated further last month as the major averages posted weekly losses throughout the period. The DJIA, S&P 500 and NASDAQ all closed below their respective 200-day moving averages and remain in clear patterns of lower highs and lower lows, with each bounce stalling below prior highs. The major averages had fallen back to levels from August 2025 before the surge to end the month. Trend indicators, including MACD and a declining 50-day MA, confirm the bearish downtrend, while Momentum, as measured by the 14-day RSI, continues to weaken and remains negative, but saw a small uptick late in the period. Finally, the percentage of stocks trading above their 200-day MA has fallen to 42%, confirming a bearish bias and oversold market. This is the lowest percentage since June 2025.

Five of the 11 Industry Sectors finished the month trading below their respective 200-day MA with Communication Services (XLC), Consumer Discretionary (XLY), Financial (XLF) and Technology (XLK) falling to levels from last summer. Despite briefly breaching their 200-day MA during the selloff, 3 of the 11 sectors managed to claw back and hold support at that level. Only Energy (XLE) remains in an uptrend as it finished slightly off a new record high.

Cyclical Trend Index (CTI): Negative

The CTI is Negative at -6, down two notches from the previous month. The counts for Cycles C and D are bullish, while Cycles A, B and E are bearish. Cycles A and B are close to a reset which would change the CTI to a Bullish configuration.

Cycle	Average # Of Weeks In The Cycle	# Of Weeks Since Previous Bottom	Bullish Or Bearish Connotation
A	6 + or -1 Week	7 Weeks	Bearish
B	18 + or -2 Weeks	18 Weeks	Bearish
C	36 + or -4 Weeks	18 Weeks	Bullish
D	72 + or -7 Weeks	50 Weeks	Bullish
E	216 + or -20 Weeks	180 Weeks	Bearish

The following are projected CTI readings through the week ending 5/01/26.

Week Ending	CTI	Connotation
3/27/26 (Actual)	-6	Bearish
4/10/26 (Projected)	-10	Bearish
4/17/26 (Projected)	+2	Bullish
4/24/26 (Projected)	+2	Bullish
5/01/26 (Projected)	+2	Bullish

** The CTI is the total of the plus and minus values assigned to each cycle based on the number of weeks that have passed since their previous cyclical bottom. For a detailed explanation of the market timing models, click "Market Letter Help" at the top of the 'Market Letter'.

Momentum Index: Neutral

As of the close on 3/27/26, the Momentum Index is Neutral at 0, down two notches from the previous month. The Momentum Index is a gauge of bullish or bearish divergence in the market. Readings of +4 and higher are regarded as bullish signaling stronger performance from the majority of the broader indexes vs. the DJIA. Conversely, readings of -4 or

lower are regarded as bearish. Below is a chart of the performance of seven of the major broad market indexes included in the Momentum Index vs. the DJIA since the last major cyclical highs.

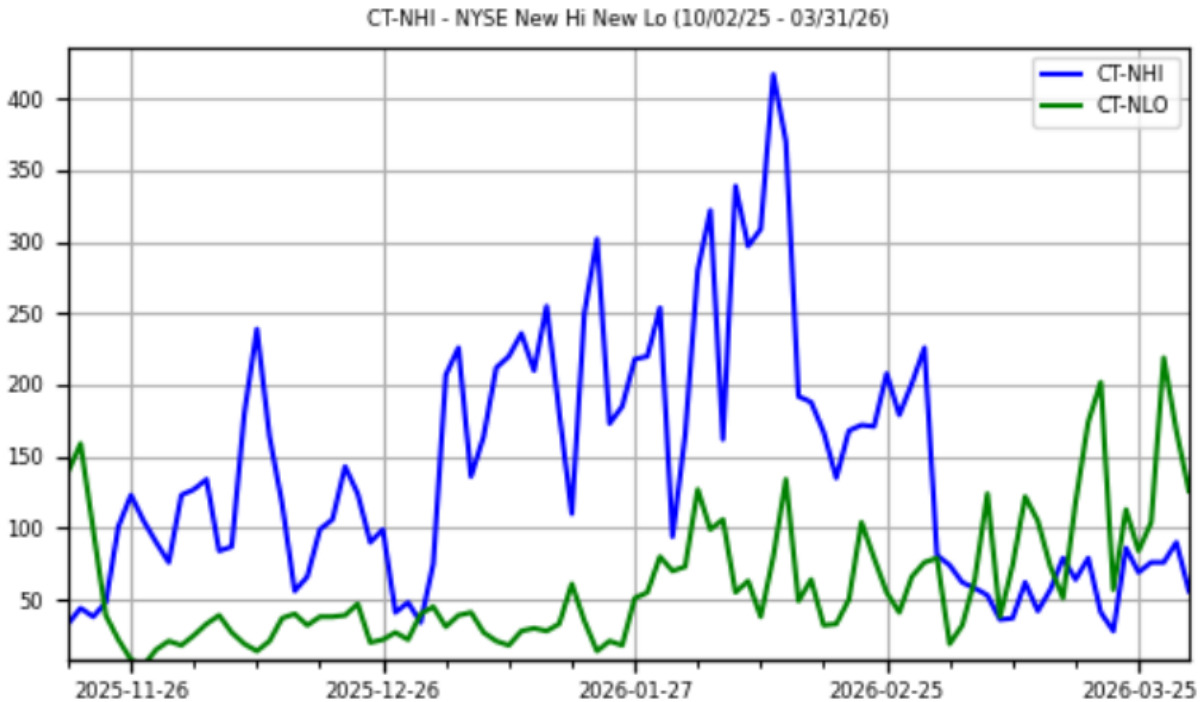
Prev Highs	DJIA	DJTA	S&P 500	NYSE	R-2000	NASDAQ	UTIL	A/D LINE
Feb. 2026	50188.14	19892.36	6978.60	23479.73	2718.77	23857.45	1171.18	580577
3/27/2026	45166.64	18174.69	6368.85	21632.50	2449.70	20948.36	1151.70	573170
%Change	-10.0%	-8.6%	-8.7%	-7.9%	-9.9%	-12.2%	-1.7%	-1.3%

