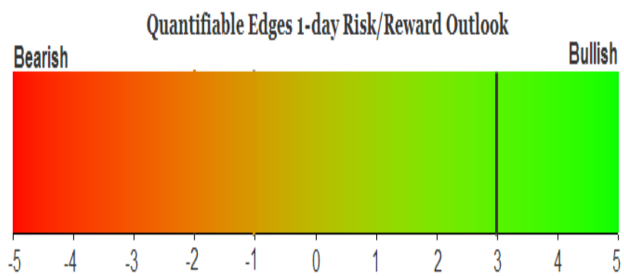
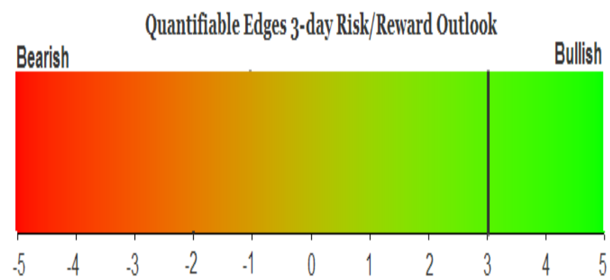
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 11, 2026 Volume 20 Issue 110

Market Overview





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Signals Overview

Aggregator	CBI Reading
Long	2

Tonight's Research Points

- When VIX crosses over 25% above its 10ma on a closing basis and SPX closes above its 200ma, there has typically been an upside edge over the next few days.
- SPY attempted to bounce from Tuesday's intraday low. Wednesday saw no follow through, but that is not necessarily a bad thing, and suggests upside in the coming days.
- After closing at a short-term low Tuesday, Wednesday saw SPY gap down sell off further. Similar setups have seen the market rebound in the following days.
- When SPX closes down more than 1.5% for at least the 2nd time in the last 5 days, there has typically been an upside edge over the following week.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I am still looking for a bounce.

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 11, 2026	2nd 1.5%+ drop in 5 days at a 5-day low, SPX	1-8 days	Bullish	3.90%	-2.22%	-4.78%
June 11, 2026	Gap down and poor close after a 5-day low (S	1-2 days	Bullish	1.25%	-0.74%	-1.71%
June 11, 2026	SPY 'failing' bounce off a 20-day low, then do	1-4 days	Bullish	2.28%	-1.35%	-3.20%
June 11, 2026	VIX closes 25%+ above its 10ma, SPX > 200	1-2 days	Bullish	1.61%	-0.99%	-2.21%
June 10, 2026	SPY 1%+ intraday high then down close, >20	1-6 days	Bullish	2.81%	-2.14%	-4.88%
June 8, 2026	SPY gaps down below 5-day low, closes belov	1-5 days	Bullish	1.92%	-1.39%	-3.04%
June 8, 2026	VIX up 20%+ on the last day of the week	1-8 days	Bullish	2.59%	-2.00%	-4.01%
June 8, 2026	SPX 1st 10-day low in 30+ days, ADX>20	1-8 days	Bullish	2.49%	-1.72%	-3.78%
Active - Long Term						
May 27, 2026	NDX > 18% above 200ma	1-90 days	Bullish	13.80%	-9.37%	-18.64%
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			

