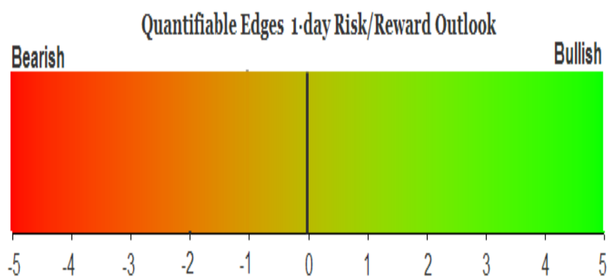
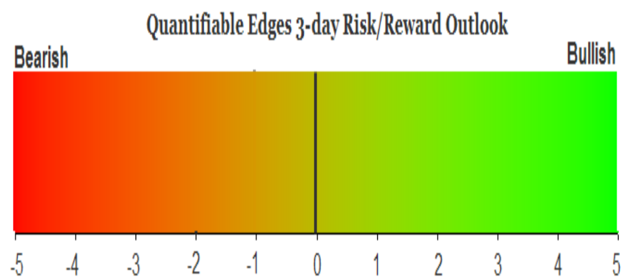
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 2, 2026 Volume 20 Issue 103

Market Overview





Signals Overview

Aggregator	CBI Reading
Flat	2

Tonight's Research Points

- RSI(2) crossing above 99 bodes well for the intermediate-term.

Short-term Outlook

The Bottom Line
The Aggregator is neutral. I am as well.

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						
June 1, 2026	SPX 20-day high on highest 20-day volume,	1-5 days	Bullish	1.42%	-1.05%	-2.21%
Active - Long Term						
June 2, 2026	SPX RSI(2) crosses above 99, > 200ma	1-15 days	Bullish	2.25%	-1.60%	-3.05%
June 1, 2026	SPX up exactly 7 days in a row, > 200ma	1-20 days	Bullish	3.13%	-2.06%	-4.34%
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			
May 27, 2026	NDX > 18% above 200ma	1-90 days	Bullish	13.80%	-9.37%	-18.64%

The Evidence

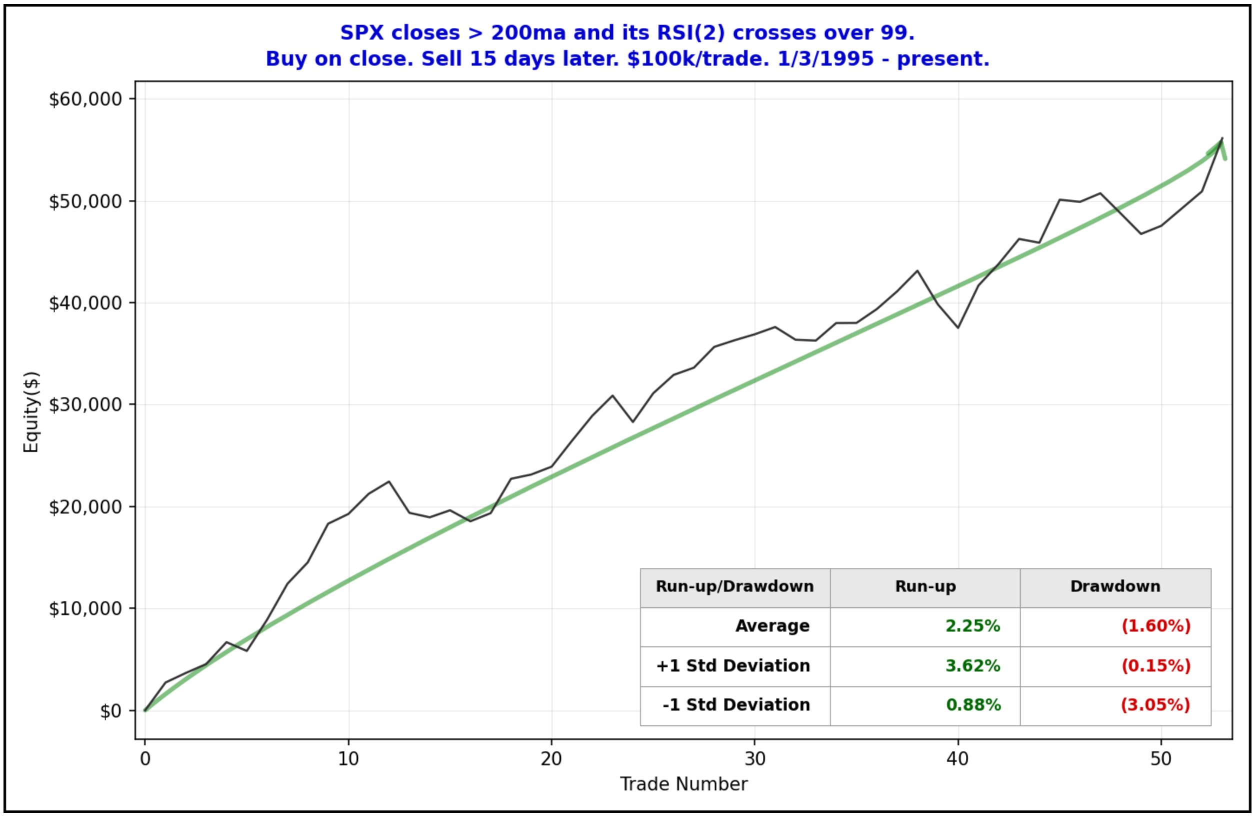
The market was mixed on Monday. SPX finished up 0.3%, the NASDAQ gained 0.4%, and the Russell 2000 declined 0.5%. Breadth was also mixed as the NYSE Up Issues % closed at 46% and the NYSE Up Volume % posted a 54% reading. NYSE total volume dropped sharply from Friday's level.

