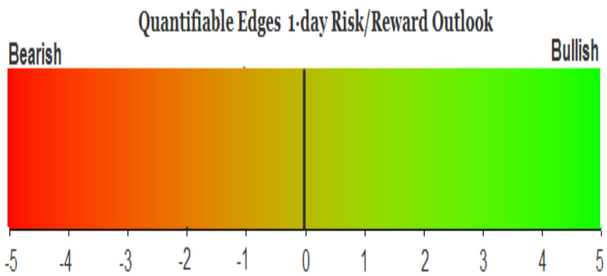
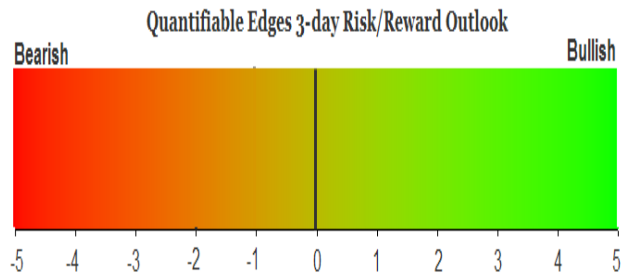
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 3, 2026 Volume 20 Issue 104

Market Overview





Signals Overview

Aggregator	CBI Reading
Flat	3

Tonight's Research Points

- When the SOX surges more than 4% but the Nasdaq Composite can't gain even 1%, the lagging Nasdaq has tended to play catch-up with a bullish edge over the next day or two.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I am as well. Again.

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 3, 2026	SOX up 4%+ while NASDAQ lags under 1%	1-2 days	Bullish	1.40%	-1.09%	-2.20%
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

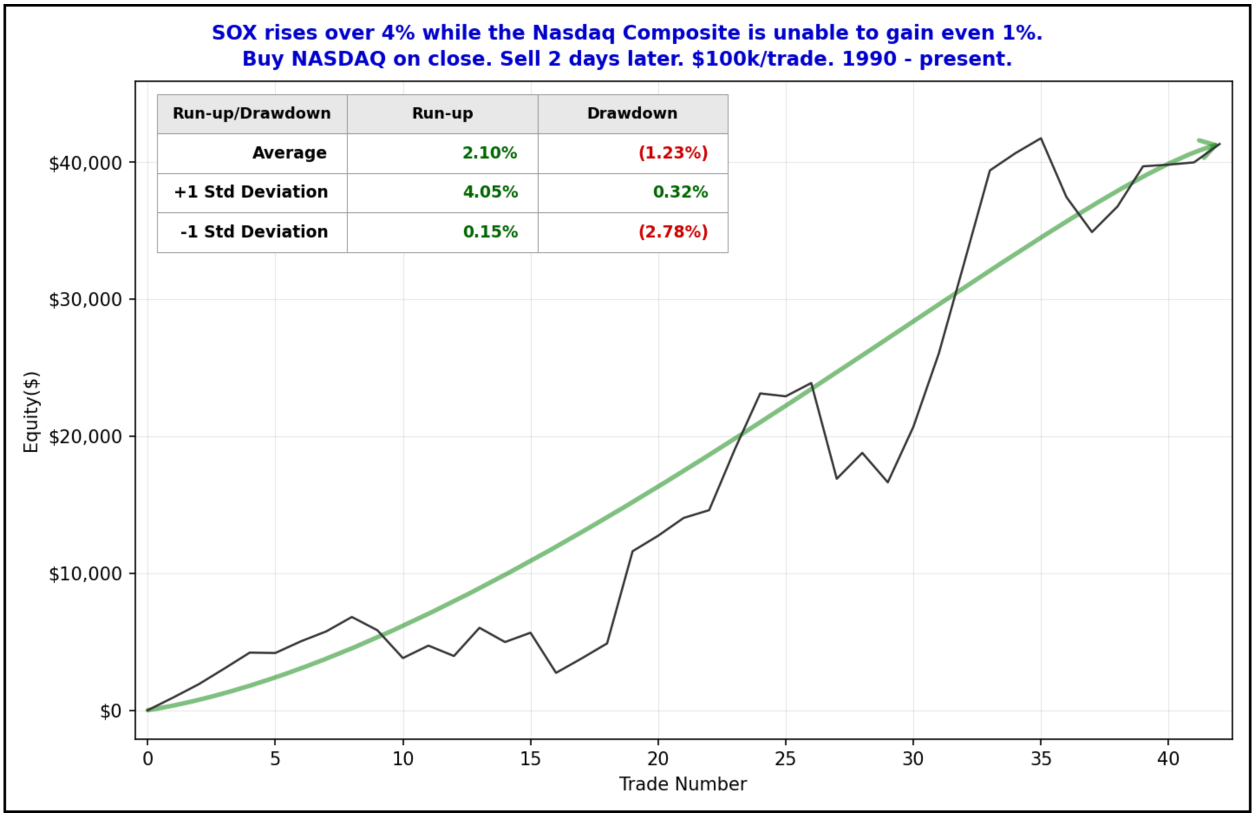
The market was mixed on Tuesday. SPX finished up 0.1%, the NASDAQ gained 0.03%, and the Russell 2000 climbed 0.9%. Breadth was moderately positive as the NYSE Up Issues % closed at 54% and the NYSE Up Volume % posted a 53% reading. NYSE total volume declined some from Monday's level.

The SOX jumped nearly 6% on Tuesday while the Nasdaq Composite was basically flat. Historically, strong semiconductor action that the broader Nasdaq fails to keep pace with has been a bullish tell — the lagging Nasdaq has tended to play catch-up over the next day or two. I originally shared this study way back in the 1/26/2009 blog. Stats below are updated.

