AlphaQuery — Quantitative Market Research

[MOMENTUM RESEARCH] [TAN · INVESCO SOLAR ETF] [MAY 28, 2026]

Historical Analog Analysis: The 24-Month Breakout Signal

May 2026 Signal Trigger & Forward Return Playbooks

Momentum Buy for 1–3 Months

Strong conviction long exposure.

Historical analogs heavily favor the momentum buy in the near term with 100% (1M) and 80% (3M) win rates.

Structural Cycle Ignition

We view the May 2026 breakout as structurally closer to the 2020-July ignition sequence (same base-to-breakout architecture, well below prior ATH) than to a late-cycle peak.

Regime Dependency at 6–9 Months

Medium-term outlook carries wide dispersion. Scale risk if TAN approaches prior cycle highs ($95–$115), displays decelerating breadth, or experiences a policy regime shift.

Signal Mechanics & The May 2026 Trigger

Condition A

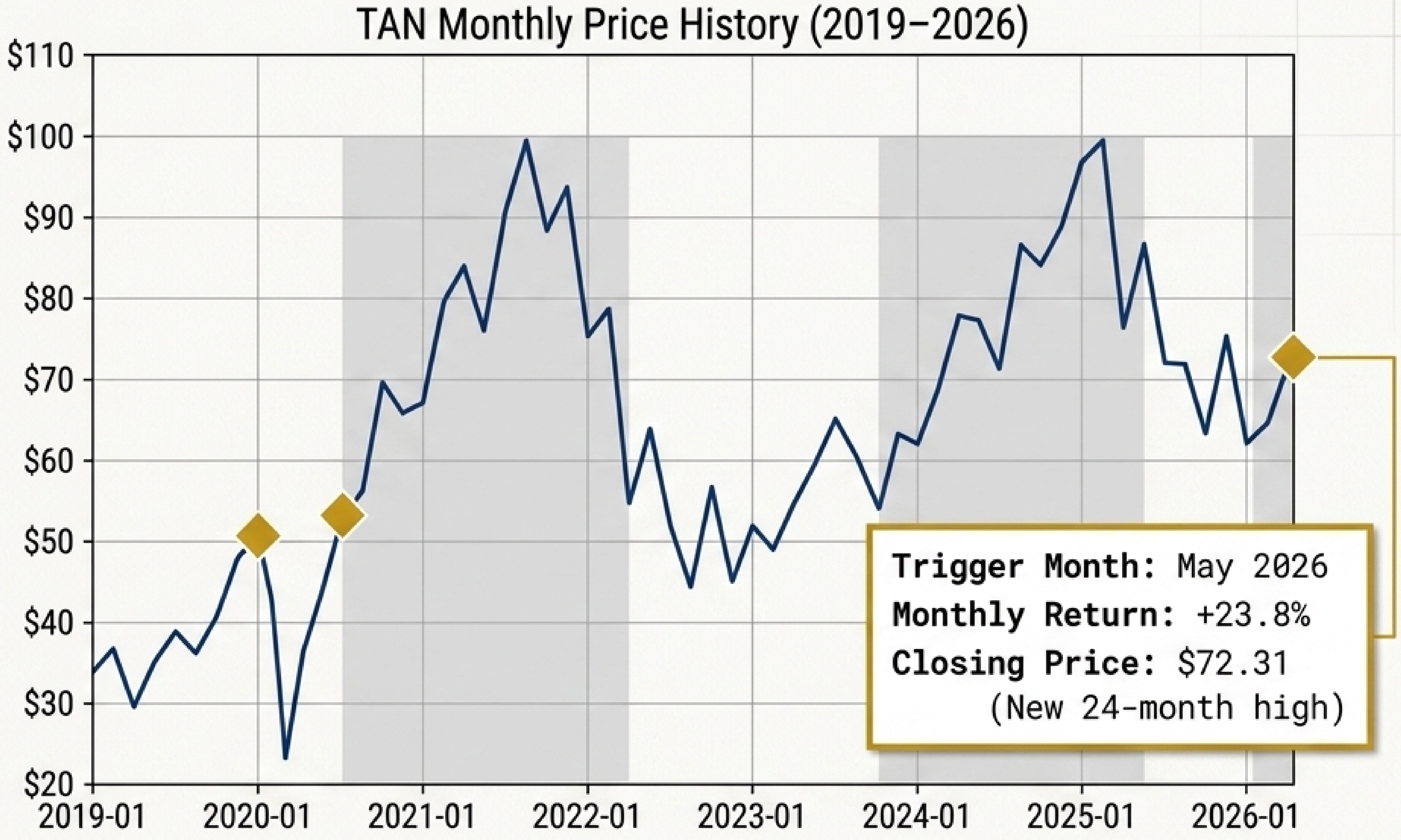
>20% monthly gain.