Average % Change of the Broad Market Indices: -7.7%

The broader market indexes are down on average -7.7% from their February 2026 closing highs vs. -10% for the DJIA resulting in a Neutral 0 reading. Breadth was negative for the month at the NYSE as the Advance/Decline Line lost 7407 units vs. a gain of 5816 units in February while the number of new 52-week lows exceeded the number of new highs on 14 of 20 sessions. Breadth was also negative at the NASDAQ as the A/D line declined by 12961 units vs. a gain of 3710 units in February.



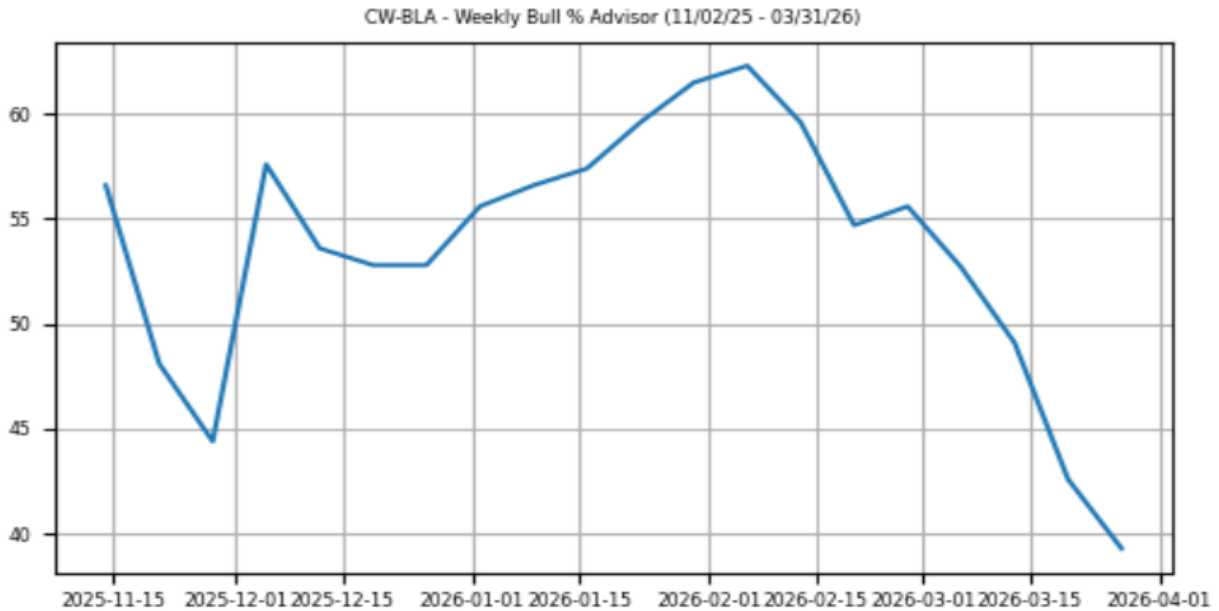
The number of new 52-week lows exceeded the number of new highs at the NASDAQ on all 20 sessions. Finally, the percentage of stocks above their 50-day moving average fell to 21.4% vs. 63.3% from the previous month while those above their 200-day moving average decreased to 42.3% vs. 67.2%. Readings above 70.0% denote an overbought condition.



Sentiment Index: Neutral

The Sentiment Index ended the period at a Neutral +3, up six notches from the previous month. The Sentiment Index tracks thirteen market indicators that measure excessive bullish or bearish conditions prevalent in the market. Whenever the crowd becomes overly optimistic (a bearish condition), the readings from the Sentiment Index will drop into negative ground. Conversely, when fear is rampant (a bullish condition), the index will be in the +3 to +8 area.