SOX rises over 4% while the Nasdaq Composite is unable to gain even 1%.
Buy NASDAQ on close. Sell X days later. 1990 - present.

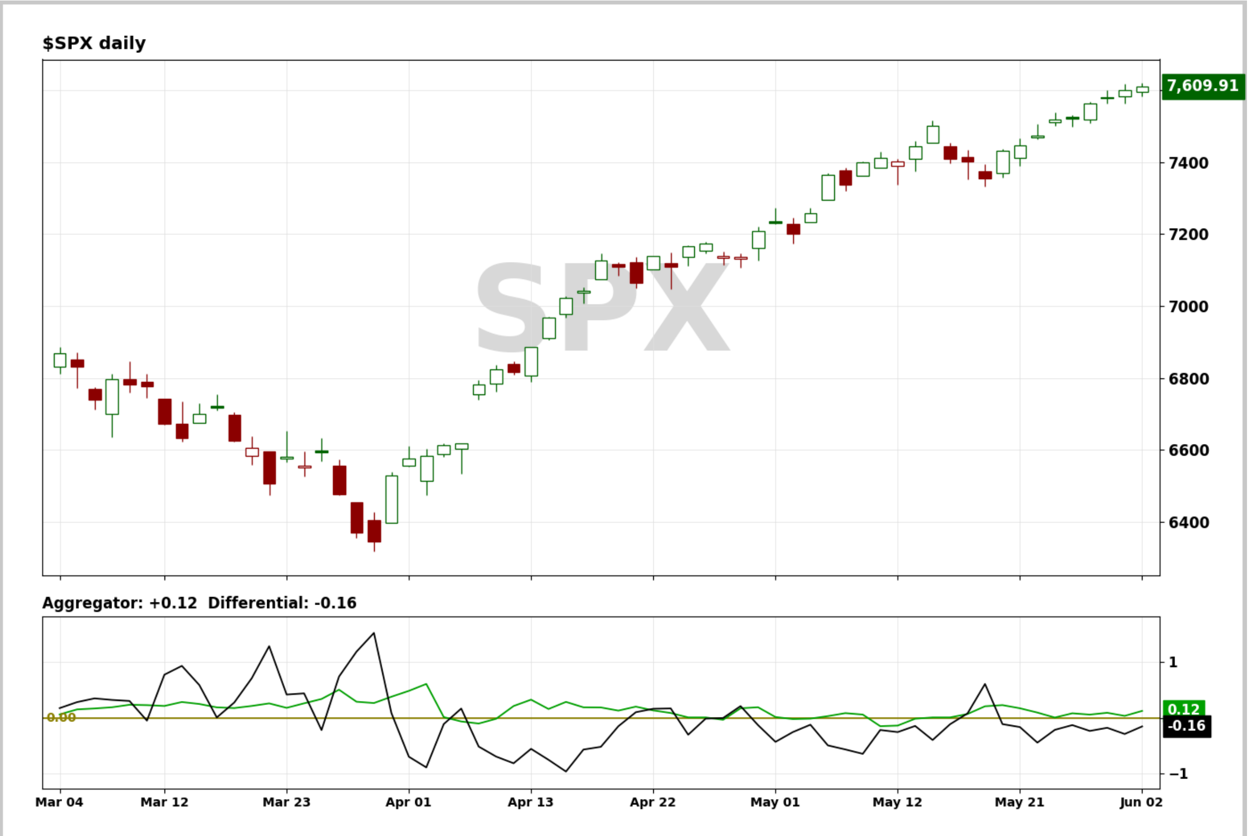
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
5	40	25	15	62.50%	8.60%	-9.58%	2.94%	3.80%	0.77	1.29	0.411%
4	41	25	16	60.98%	9.23%	-5.70%	2.59%	2.40%	1.08	1.69	0.643%
3	42	27	15	64.29%	7.39%	-5.58%	2.62%	1.85%	1.42	2.55	1.023%
2	42	31	11	73.81%	6.73%	-6.99%	2.11%	2.18%	0.97	2.73	0.985%
1	42	25	17	59.52%	5.78%	-2.41%	1.46%	0.94%	1.56	2.29	0.490%

Buying the Nasdaq Composite on the close and holding a couple of days has carried a solid edge. Since 1990 the setup has closed higher two days later about 74% of the time, averaging roughly +1.0% per trade with a 2.7 profit factor across 42 instances. The 2-day profit curve can be seen below.



That's a nice rise from lower left to upper right. I have included this study on the active list tonight.

I have updated the Aggregator chart below.



With tonight's evidence considered, 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 Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7597.29. That is 0.2% below Tuesday's close. Therefore, SPX will need to close down at least 0.2% on Wednesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is still neutral. Runaway markets like this can be frustrating for swing trading. When the market just creeps higher day after day and never pulls back, it doesn't offer great entry points. Fortunately, the studies have been bullish over the last few weeks. And that has kept me from attempting short positions. We are still not at a place where risk-reward looks greatly favorable for a new entry. So I will continue to stand aside and await the next strong opportunity.

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)

New

GOOGL @ $361.85 (buy 1/3 @ limit)

***Broad Market Large Cap CBI* – 3(CVS, MDT, GOOGL)**

Additional New Trade Ideas

GOOGL = Buy 1/3 Catapult position @ $361.85 LIMIT. From the catapult section above, this is the first of up to three possible lots of GOOGL.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
CVS(1/3)	5/27/2026	$90.73	$89.50	-1.36%	Catapult
MDT(1/3)	6/1/2026	$73.81	$73.75	-0.08%	Catapult

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