Condition B

Coincident with a new 24-month closing high.

Rarity

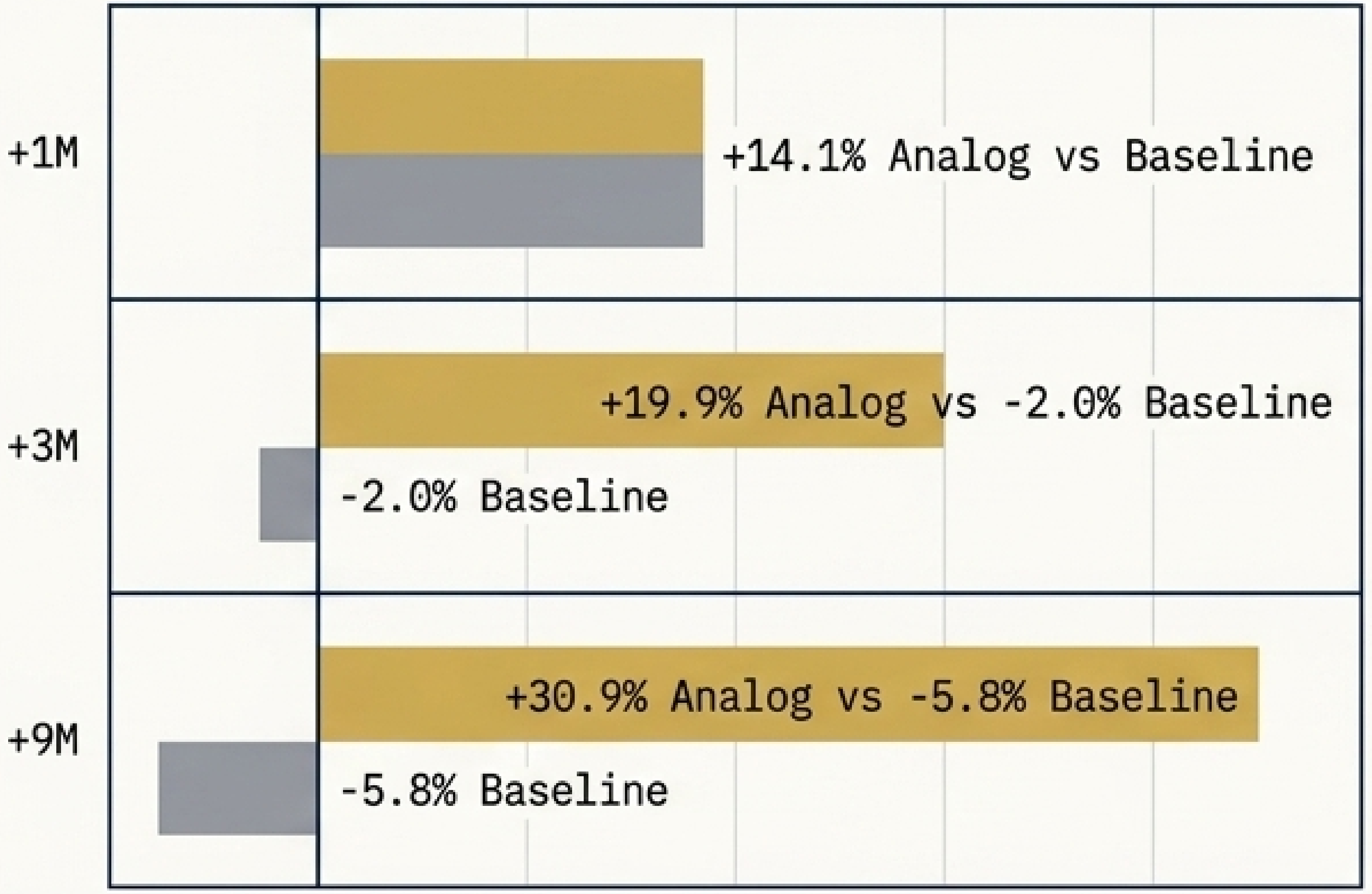
This exact combination has occurred only 5 times since TAN's 2008 inception.



