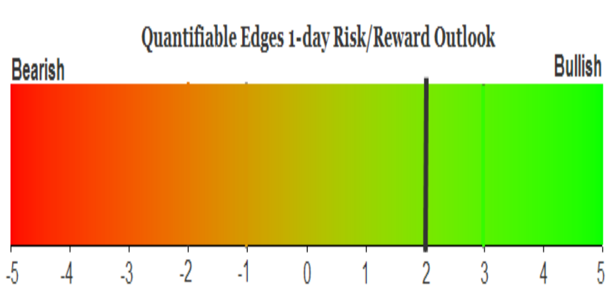
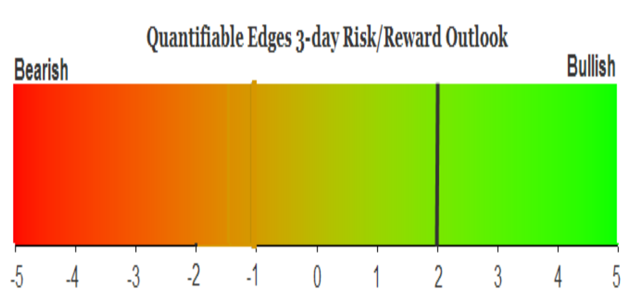
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 22, 2026 Volume 20 Issue 116

Market Overview





Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- The seasonality calendar looks favorable from now until mid-July.
- Our NASDAQ/SPX relative leadership indicator flipped back to the NASDAQ leading

Short-term Outlook

The Bottom Line
The Aggregator is bullish. There appears to be a moderate upside edge.

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 18, 2026	SPX -1% while SOX finishes positive	1-5 days	Bullish	2.92%	-1.96%	-3.86%
June 18, 2026	SPX -1% & decliners 2x advancers at a 4-day	1-5 days	Bullish	2.27%	-2.11%	-4.55%
June 18, 2026	Fed Day closes lower 2nd day in a row	1-6 days	Bullish	2.20%	-1.52%	-3.11%
June 16, 2026	VIX overbought to oversold, SPX > 200ma	1-6 days	Bullish	1.68%	-1.12%	-2.44%
Active - Long Term						
June 18, 2026	SPX -1% while SOX finishes positive	1-17 days	Bullish	5.37%	-2.79%	-5.71%
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			

The Evidence

Thursday was a strong day for stocks with the Russell 2000 leading the way. SPX finished up 1.1%, the NASDAQ gained 1.9%, and the Russell 2000 rallied 2.1%. Breadth was only moderately positive as the NYSE Up Issues % closed at 64% and the NYSE Up Volume % posted a 51% reading. NYSE total volume spiked higher from Wednesday's level.

With the market chopping back and forth the last few days, Thursday’s action did not manage to generate any new, compelling studies. So let’s take a look at the Seasonality Calendar for the upcoming week.

Quantifiable Edges Seasonality Calendar $SPX S&P 500 Index			
Date	Win%	Profit Factor	Avg % Chg
6/1/2026	61.04	1.813	0.193
6/2/2026	54.45	1.464	0.087
6/3/2026	61.87	1.852	0.187
6/4/2026	55.34	1.431	0.078
6/5/2026	58.22	1.574	0.132
6/8/2026	57.64	1.034	-0.004
6/9/2026	53.78	1.025	-0.003
6/10/2026	58.38	1.123	0.028
6/11/2026	54.25	0.795	-0.082
6/12/2026	55.02	1.116	0.022
6/15/2026	55.85	1.082	0.015
6/16/2026	51.09	1.133	0.037
6/17/2026	46.19	0.806	-0.072
6/18/2026	50.43	0.913	-0.028
6/22/2026	57.93	1.403	0.113
6/23/2026	54.13	1.253	0.077
6/24/2026	54.95	1.244	0.074
6/25/2026	55.54	1.250	0.076
6/26/2026	54.77	1.130	0.040
6/29/2026	62.17	1.619	0.147
6/30/2026	60.69	1.646	0.151
Baseline	***54.88***	***1.174***	***0.059***

QuantifiableEdges.com

It is all green from here to the end of June. I also ran the preliminary calendars for July. You can see the SPX one below.

