READING TOMORROW - WILL SPY GO UP OR DOWN?

Vajgrt Labs - Education - Lesson 70 of 72 - 7 min read - Updated Oct 21, 2026

TL;DR

- You cannot know tomorrow's direction. You can build a lean - bullish, bearish, or chop - from five checkpoints that arrive in a fixed order, and write down what would prove it wrong.

- The checkpoints: (1) Friday's close and trend, (2) Sunday's 5pm CT futures open, (3) the overnight Asia->Europe session, (4) Monday's pre-market, (5) the day's catalysts - calendar, earnings, and the positions on the SPY Sheet.

- Monday Oct 19, 2026 as the worked example: a light calendar (NAHB housing, 9am CT), light earnings (Fifth Third before the open), and no Fed speakers at all - the Fed is in its pre-meeting blackout. The week's real catalysts (Netflix Tuesday, Tesla and Meta Wednesday) are not Monday's.

THE TAKEAWAYS

- Checkpoint 1 - Friday's close (knowable Sunday): trend, and where price closed inside its range. A close near the lows, below the prior day, after a down week, means sellers finished in charge - the burden of proof sits on the bulls. Oct 16: SPY 763.30, -1.10% on the day and -1.9% on the week, closing weak; QQQ -2.49%; chips down nine straight sessions.

- Checkpoint 2 - futures (Sunday 5:00pm CT): ES is SPY's futures twin; NQ is the tech twin; YM and RTY show whether the Dow and small caps agree. A gap that holds for 1-2 hours is information; a gap that fades back to Friday's close in 20 minutes was just the overnight crowd guessing.

- Checkpoint 3 - overnight (Asia -> Europe): did the rest of the world follow Friday down or stabilise? Read it through oil, the dollar, gold, and Bitcoin (the only major market that trades all weekend - its weekend wobble is a mood ring, not a signal).

- Checkpoint 4 - pre-market (Monday 3:00-8:30am CT, judged 7:00-8:15am): SPY's pre-market price against Friday's close and range, on pre-market volume - thin volume lies. Check whether Friday's leaders of the fall (QQQ, semiconductors) are bouncing or still sinking, and whether VIX is rising or falling: VIX up through 20 confirms fear; VIX falling back under 18 says Friday is being forgiven.

- Checkpoint 5 - catalysts: the economic calendar (Monday Oct 19 carries only the NAHB Housing Market Index, 9am CT - a light day), earnings with index weight (Monday is light: Fifth Third before the open; Steel Dynamics and Zions after the close - the week's heavyweights, Netflix, Tesla and Meta, land Tuesday and Wednesday), Fed speakers (none - the blackout before the Oct 27-28 FOMC runs all week), and positioning: the SPY Sheet's call wall, put wall, tipping line and net GEX, which say where the day is likely to pin or trend.

- The background dials, checked at every checkpoint: the 10-year yield (above 5% has been the market's headache all month - falling yields relieve stocks, rising yields pressure them), oil (Brent closed $109.86 Friday - more war-driven rise feeds the inflation story), and the VIX level (16-18 calm, 18-20 first warning - Friday closed 19.99, right at the top of the warning zone).

RULE: Five checkpoints, scored - never one headline, guessed. The lean is written before the open, with the level that proves it wrong.

COMMON MISTAKES

- Treating Sunday’s 5pm futures print as the verdict - it’s the thinnest, flimsiest session of the week; judge the gap by whether it holds, not by its first tick.

- Reading pre-market price without pre-market volume - a $2 ’move’ on a few thousand shares is a rumour, not a move.

- Chasing a headline without checking the calendar - most ’surprises’ were scheduled for weeks; the calendar (and the blackout) tells you which hours can actually ambush you.

- Ignoring the dials: calling a bullish day while the 10-year spikes and oil rips is reading one instrument and ignoring the orchestra.

- Defending the night-before lean after the morning checkpoints have voted against it - the newest checkpoint outranks the oldest, every time.

DO IT - RUN MONDAY’S READ

Run the dashboard for real, on paper, for Monday Oct 19: tonight, write checkpoint 1 and both scenarios (bounce / continuation) with their invalidation levels. At 5pm CT score the futures open; Monday at 7:30am CT score overnight and pre-market and finalise the lean in one sentence. After the close, grade the READ, not the result: did each checkpoint get scored, did the lean update when a checkpoint disagreed, and did the invalidation level survive contact with the day? File the page in your journal - this is a Stage 9 artefact now.

Education only - not financial advice. Layer ? lesson 1: Friday Oct 16, 2026 closes (SPY 763.30; SPX 7,659.44; QQQ 709.86; VIX 19.99; 10-year 5.10%; Brent $109.86) from Robinhood / Barron’s / AP closing reports; Monday Oct 19, 2026 calendar and earnings from Morningstar / TipRanks / Trading Economics - checked Oct 18, 2026. Lesson 2: the author’s own TradingView captures, Tuesday Oct 20, 2026, 9:47-9:48am CT (SPY 763.72 to 772.26; VIX 19.99 to 17.61), personal bars cropped, approved for publication Oct 20, 2026; its option figures are Black-Scholes estimates, labeled theoretical. The lessons teach a reading process; they forecast nothing. Vajgrt Labs - Education.