NYSE short interest was up +1.0% and 2.9 days of average volume for the period ending 2/27/26 vs. being up +2.0% and 3.1 days of average volume to cover mid-February. Short interest at the NASDAQ was down -0.4% and 2.4 days of average volume to cover at the end of February vs. a +1.9% increase and 2.0 days average volume to cover on 2/15/26. The AAI Bull-Bear Ratio (0.6 vs. 0.8), the Percentage of Bullish Investment Advisors (39.3% vs. 55.6%), the Fear and Greed Index (15.40 vs. 60.4), and VIX, a measurement of fear in the market (31.08 vs. 19.86) are Bullish. The NAAIM Exposure Index (68.5 vs. 74.9), the Percentage of Bearish Investment Advisors (25.0% vs. 14.8%), and the Bullish-Bearish Investment Advisors Ratio (1.6 vs. 3.8) are Neutral. The Dividend Yield Spread (-2.68 vs. -2.49), and the Total Put/Call Ratio (0.97 vs. 0.94) are Bearish.



**To view the charts and graphs of the major market indexes and pertinent technical indicators that are incorporated in the Momentum and Sentiment indexes, go to the Market-At-A-Glance section located under Market Recap on the Market Edge home page.

Market Posture: Bearish

Based on the status of the Market Edge, market timing models, the 'Market Posture' is Bearish as of the week ending 02/27/2026 (DJIA – 48977.92).

Market Posture Performance 2023-2026

The following is the performance record of the Market Edge 'Market Posture' for 2023 - 2026.

Projected Strong Periods:		Actual Results – DJIA
03/24/23 - 05/05/23 (32237.53 – 33674.38)	DJIA Gain/Loss	+1436.85
07/21/23 - 08/18/23 (35227.69 – 34500.66)	DJIA Gain/Loss	-727.03
10/13/23 - 12/01/23 (33670.29 – 36245.50)	DJIA Gain/Loss	+2575.21
05/03/24 - 07/12/24 (38675.68 – 40000.90)	DJIA Gain/Loss	+1325.22
08/23/24 - 11/01/24 (41175.08 – 42052.19)	DJIA Gain/Loss	+877.11
12/06/24 - 02/28/25 (44642.52 – 43840.91)	DJIA Gain/Loss	-801.61
04/18/25 - 07/11/25 (39142.23 – 44371.51)	DJIA Gain/Loss	+5229.28
08/22/25 - 10/10/25 (45631.74 – 45479.60)	DJIA Gain/Loss	+152.14
11/28/25 - 02/13/26 (47716.42 – 49500.93)	DJIA Gain/Loss	+1784.51

Projected Weak Periods:		Actual Results – DJIA
05/26/23 - 07/14/23 (33093.34 – 34509.03)	DJIA Gain/Loss	+1415.69
08/18/23 - 10/13/23 (34500.66 – 33670.29)	DJIA Gain/Loss	-830.37
01/05/24 - 03/28/24 (37466.11 – 39475.90)	DJIA Gain/Loss	+2009.79
07/19/24 - 08/23/24 (40287.53 – 41175.08)	DJIA Gain/Loss	+887.55

11/01/24 - 12/06/24 (42052.19 – 44642.52)	DJIA Gain/Loss	+2590.33
02/28/25 - 04/18/25 (43840.91 – 39142.23)	DJIA Gain/Loss	-4698.68
08/01/25 - 08/22/25 (43588.58 – 45631.74)	DJIA Gain/Loss	+2043.16
10/24/25 - 11/28/25 (47207.12 – 47716.42)	DJIA Gain/Loss	+509.30
02/27/26 - ??? (48977.92 – ???)	DJIA Gain/Loss	???

While the CTI is typically regarded as either a Bullish or Bearish connotation, at times mixed readings from several indicators related to the CTI will result in a Neutral - Market Posture. The dates not presented in the above tables were periods where the Market Posture was Neutral. For a closer look at the technical indicators and studies that make up the market timing models, check out the 'Market Letter (Weekly)' located on the Market Edge home page. (www.marketedge.com).

ETF Center:

The top performing ETF categories for the period ending 3/26/26 were Sector-Energy, Value-Small Cap, Value-Mid Cap, and Shorts. The weakest categories were Shorts, Commodity-Precious Metals, Sector-Internet, Specialty Technology, Growth-Large Cap and Sector-Telecom. To review all the categories in the Market Edge universe, click on the ETFs tab.

Industry Group Rankings: What's Hot (16) – What's Not (14)

Of the 30 Industry Groups that we track, 16 are rated as either Strong or Improving while 14 are regarded as Weak or Deteriorating. The following are the strongest and weakest groups for the period ending 3/26/26. Strongest: Agricultural, Integrated Oil & Gas, Energy and Telecommunications. The weakest categories were Paper & Forest Products, Technology Services, Building Materials, and Financial Services. To review all the Industry Group rankings, click on the Industries tab.