The Evidence

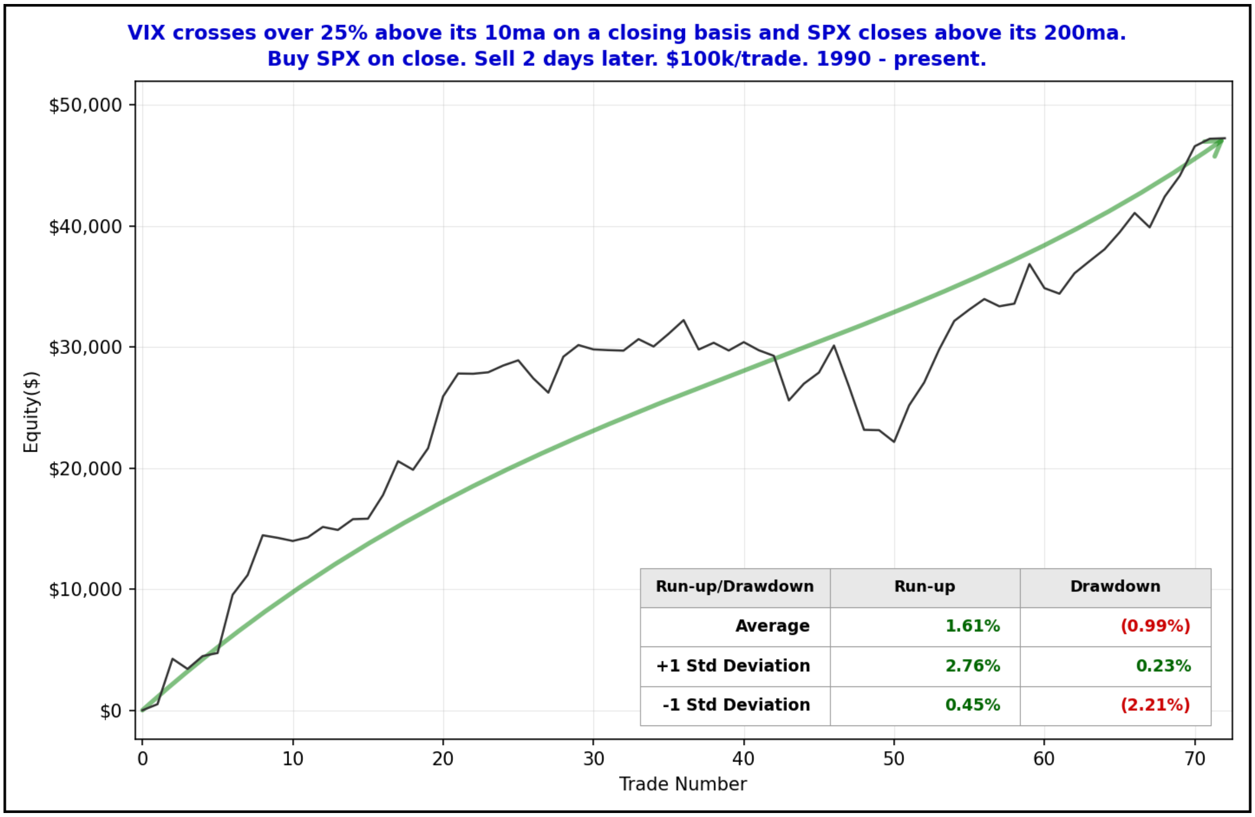
Stocks sold off sharply on Wednesday. SPX finished down 1.6%, the NASDAQ lost 2.0%, and the Russell 2000 dropped 1.1%. Breadth was negative as the NYSE Up Issues % closed at 39% and the NYSE Up Volume % posted a 34% reading. NYSE total volume declined some from Tuesday's level.

While the SPX declined sharply, the VIX index rose sharply. In fact, it closed 25.6% above its 10-day moving average. The study below examined stretches of 25% or more. I've shown it several times and it most recently appeared just a few days ago in the June 8, 2026 letter.

VIX crosses over 25% above its 10ma on a closing basis and SPX closes above its 200ma.
Buy SPX 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	63	39	24	61.90%	7.07%	-5.16%	2.22%	1.32%	1.68	2.72	0.868%
4	65	43	22	66.15%	4.70%	-8.42%	2.04%	1.78%	1.14	2.24	0.745%
3	65	43	22	66.15%	4.06%	-7.66%	1.69%	1.50%	1.13	2.20	0.612%
2	72	47	25	65.28%	4.81%	-3.68%	1.56%	1.04%	1.49	2.81	0.656%
1	72	49	23	68.06%	5.12%	-4.10%	1.01%	1.12%	0.91	1.93	0.332%

The numbers look solid. Bounces seem to have been the norm under these circumstances. Below is a profit curve that assumes a 2-day exit strategy.