The recent rally has left the market short-term overbought by most measures. Short-term overbought often triggers some studies that suggest a downside edge, but when the overbought condition gets very strongly overbought, then those downside edges often disappear. And at some point, rather than strength leading to weakness the strength will beget more strength. The strong move higher over the last several days has turned the market so overbought that we are now starting to see this scenario unfold. It is exemplified in the study below from the 4/9/26 Letter, which uses RSI(2).

SPX closes > 200ma and its RSI(2) crosses over 99.
Buy on close. Sell X days later. 1/3/1995 - present.

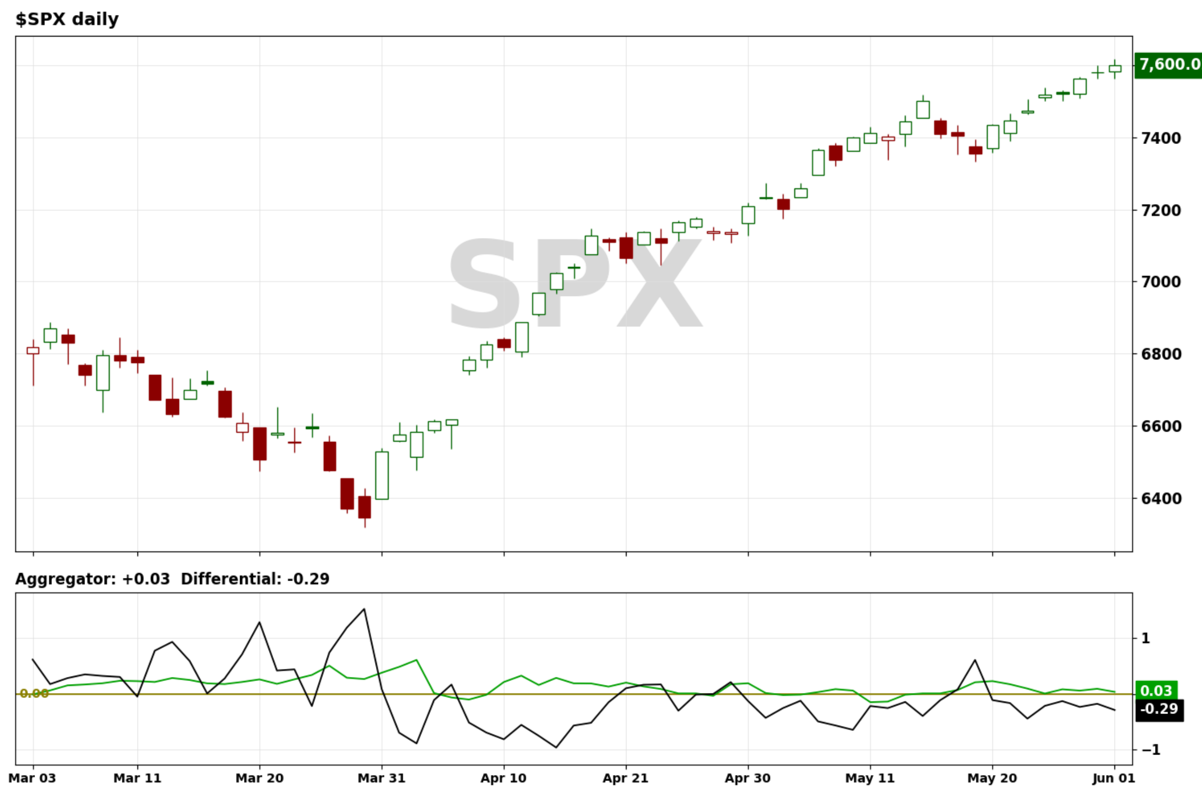
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
15	53	40	13	75.47%	5.21%	-3.29%	1.89%	1.50%	1.26	3.87	1.059%
14	53	40	13	75.47%	5.25%	-4.05%	1.76%	1.72%	1.02	3.14	0.904%
13	55	40	15	72.73%	5.77%	-3.56%	1.71%	1.42%	1.20	3.20	0.853%
12	56	42	14	75.00%	5.64%	-3.18%	1.54%	1.43%	1.07	3.22	0.797%
11	57	41	16	71.93%	4.80%	-4.17%	1.62%	1.51%	1.07	2.75	0.741%
10	58	41	17	70.69%	5.24%	-4.01%	1.49%	1.44%	1.04	2.50	0.631%
9	58	41	17	70.69%	4.15%	-3.48%	1.30%	1.16%	1.12	2.71	0.581%
8	59	38	21	64.41%	4.81%	-4.22%	1.39%	1.05%	1.32	2.39	0.521%
7	60	36	24	60.00%	5.06%	-4.17%	1.27%	0.99%	1.29	1.93	0.368%
6	60	36	24	60.00%	3.81%	-5.31%	1.09%	1.13%	0.96	1.45	0.202%
5	61	40	21	65.57%	3.54%	-3.60%	0.96%	1.07%	0.90	1.70	0.259%
4	61	43	18	70.49%	2.72%	-3.04%	0.83%	1.19%	0.70	1.67	0.233%