Quantifiable Edges Seasonality Calendar $SPX S&P 500 Index			
Date	Win%	Profit Factor	Avg % Chg
7/1/2026	65.49	1.827	0.195
7/2/2026	60.37	1.505	0.097
7/6/2026	59.02	1.788	0.154
7/7/2026	55.19	1.555	0.076
7/8/2026	61.90	1.770	0.145
7/9/2026	58.76	1.506	0.053
7/10/2026	59.17	1.802	0.147
7/13/2026	55.87	1.144	0.037
7/14/2026	51.48	1.114	0.032
7/15/2026	52.82	0.912	-0.036
7/16/2026	51.48	0.959	-0.012
7/17/2026	48.34	0.921	-0.026
7/20/2026	61.45	1.406	0.094
7/21/2026	56.15	1.419	0.104
7/22/2026	57.21	1.361	0.088
7/23/2026	58.46	1.397	0.099
7/24/2026	57.26	1.257	0.057
7/27/2026	55.61	1.300	0.080
7/28/2026	51.43	1.123	0.037
7/29/2026	45.79	1.013	-0.002
7/30/2026	53.32	1.149	0.045
7/31/2026	52.12	1.009	0.002
Baseline	***54.84***	***1.168***	***0.057***

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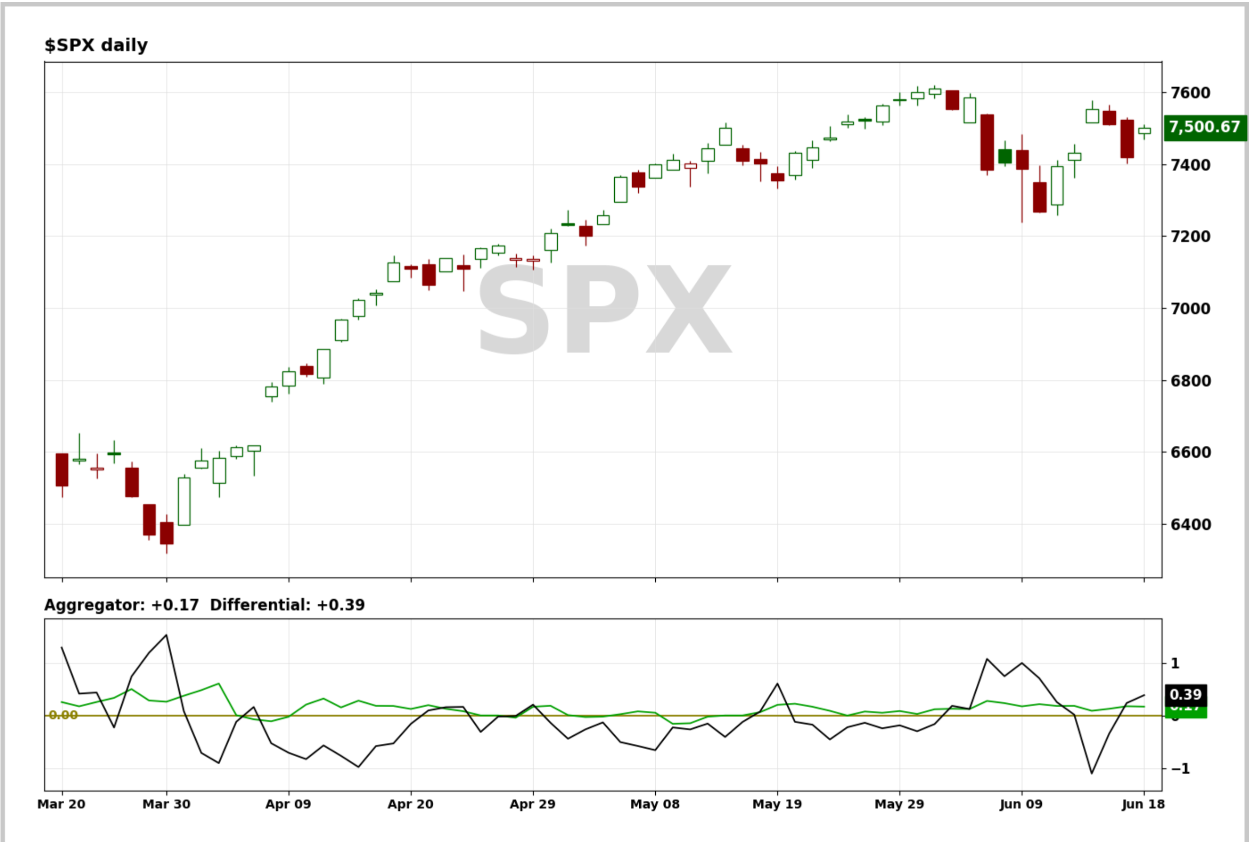
July looks pretty strong too, except for some weakness during the middle of the month.

