

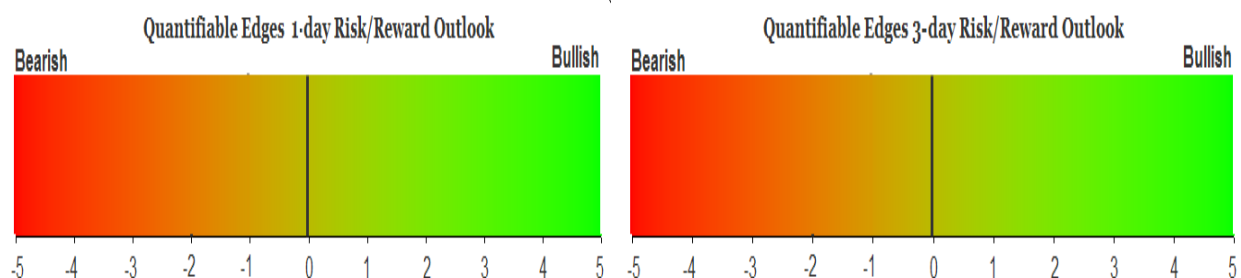
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 16, 2026

Volume 20 Issue 113

## Market Overview



## Signals Overview

| Aggregator | CBI Reading |
|------------|-------------|
| Flat       | 0           |

## Tonight's Research Points

- The VIX has quickly moved from overbought to oversold. In the past, that has been followed by short-term SPX strength.

## Short-term Outlook

### *The Bottom Line*

The Aggregator is neutral. There is still some evidence pointing higher but now SPX is strongly overbought.

### 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 |
|---------------------------------------------------------------------------|------------------------------------------------|-------------|---------|------------|------------|------------------------|
| <b>Active - Short Term</b>                                                |                                                |             |         |            |            |                        |
| June 16, 2026                                                             | VIX overbought to oversold, SPX > 200ma        | 1-6 days    | Bullish | 1.68%      | -1.12%     | -2.44%                 |
| June 10, 2026                                                             | SPY 1%+ intraday high then down close, >200ma  | 1-6 days    | Bullish | 2.81%      | -2.14%     | -4.88%                 |
| <b>Active - Long Term</b>                                                 |                                                |             |         |            |            |                        |
| June 15, 2026                                                             | NASDAQ lagging                                 | int term    | weak    |            |            |                        |
| 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 |            |            |                        |
| December 15, 2025                                                         | QE active. Rates dropping. Fed dovish          | int term    | Bullish |            |            |                        |
| June 30, 2025                                                             | SPX Golden Cross (7/1/25)                      | int term    | Bullish |            |            |                        |
| <b>Dropped Tonight (target hit, or avg drawdown + 1 std dev exceeded)</b> |                                                |             |         |            |            |                        |
| June 15, 2026                                                             | SPX up 2 days off a 10-day low, still below th | 1-2 days    | Bullish | 1.07%      | -0.78%     | -1.63%                 |
| 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 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%                 |

### The Evidence

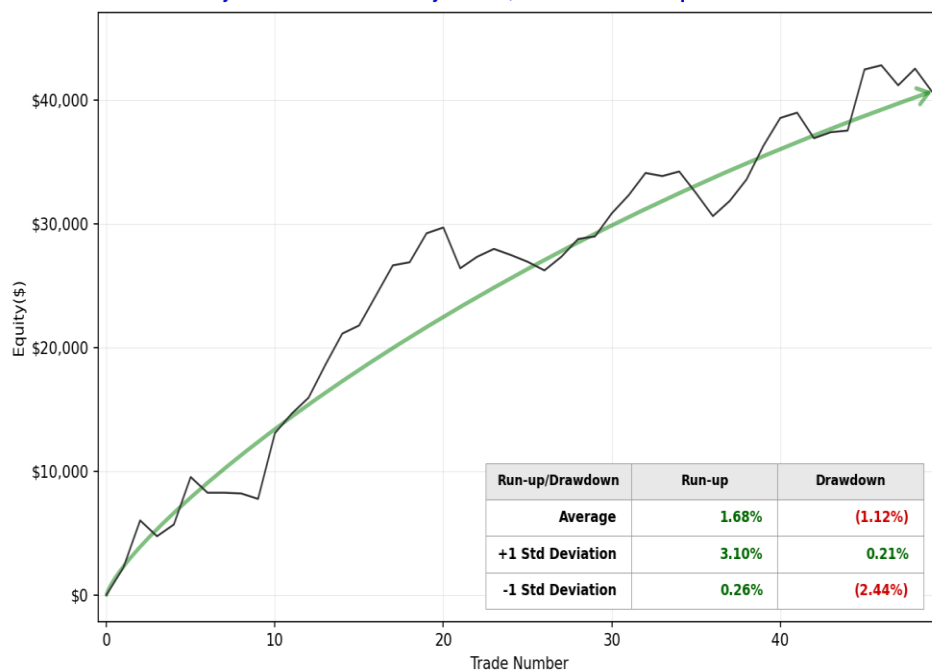
Monday was a strong day for stocks. SPX finished up 1.7%, the NASDAQ gained 3.1%, and the Russell 2000 climbed 0.7%. Breadth was just mixed as the NYSE Up Issues % closed at 51% and the NYSE Up Volume % posted a 49% reading. NYSE total volume rose from Friday's level.