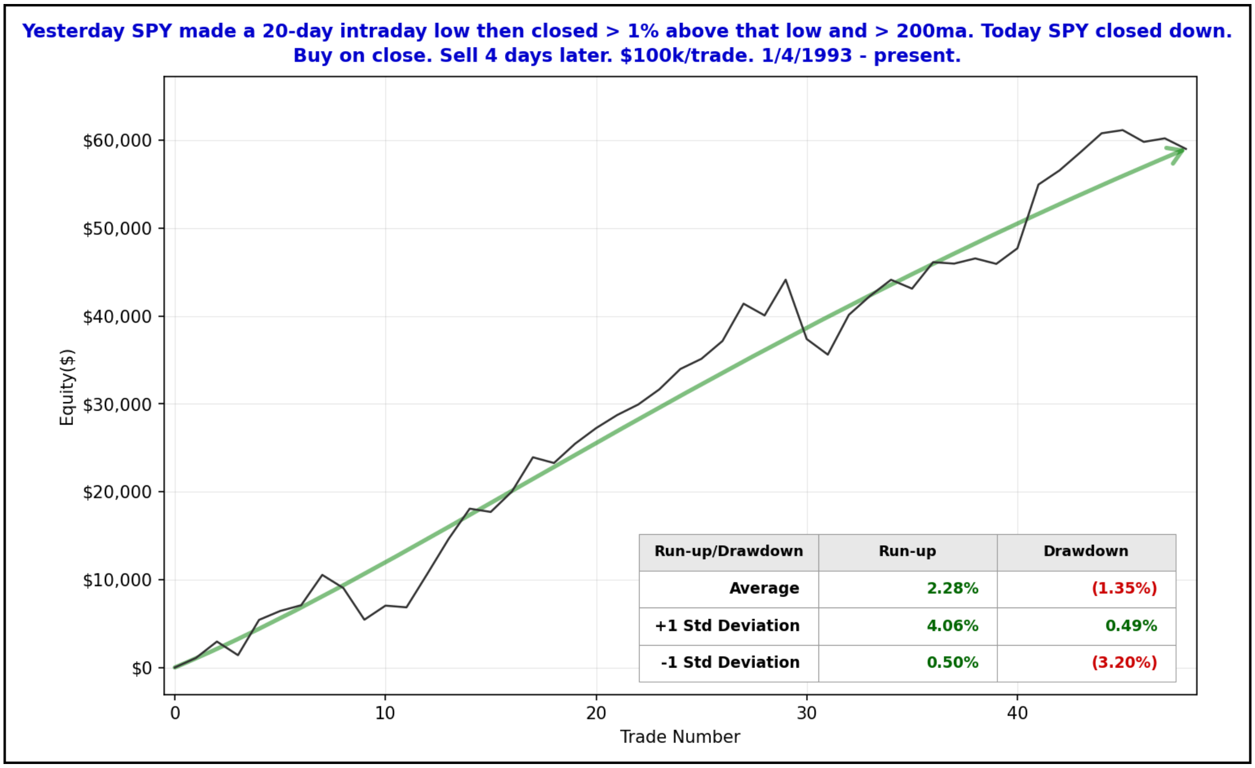
Despite the chop, performance lately has been strong, and the curve is back new highs. I have included this study on the Active List also.

The study below is also interesting. It views Tuesday's action as a bounce attempt and then Wednesday as a failure to follow through. It was last seen in the 3/11/26 letter, and has been updated.

Yesterday SPY made a 20-day intraday low then closed > 1% above that low and > 200ma. Today SPY closed down.
Buy on close. Sell X days later. 1/4/1993 - 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	47	33	13	70.21%	7.23%	-12.83%	2.38%	2.64%	0.90	2.29	0.940%
4	48	34	14	70.83%	7.26%	-6.76%	2.39%	1.58%	1.51	3.67	1.230%
3	48	31	16	64.58%	5.56%	-6.62%	2.24%	1.50%	1.50	2.90	0.950%
2	51	35	16	68.63%	6.17%	-3.28%	1.81%	1.29%	1.41	3.08	0.838%
1	52	35	16	67.31%	5.81%	-3.75%	1.16%	1.02%	1.13	2.47	0.463%

The stats here are suggestive of a bullish edge. Below is the curve for the 4-day holding period.