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 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 Monday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7541.56. That is 0.5% above Thursday's close. Therefore, SPX will need to close up at least 0.5% on Monday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish . The trade idea I discussed Wednesday night was not able to get a fill on Thursday with the sizable unfilled gap higher. With only a moderate rise needed to turn overbought, and now supporting new evidence emerging this weekend, I will stand aside for the time being.

Intermediate-term Outlook (2 weeks – 2 months) – updated 6/22 – bullish

Combo #1	Combo #2	Combo #3	Combo #4
Flat	Long $NDX	Long $NDX	Long $NDX

Above is the status of the different Combination Signals from the Quantifiable Edges Market Dynamics Course. Signals are long-term in nature. All 4 can be either flat or long. None of them look to short. More information on these signals can be found in the Quantifiable Edges Market Dynamics Course, which is included with all annual subscriptions. *Combos 2, 3, and 4 all flipped back to "Long $NDX".*

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Stocks posted gains this past week. The SPX rose 0.9%, the NASDAQ climbed 2.4%, and the Russell 2000 gained 1.2%. Bonds also did well. The US Aggregate Bond ETF (AGG) gained 0.1%. TLT, the 20-year Treasury Bond ETF, added 1.1%. Stocks remain above their long-term moving averages, and the long-term uptrend still appears intact.

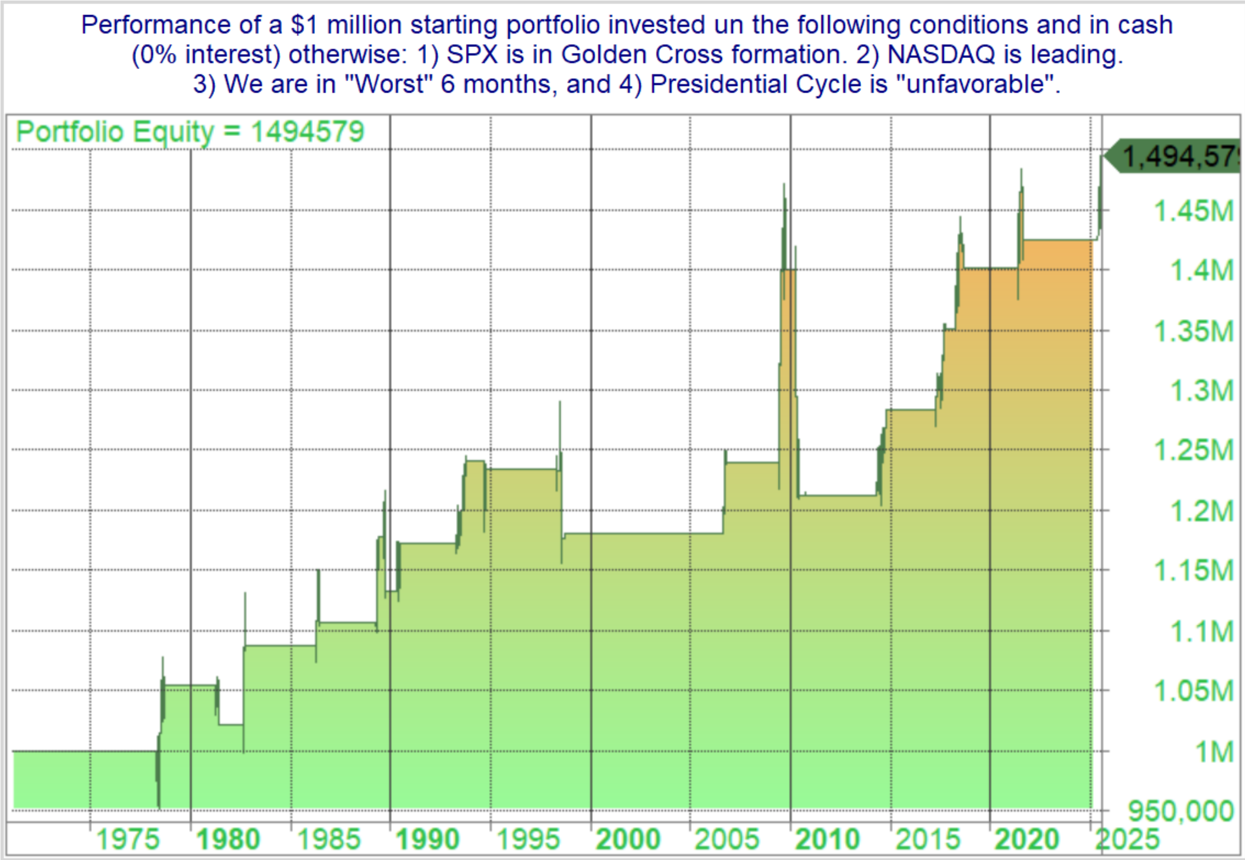
One notable indicator that changed position is our NASDSAQ/SPX Relative Leadership indicator. This week's action action caused the NASDAQ to quickly regain its leading position. This can be seen in the chart below.