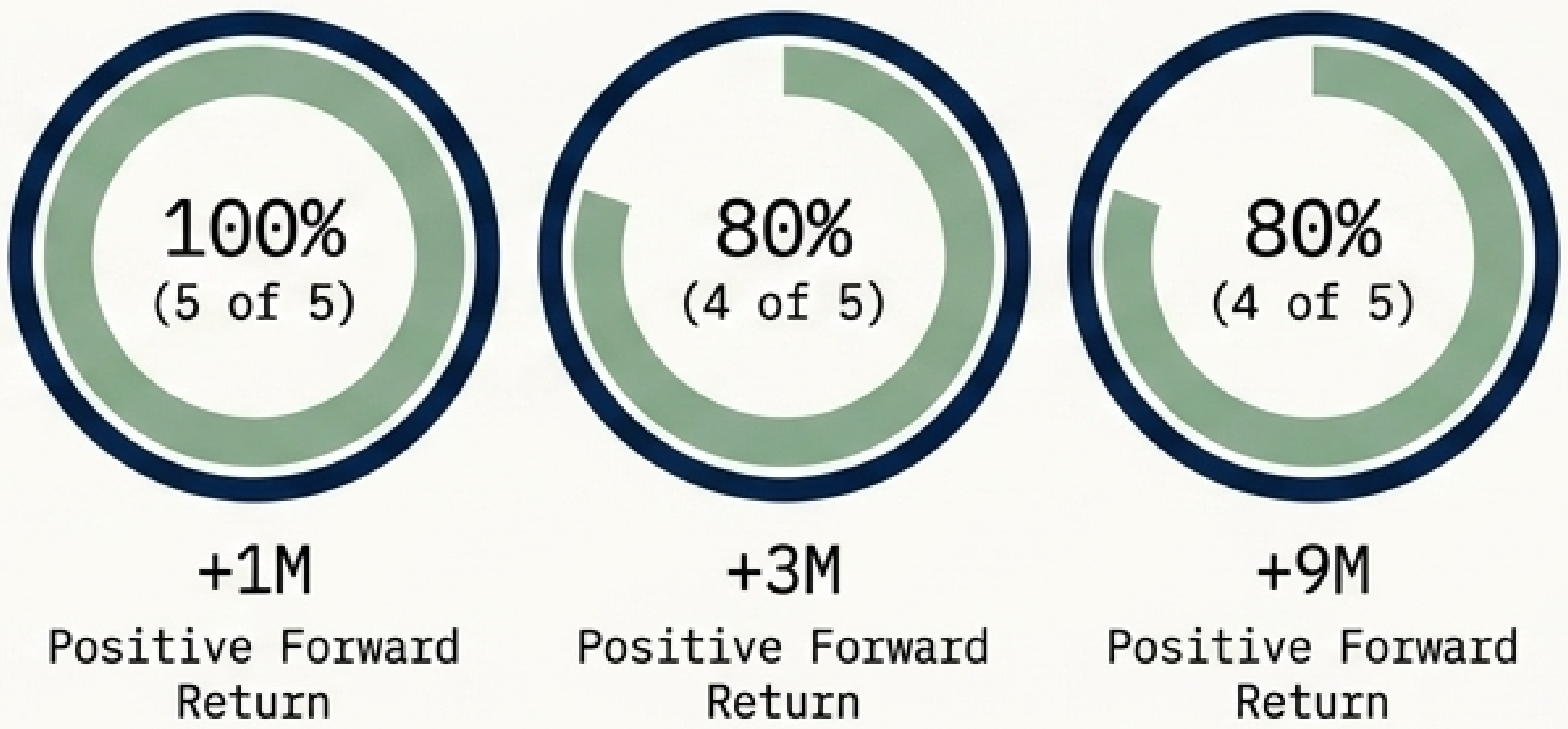
The Statistical Edge: Analog Outperformance vs. Baseline

The forward return record is unambiguously strong in the near term. The signal is statistically meaningful but the sample is thin (N=5), introducing regime dependency later.