One study from the Quantifinder worth a review considered the sharp drop in the VIX over the last few days after a sharp rise just prior to that. It was last seen in the 3/18/26 subscriber letter. The results are updated.

| VIX closes more than 10% below its 10ma after having closed more than 10% above the 10ma at some point in the last 4 days. SPX > 200ma. Buy SPX on close. Sell X days later. 1992 - 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                                                                                                                                                                                           | 49           | 29             | 20            | 59.18% | 8.14%             | -4.32%           | 2.27%             | 1.63%            | 1.40           | 2.02          | 0.680%    |  |
| 9                                                                                                                                                                                            | 49           | 31             | 18            | 63.27% | 8.43%             | -5.54%           | 1.99%             | 1.59%            | 1.25           | 2.16          | 0.675%    |  |
| 8                                                                                                                                                                                            | 49           | 34             | 15            | 69.39% | 8.11%             | -5.17%           | 1.95%             | 1.53%            | 1.27           | 2.88          | 0.882%    |  |
| 7                                                                                                                                                                                            | 49           | 34             | 15            | 69.39% | 7.78%             | -3.56%           | 1.88%             | 1.42%            | 1.32           | 2.99          | 0.869%    |  |
| 6                                                                                                                                                                                            | 49           | 34             | 15            | 69.39% | 5.32%             | -3.30%           | 1.71%             | 1.17%            | 1.47           | 3.33          | 0.831%    |  |
| 5                                                                                                                                                                                            | 49           | 31             | 18            | 63.27% | 5.38%             | -3.18%           | 1.71%             | 1.19%            | 1.44           | 2.48          | 0.645%    |  |
| 4                                                                                                                                                                                            | 50           | 33             | 17            | 66.00% | 5.00%             | -2.96%           | 1.31%             | 1.35%            | 0.97           | 1.89          | 0.406%    |  |
| 3                                                                                                                                                                                            | 51           | 31             | 20            | 60.78% | 3.81%             | -3.65%           | 1.06%             | 1.06%            | 1.00           | 1.55          | 0.227%    |  |
| 2                                                                                                                                                                                            | 51           | 32             | 19            | 62.75% | 3.85%             | -5.34%           | 0.94%             | 0.96%            | 0.98           | 1.65          | 0.233%    |  |
| 1                                                                                                                                                                                            | 51           | 31             | 20            | 60.78% | 2.96%             | -3.59%           | 0.72%             | 0.64%            | 1.12           | 1.73          | 0.184%    |  |