In the bottom pane, the movement of the red line (which is about to turn green) above the blue dotted line is our indication that the NASDAQ is in a leading position. Since 12/31/1971, the market has performed substantially better when the NASDAQ has been leading. This can be seen in the table below.

Historical Compound Returns of $100,000 Starting Portfolio Using the NASDAQ/SPX Relative Leadership Indicator as a Filter. 12/31/71 - 6/19/26.			
	Compound Annual Growth Rate	**Max Drawdown**	**End Value of $100,000**
S&P 500 Index	8.20%	-56.78%	$7,347,027.32
SPX when NASDAQ lags	-0.06%	-67.21%	$96,617.31
SPX when NASDAQ leads	8.27%	-33.92%	$7,604,255.07
NASDAQ Composite	10.51%	-77.93%	$23,236,881.61
NASDAQ when lagging	-1.47%	-85.53%	$44,694.66
NASDAQ when leading	12.16%	-40.62%	$51,990,287.11
NASDAQ when leading (with interest when in cash)*	14.65%	-37.64%	$171,963,923.20
*interest on cash calculated at historical 30-day Fed Funds rate			

SPX performance has seen an 8.27% compound annual growth rate (CAGR) when the NASDAQ is leading vs ***-0.06%*** when NASDAQ is lagging. The NASDAQ performance difference is even more dramatic. It has returned 12.16% CAGR when leading versus ***-1.47%*** when lagging. More on this indicator can be found in the Market Dynamics Course. (Free for all annual subscribers.)

I decided also to take a look at how the market has done when all original 4 Market Dynamics Course indicators have been aligned as they are now. That means: 1) SPX "Golden Cross" in effect, 2) the NASDAQ is leading, 3) unfavorable Presidential Cycle, and 4) "Worst" 6 months in effect. Below is a chart showing SPX performance during this alignment.