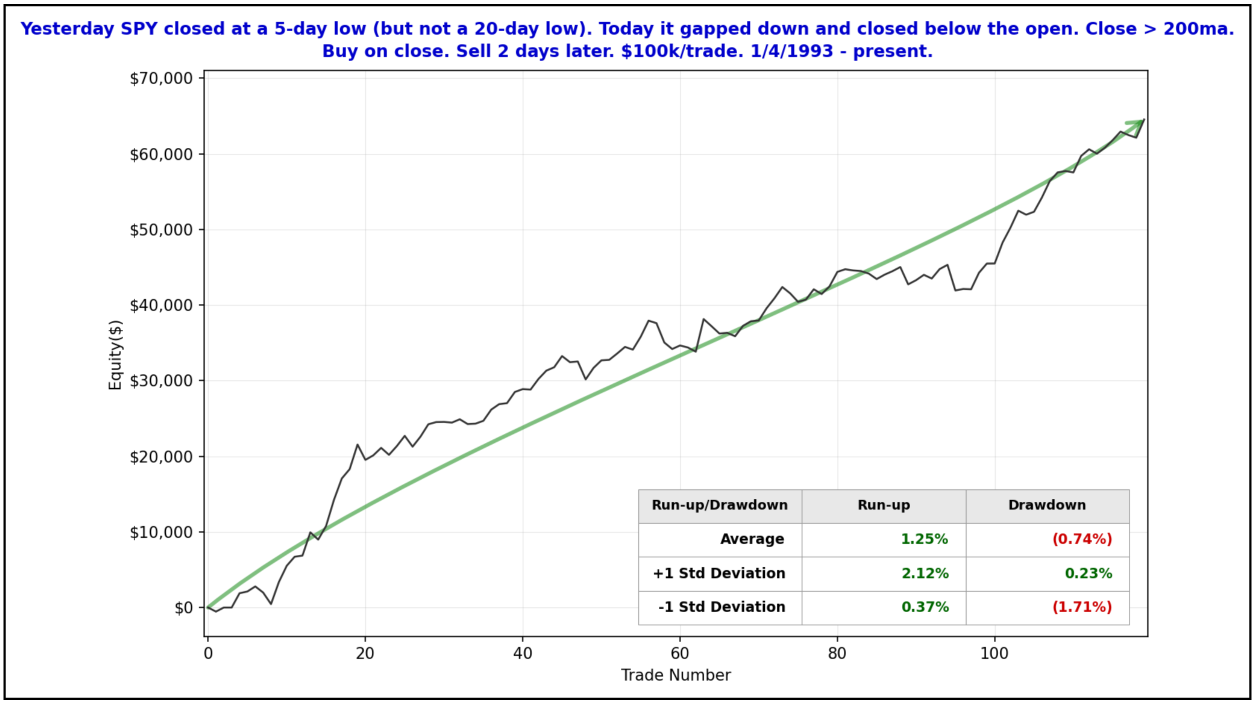
Despite the mild fade in the last few instances, this curve supports the idea of a short-term upside edge. I have included this study on the active list tonight.

In the 11/18/25 letter I showed a study that examined gaps down and poor closes following a 5-day low. The setup appeared bullish. But I also noted that it was even more bullish if the gap down followed a 20-day low. So 20-day low instances are excluded in the below study to prevent the data from looking overly bullish. Stats are updated.

Yesterday SPY closed at a 5-day low (but not a 20-day low). Today it gapped down and closed below the open. Close > 200ma.
Buy on close. Sell X days later. 1/4/1993 - 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	114	80	34	70.18%	5.17%	-5.06%	1.76%	1.20%	1.47	3.47	0.881%
4	114	77	37	67.54%	4.65%	-8.11%	1.55%	1.57%	0.98	2.05	0.535%
3	116	72	44	62.07%	4.70%	-7.73%	1.51%	1.22%	1.23	2.02	0.472%
2	119	81	37	68.07%	4.31%	-3.39%	1.19%	0.86%	1.39	3.04	0.542%
1	125	83	41	66.40%	2.15%	-4.18%	0.84%	0.85%	0.99	2.00	0.279%

Odds here appear favorable, especially over the 1st 2 days. Below is a profit curve assuming a 2-day exit strategy.