Data Block 1: Median Forward Returns

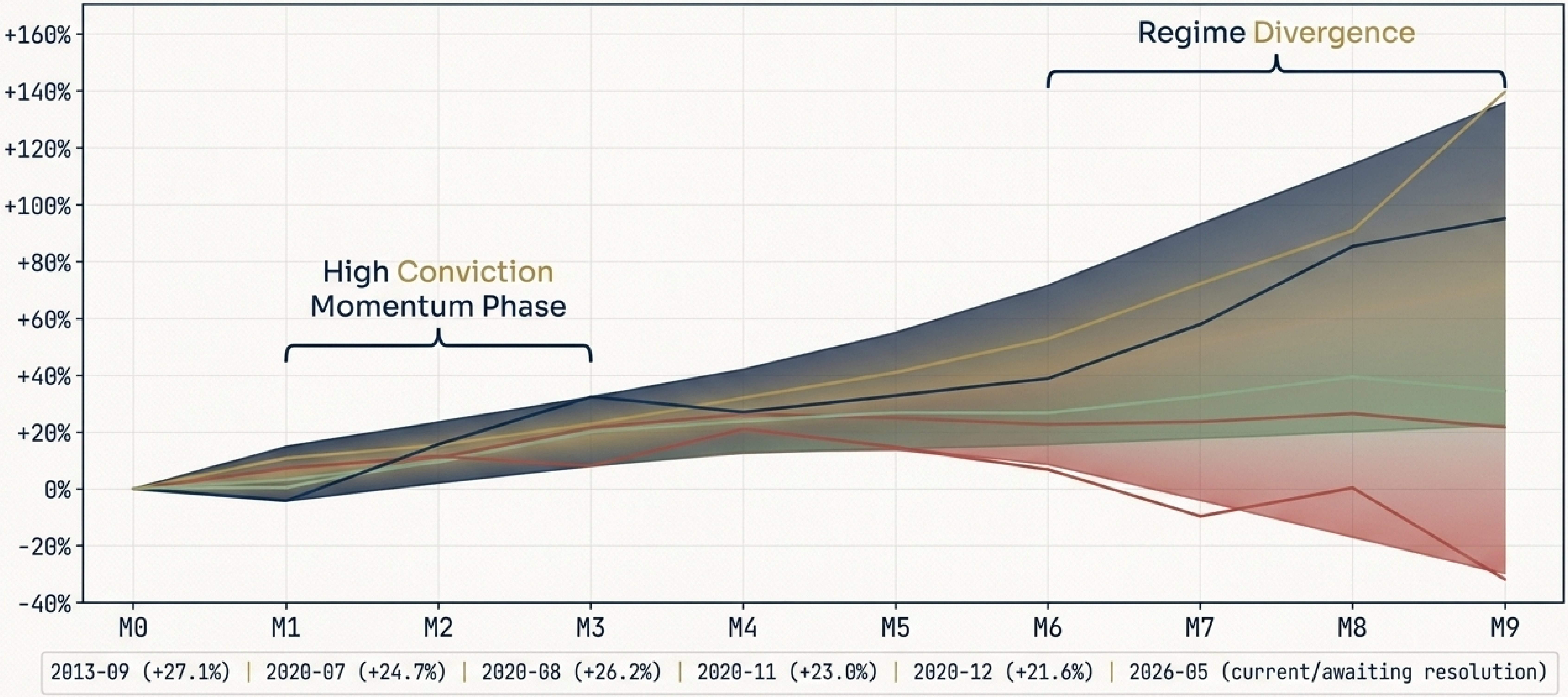


Data Block 2: Win Rates by Horizon



NotebookLM

Trajectory Analysis: Conviction Gives Way to Dispersion



Analog Month Detail: The 5 Precedents

Three of five analogs cluster in a single six-month window (Jul–Dec 2020).