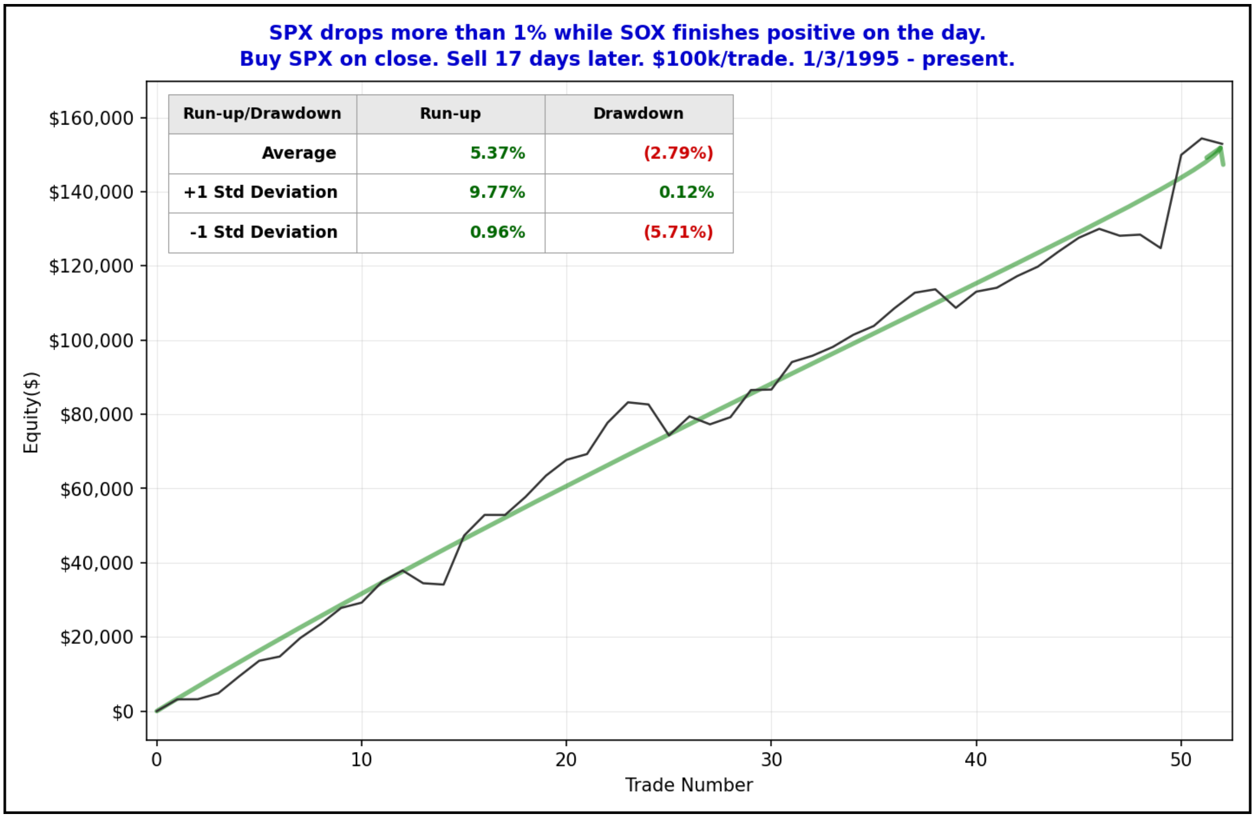
That is a good looking curve, and much, much better than what we saw last week with the NASDAQ lagging. You will also note that due to the current formation, several of combo models are now long NDX.

Wednesday night we saw another study with potential bullish intermediate-term implications. I have copied that study below.

Comparative price action between SPY and SOX (semiconductor index) also appears to be suggesting a strong upside advantage. The SOX will often lead the market. In the 10/24/12 Letter I showed a study that indicated a positive close in the SOX on a day when the SPX drops more than 1% has often led to substantial gains over the next 1-4 weeks. I have updated that study below.

SPX drops more than 1% while SOX finishes positive on the day. Buy SPX 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
20	50	39	11	78.00%	22.31%	-10.61%	4.80%	3.17%	1.51	5.37	3.044%
19	51	39	12	76.47%	26.18%	-8.97%	4.82%	3.24%	1.48	4.82	2.919%
18	52	40	12	76.92%	28.48%	-11.37%	4.78%	3.23%	1.48	4.94	2.932%
17	52	42	10	80.77%	25.13%	-8.34%	4.28%	2.68%	1.60	6.71	2.940%
16	52	41	11	78.85%	24.40%	-6.51%	4.11%	2.20%	1.87	6.96	2.773%
15	54	44	10	81.48%	27.20%	-7.06%	3.94%	1.98%	1.99	8.74	2.842%
14	55	42	13	76.36%	23.43%	-4.59%	3.83%	1.65%	2.32	7.48	2.533%
13	56	43	13	76.79%	24.69%	-6.32%	3.83%	2.75%	1.39	4.60	2.299%
12	56	42	14	75.00%	22.91%	-6.55%	3.52%	2.29%	1.54	4.62	2.070%
11	56	40	16	71.43%	18.86%	-12.14%	3.58%	2.75%	1.30	3.25	1.772%
10	57	40	17	70.18%	19.05%	-11.26%	3.35%	3.06%	1.09	2.57	1.436%
9	60	42	18	70.00%	11.23%	-11.36%	3.01%	2.70%	1.12	2.60	1.297%
8	60	40	20	66.67%	12.94%	-7.43%	3.21%	1.95%	1.64	3.28	1.487%
7	61	41	20	67.21%	12.23%	-9.57%	3.20%	2.44%	1.32	2.70	1.355%
6	63	44	19	69.84%	18.47%	-11.05%	3.18%	2.48%	1.28	2.97	1.472%
5	65	45	20	69.23%	17.40%	-9.32%	3.02%	2.21%	1.37	3.08	1.410%
4	65	42	23	64.62%	14.12%	-6.42%	2.74%	1.64%	1.67	3.05	1.192%
3	70	45	25	64.29%	17.55%	-8.38%	2.38%	1.85%	1.28	2.31	0.869%
2	73	43	30	58.90%	10.64%	-4.33%	2.05%	1.46%	1.41	2.02	0.609%
1	75	39	36	52.00%	10.79%	-3.47%	1.64%	0.77%	2.14	2.32	0.485%

It's interesting here that there seem to be not only short-term bullish implications, but intermediate-term ones as well. I ran equity curves for the 5 and 17-day exits below… Now let's take a look at the 17-day exit.



