I am afraid this in't so much of a reply, but a chance to state that I am also confused about targets.

Looking at the signals_train_val_bbg.csv file I see that it consists of only Friday data for several tickers with each row having one of 5 target values. My assumption is that the target represents the price increase during the week relative to the market in general (is this assumption correct?)

In order to check this assumption against real data I chose IBM to test, downloading the yfinance closing prices for both IBM and S&P 500(^GSPC). I could find no correlation between the target value for IBM and its relative performance against the S&P 500.

Am I making a mistake here in my understanding of the way the training data is built and what it represents ?