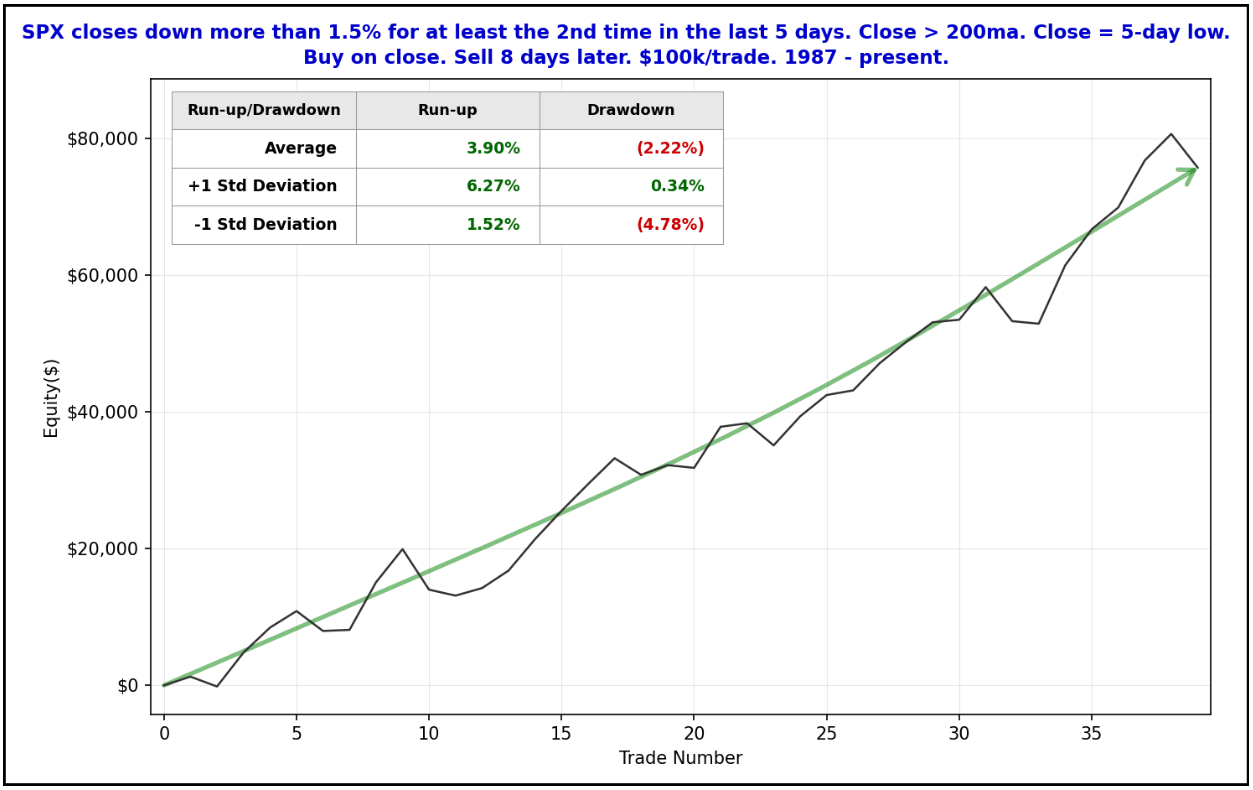
The persistent upslope serves as confirmation of the bullish potential. And recent instances have been especially strong. I have included this study on the Active List tonight.

But this wasn't the first strong selling day that we've seen in the last few. We have now had multiple. This triggered the following study, last seen in the 9/9/20 letter.

SPX closes down more than 1.5% for at least the 2nd time in the last 5 days. Close > 200ma. Close = 5-day low.
Buy on close. Sell X days later. 1987 - present.