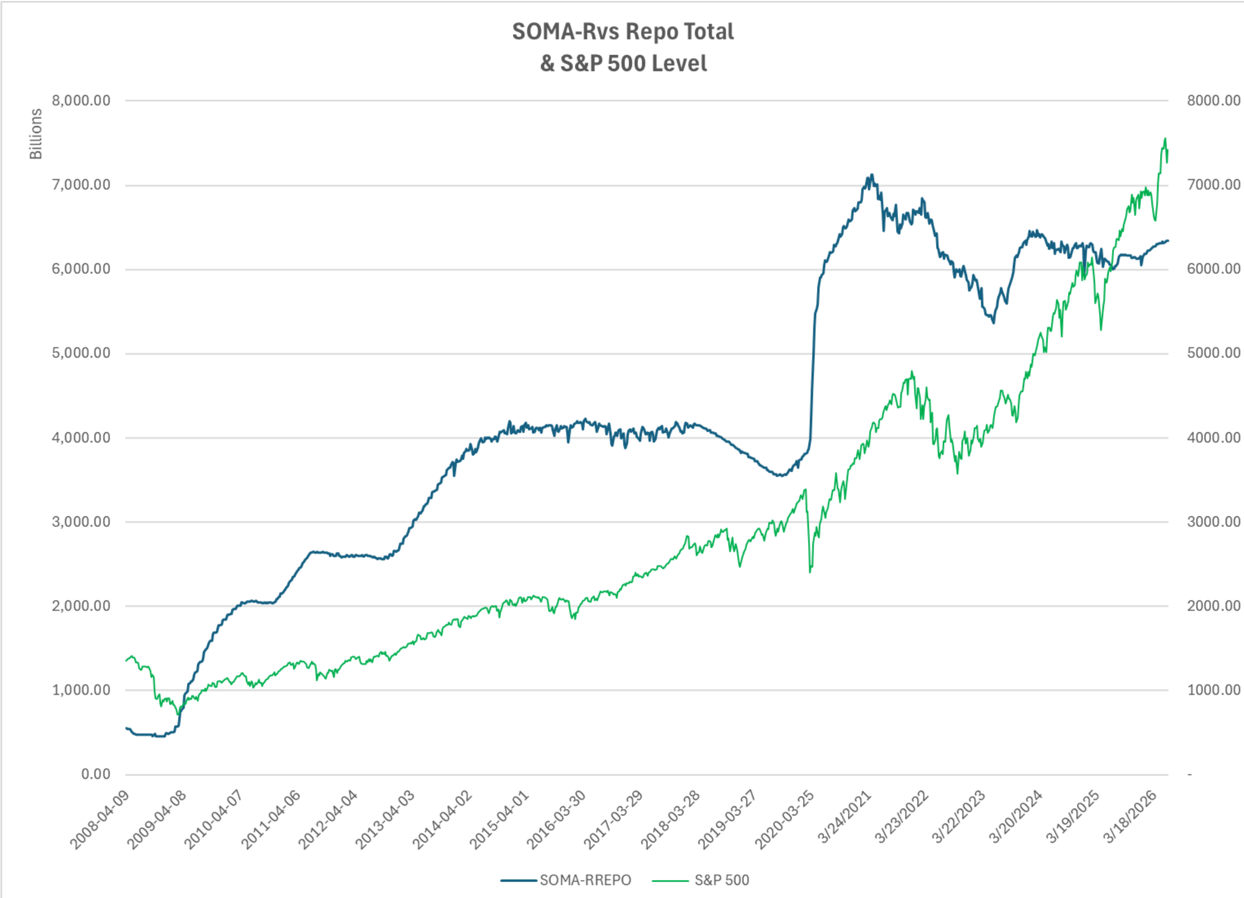
Run-up/Drawdown	Run-up	Drawdown
Average	5.37%	(2.79%)
+1 Std Deviation	9.77%	0.12%
-1 Std Deviation	0.96%	(5.71%)

This equity curve is very strong and steady and shows no sign of weakness. I'd say this SOX/SPX study is well worth consideration....