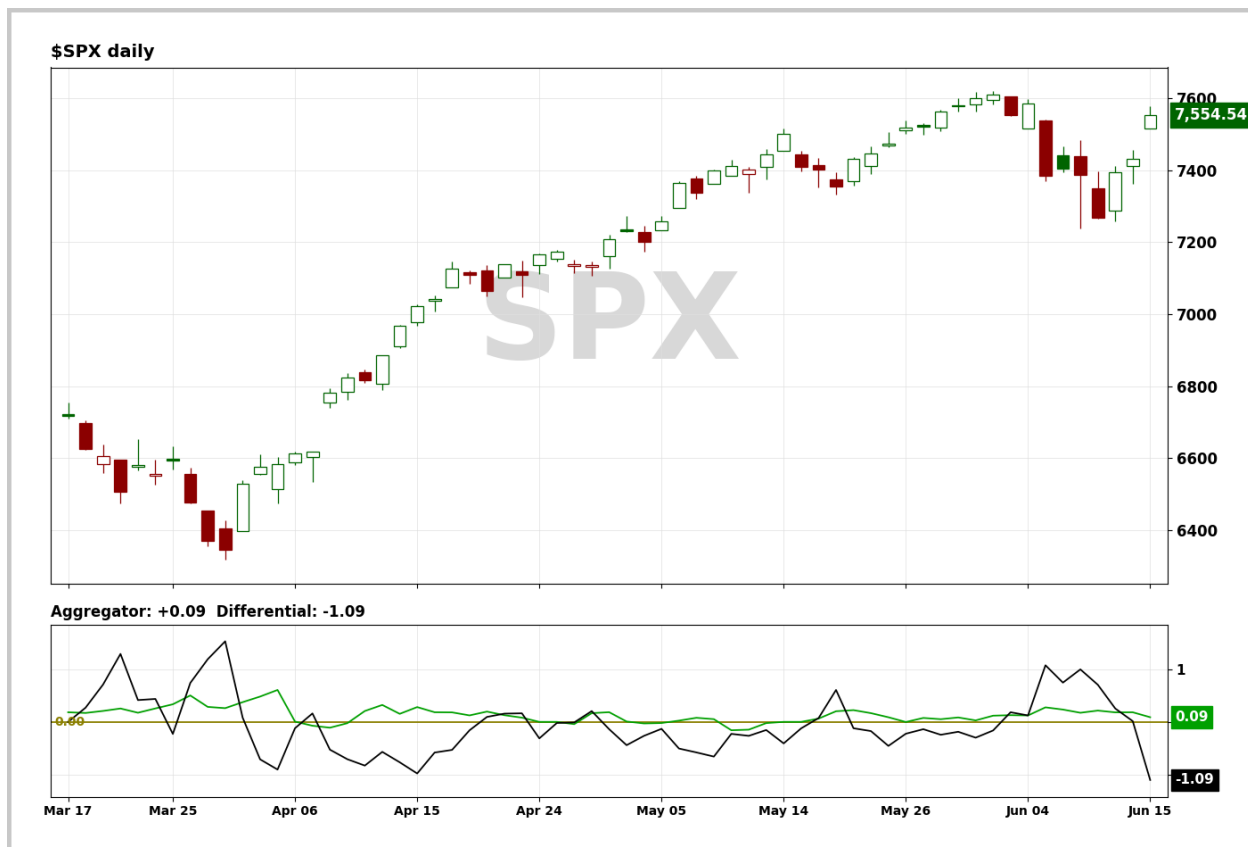
The market condition that would typically accompany such VIX movement is one where you see SPX post a strong rebound from a sharp decline during a long-term uptrend. Results over the first 2-3 days are not terribly consistent, but once you get out beyond that, the bounce becomes more reliable and more powerful. Below I have provided the profit curve assuming a 6-day holding period.

VIX closes more than 10% below its 10ma after having closed more than 10% above the 10ma at some point in the last 4 days. SPX > 200ma.  
Buy SPX on close. Sell 6 days later. \$100k/trade. 1992 - present.



There have been minor stumbles along the way, but overall this curve has persisted higher. This serves as some confirmation of the upside edge suggested by the numbers. I believe this study is worth consideration and have included it on the Active List tonight. No other studies are being added. On the other hand, there were several studies that reached their profit targets on Monday and have been removed from the active studies list.

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 fell below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is strongly 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 turned 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 7435.30. That is 1.6% below Monday's close. Therefore, SPX will need to close down at least 1.6% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is now neutral. We have seen a nice pop over the last three days and SPX has quickly gone from oversold to overbought. It could certainly go higher but risk/reward is no longer clearly favorable. The index trade ideas are now flat, and I will wait for the next compelling opportunity before looking to take on new positions.

**Intermediate-term Outlook (2 weeks – 2 months) – updated 6/15 – *neutral***

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

### ***Open Catapult Triggers***

**None**

***Broad Market Large Cap CBI – 0***

## **Additional New Trade Ideas**

**None tonight.**

## **Current Open Trade Ideas**

| Symbol          | Entry Date       | Entry Price     | Current Price   | % Gain/Loss  | Notes                |
|-----------------|------------------|-----------------|-----------------|--------------|----------------------|
| GOOGL(1/3       | 6/3/2026         | \$361.85        | \$359.68        | -0.60%       | <i>sell on open</i>  |
| GOOGL(1/3       | 6/4/2026         | \$358.90        | \$359.68        | 0.22%        | <i>sell on open</i>  |
| <i>SPY(1/4)</i> | <i>6/5/2026</i>  | <i>\$737.55</i> | <i>\$751.86</i> | <i>1.94%</i> | <i>sold open</i>     |
| <i>SPY(1/4)</i> | <i>6/10/2026</i> | <i>\$725.43</i> | <i>\$754.83</i> | <i>4.05%</i> | <i>sold on close</i> |
|                 |                  |                 |                 |              |                      |
|                 |                  |                 |                 |              |                      |
|                 |                  |                 |                 |              |                      |

**DISCLAIMER: PAST PERFORMANCE, WHETHER ACTUAL OR TESTED, DOES NOT GUARANTEE FUTURE RESULTS, PROFITABILITY, OR CORRELATION TO ANY LISTED SECURITY OR TRADE IDEA.**

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