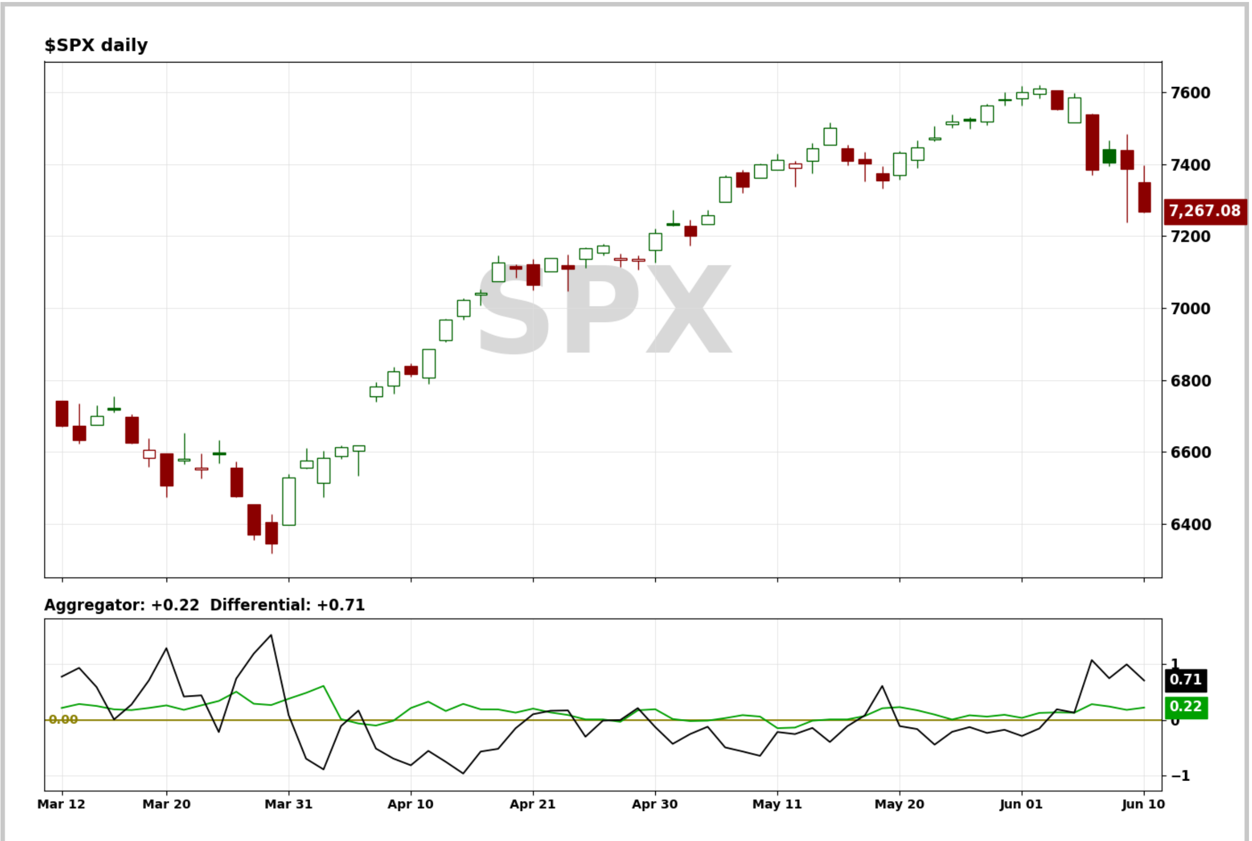
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
10	37	24	13	64.86%	9.22%	-7.86%	4.04%	2.84%	1.42	2.63	1.621%
9	37	26	11	70.27%	8.39%	-12.20%	3.67%	3.62%	1.01	2.39	1.502%
8	39	29	10	74.36%	8.54%	-5.93%	3.56%	2.75%	1.29	3.75	1.941%
7	40	31	9	77.50%	7.65%	-4.21%	3.58%	2.01%	1.78	6.13	2.322%
6	40	31	9	77.50%	7.32%	-3.35%	3.22%	1.50%	2.15	7.42	2.159%
5	41	29	12	70.73%	7.07%	-3.99%	2.89%	1.78%	1.62	3.92	1.522%
4	41	30	11	73.17%	5.22%	-3.41%	2.54%	1.40%	1.81	4.93	1.480%
3	43	31	12	72.09%	5.47%	-5.56%	2.07%	2.28%	0.91	2.35	0.855%
2	45	31	14	68.89%	4.81%	-4.78%	1.74%	1.62%	1.07	2.37	0.691%
1	48	37	11	77.08%	5.12%	-5.76%	1.35%	1.53%	0.88	2.97	0.693%

It is fairly rare to see such a large decline during a long-term uptrend when volatility is typically lower. But instances where it has occurred 2 times in a short period have seen prices rise over the next few days. Below is a profit curve for an eight-day hold.



The last trade did not work out. But overall, this appears worth consideration as well. 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 also held above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator formation stayed long at the close.

Based on the current list of active studies, expectations are set to remain positive on Thursday. This is highly unlikely to change. Meanwhile, the Differential Pivot will be 7450.39. That is 2.5% above Wednesday's close. Therefore, SPX will need to close up a sizable 2.5% on Thursday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. It's been a rough pullback, but I still like the long side. The SPY trade idea added a 2nd lot at the close on Wednesday. I considered adding a 3rd entry for Thursday, but with the CBI so low I may give it another day or so. Evidence is suggesting a bounce, but things could get worse before they get better. In any case, I have a decent long position right now with additional potential allocations if the edge gets even stronger.

Intermediate-term Outlook (2 weeks – 2 months) – updated 6/8 – bullish

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

GOOGL @ $361.85 (bought 1/3 @ limit)
GOOGL @ $358.99 (bought 1/3 @ limit)

***Broad Market Large Cap CBI* – 2(GOOGL-2)**

Additional New Trade Ideas

SPY – Buy ¼ index position @ $735.00 LIMIT ON CLOSE. Based on the short-term outlook above, if SPY closes down much on Wednesday, I will look to add to the current position.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
GOOGL(1/3	6/3/2026	$361.85	$356.38	-1.51%	Catapult
GOOGL(1/3	6/4/2026	$358.90	$356.38	-0.70%	Catapult
T(1/3)	6/5/2026	$22.77	$23.21	1.93%	*sell on open*
SPY(1/4)	6/5/2026	$737.55	$725.43	-1.64%	Aggregator
T(1/3)	6/8/2026	$22.66	$23.21	2.43%	*sell on open*
T(1/3)	6/9/2026	$22.50	$23.21	3.16%	*sell on open*
SPY(1/4)	6/10/2026	$725.43	$725.43	0.00%	Aggregator