The Fed posted the latest update to the SOMA holdings on Thursday. It can be found below.

Domestic Security Holdings as of 2026-06-17	
SECURITY TYPE	**TOTAL ($Thousands)**
US Treasury Bills	485,973,926.7
US Treasury Notes and Bonds	3,597,010,598.2
US Treasury FRNs	18,357,825.8
US Treasury TIPS	279,041,230.2
Federal Agency Securities	2,347,000.0
Agency MBS	1,957,204,085.1
Agency CMBS	7,593,648.6
Total SOMA Holdings	**6,347,528,314.6**
Change From Prior Week	**+6,649,532.3**

The SOMA rose $6.65 billion this week, adding liquidity to the system. Meanwhile, reverse repos rose by $6.4 billion for the week ending 6/17/26. A rise in reverse repos can act as a liquidity drain. Combined for the week, SOMA and reverse repo action accounted for a liquidity infusion of about $200 million (through Wednesday the 17th). Below is an updated SOMA-Reverse Repo and SPX chart looking back to 2008.



Reverse repos are still extremely low (under $1 billion). So unless that changes, they will not be providing too much influence on liquidity flows. Quantitative Easing is providing some support for the bulls. But while current Fed policy is a bit dovish, the market is unsure of what or when the next policy move will be.

With regards to rates, odds shifted greatly after the Fed meeting on Wednesday. The July meeting now shows about a 40% chance of a rate increase, up from just 8% a week ago. Looking out to September, odds currently show a strong 72% chance that rates are elevated vs today's rates. This can be seen in the graphics below, courtesy of the CME Fedwatch tool.

FedWatch Tool

Target Rate
- Current
- Compare
- Probabilities
- Aggregated

Historical
- Historical
- Downloads
- Prior Hikes

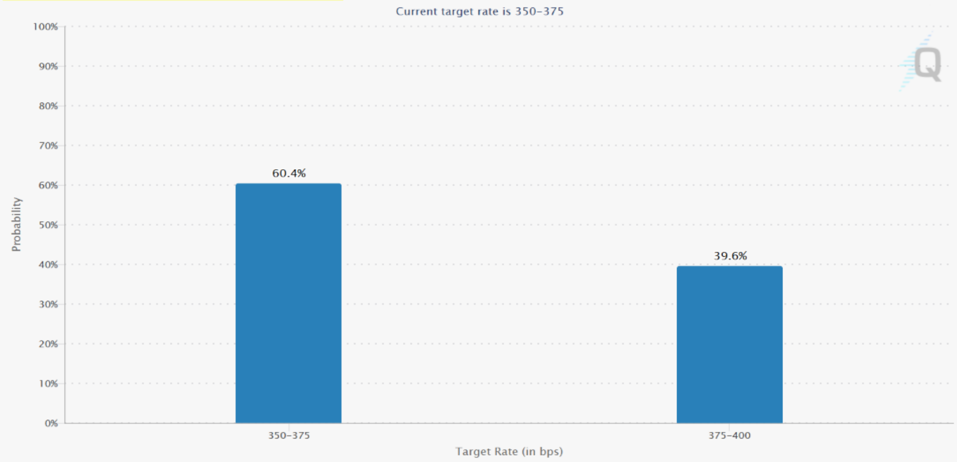
Dot Plot
- Chart
- Table

Tools
- CVOL
- SOFR Watch
- ESTR Watch

29 Jul26 | 16 Sep26 | 28 Oct26 | 9 Dec26 | 27 Jan27 | 17 Mar27 | 28 Apr27 | 9 Jun27 | 28 Jul27 | 15 Sep27

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
29 Jul 2026	ZQN6	31 Jul 2026	96.3600	73,938	341,995	0.0 %	60.4 %	39.6 %

Target Rate Probabilities for 29 Jul 2026 Fed Meeting



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 18 JUN 2026	1 WEEK 12 JUN 2026	1 MONTH 19 MAY 2026
325-350	0.0%	0.0%	2.3%	0.8%
350-375 (Current)	60.4%	61.5%	89.3%	84.4%
375-400	39.6%	38.5%	8.3%	14.8%