3	63	38	25	60.32%	3.51%	-2.88%	0.77%	0.93%	0.83	1.26	0.096%
2	63	39	24	61.90%	2.28%	-2.35%	0.62%	0.70%	0.88	1.43	0.115%
1	63	32	31	50.79%	2.12%	-3.52%	0.44%	0.45%	0.97	1.00	-0.000%

The numbers here are basically neutral for the first few days. On a short-term basis there is no edge apparent. But once you get out 2-3 weeks, it appears the strength has re-asserted itself and the market is often higher. Below is a profit curve showing a 15-day holding period.



Gotta love the move from lower left to upper right. I have added this study to the intermediate-term list.

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 Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7574.32. That is 0.3% below Monday’s close. Therefore, SPX will need to close down at least 0.3% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is still neutral. And I feel like a broken record. The market remains “too strong to short and too overbought to buy ” from a short-term perspective. So I ’ll continue to exercise patience until a more compelling reward/risk setup avails itself.

Intermediate-term Outlook (2 weeks – 2 months) – updated 6/1 – bullish

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

CVS @ $90.73 (bought 1/3 @ limit)

MDT @ $73.81 (bought 1/3 @ limit)

***Broad Market Large Cap CBI* – 2(CVS, MDT)**

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
CVS(1/3)	5/27/2026	$90.73	$90.62	-0.12%	Catapult
MDT(1/3)	6/1/2026	$73.81	$73.98	0.23%	Catapult