Month	Trigger	+1M	+2M	+3M	+6M	+9M
Sep 2013	+27.1%	+5.2%	+11.9%	+3.3%	+29.8%	+30.9%
Jul 2020	**+24.7%**	+26.2%	+43.9%	+52.8%	+141.7%	+84.9%
Aug 2020	+26.2%	+14.1%	+21.1%	+48.9%	+78.6%	+39.4%
Nov 2020	+23.0%	+21.6%	+28.6%	+19.9%	-6.4%	+1.3%
Dec 2020	**+21.6%**	+5.8%	-1.4%	-10.7%	-13.1%	-22.2%
MEDIAN	-	+14.1%	+21.1%	+19.9%	+29.8%	+30.9%
Win Rate	-	5/5 (100%)	4/5 (80%)	4/5 (80%)	3/5 (60%)	4/5 (80%)
May 2026 ★	+23.8%	-	-	-	-	-

Regime Dependency: Diagnostic Playbooks

The Cycle Ignition Playbook (Bull Case)

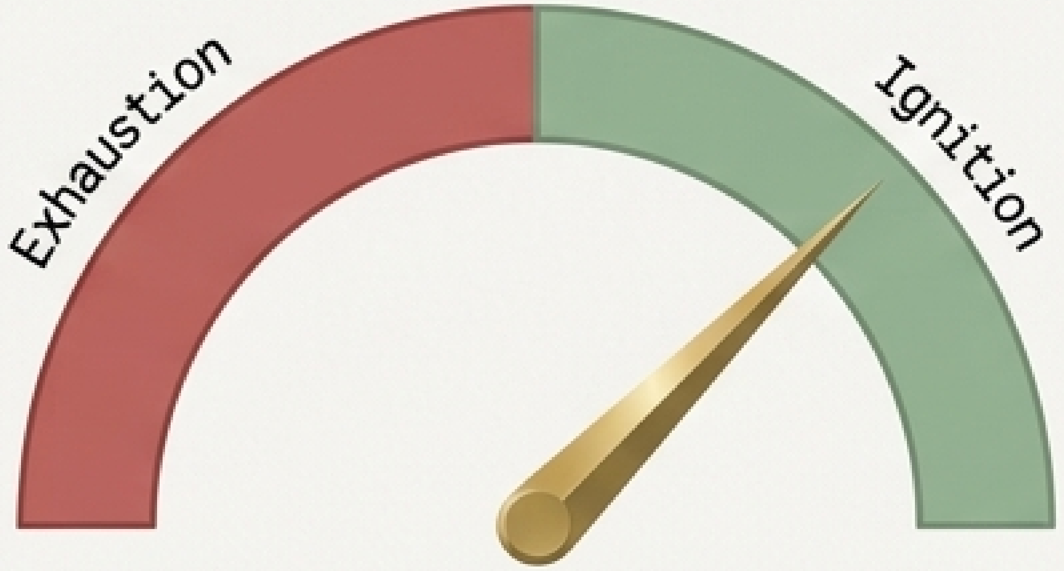
- **Primary Analogs:** Jul 2020 & Sep 2013.
- **Structural DNA:** First 24M breakout occurring off a prolonged base/multi-year consolidation. Not a late-cycle acceleration.
- **Price Context:** Breaks out while remaining significantly below prior All-Time Highs (ATH).
- **Implication:** The runway is intact. The 6-month median return from these two analogs is +85%.

Policy & Exhaustion Risk Playbook (Bear Case)

- **Primary Analog:** Dec 2020.
- **Structural DNA:** A 24-month breakout carrying strong momentum, but marking the definitive cycle peak. A policy-relief squeeze rather than fundamental re-rating.
- **Implication:** Cautionary data point carrying extreme reversal risk. TAN declined 22% over the following 9 months.

May 2026 Alignment & Key Monitoring Thresholds

Structural Alignment



Verdict: May 2026 aligns structurally with the 2020-July Ignition.

Rationale: TAN bottomed at $28 (Apr 2025) and spent two years building a base from $28–$55. At the breakout price of $72, it remains 37% below the 2021 ATH of ~$115. Base-to-breakout architecture is intact.

Monitoring Thresholds (What forces a regime shift?)

1. Price Exhaustion

Monitor for resistance and scaling needs as TAN approaches the $95–$115 prior cycle highs.

2. Breadth Deceleration

Weakening underlying momentum despite index-level price gains.

3. Single-Event Policy Risk

Solar is uniquely exposed to binary policy events. A shift to the Dec-20 exhaustion playbook is triggered by tariff modifications, executive action, or adverse ITC/PTC changes rather than pure fundamentals.