* Data as of 19 Jun 2026 07:56:22 CT

1/1/2028 and forward are projected meeting dates

FedWatch Tool

Target Rate
- Current
- Compare
- Probabilities
- Aggregated

Historical
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Dot Plot
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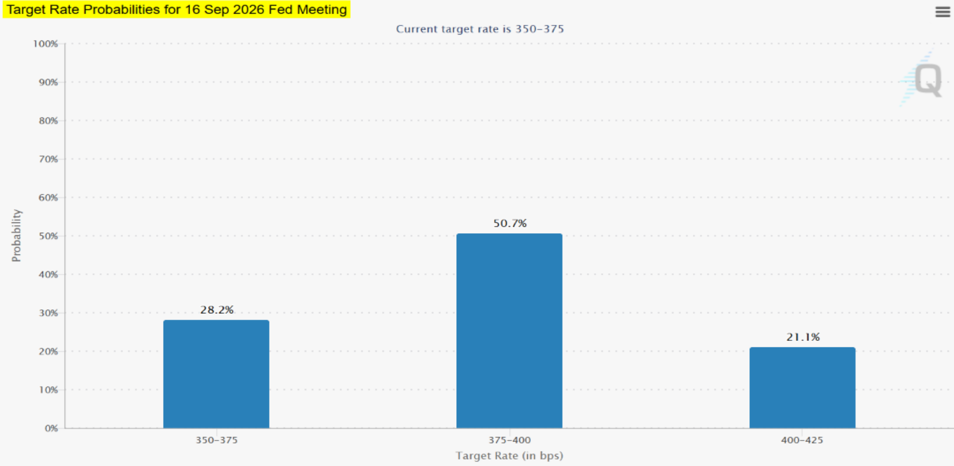
29 Jul26 | 16 Sep26 | 28 Oct26 | 9 Dec26 | 27 Jan27 | 17 Mar27 | 28 Apr27 | 9 Jun27 | 28 Jul27 | 15 Sep27

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
16 Sep 2026	ZQU6	30 Sep 2026	96.2000	48,151	154,583	0.0 %	28.2 %	71.8 %

Target Rate Probabilities for 16 Sep 2026 Fed Meeting



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 18 JUN 2026	1 WEEK 12 JUN 2026	1 MONTH 19 MAY 2026
325-350	0.0%	0.0%	1.9%	0.7%
350-375 (Current)	28.2%	31.1%	71.5%	67.4%
375-400	50.7%	49.9%	24.9%	28.9%
400-425	21.1%	19.0%	1.7%	3.0%

* Data as of 19 Jun 2026 07:57:07 CT

1/1/2028 and forward are projected meeting dates

As we have seen over and over, odds continually shift, so we will likely see further refinement as we get closer to these meeting dates. In his press conference, Chairman Warsh spoke about a lot of potential changes to how the Fed communicates, makes decisions, and how it uses the tools at its disposal. The market interpreted the tone as hawkish. While there were no changes on Wednesday, it will be interesting to see if the current bond buying policy persists much longer.

Action this past week appears positive for the bulls and the overall evidence now seems to be leaning that way. The SPX/SOX study appears positive 3-4 weeks out. We still have some price thrust type studies from May that are suggesting higher prices. And the long-term trend appears to be intact, with both the Golden Cross formation for the SPX and the fact that it remains above all of its long-term moving averages. Additionally, the NASDAQ re-taking the lead back after just 4 trading days puts the market in a better state. Fed policy is questionable. The SOMA is still increasing, but changes could be on the way soon. We may not see liquidity be as plentiful as it has been. Breadth was poor for much of the rally out of the March lows. We have had a few Hindenburg Omen signals trigger lately, and they haven't mattered yet, but they always carry some potential for downside. I last discussed Hindenburgs in the March 9th letter if you want to take a detailed look at them. Also from a breadth standpoint, the lagging A/D line and New Highs % have created a divergence that could lead to trouble at some point. But that is not a great timing signal. Long-term seasonality is now bearish through October. Geopolitical risks may be decreasing as it looks like the US/Iran war is ending – or at least pausing. After one week with a neutral bias, I am flipping back to bullish. This effectively means that I will be a bit more aggressive with long opportunities and a bit less aggressive with short setups.

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

None

***Broad Market Large Cap CBI* – 0**

Additional New Trade Ideas

None.

Current Open Trade Ideas

None