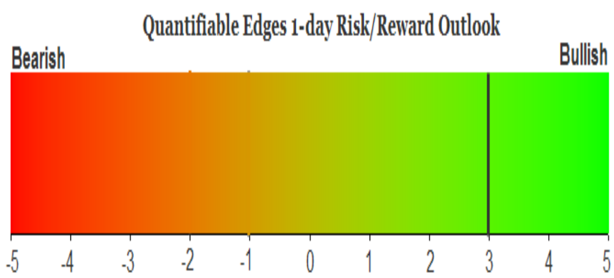
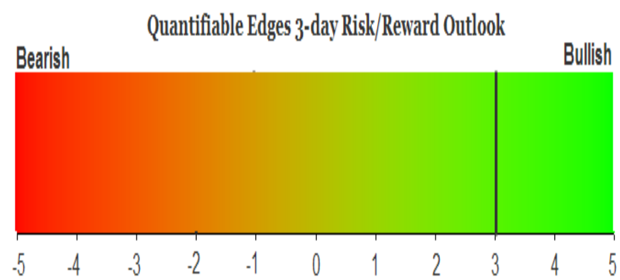
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 24, 2026 Volume 20 Issue 118

Market Overview





Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- When SPY gaps down to below a short-term low and sells off further there has typically been an upside edge over the next few days.

Short-term Outlook

The Bottom Line

The Aggregator is bullish. I like the long side.

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 24, 2026	SPY gaps below 5-day low, close < open	1-5 days	Bullish	1.92%	-1.40%	-3.04%
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%
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			
Dropped Tonight (target hit, or avg drawdown + 1 std dev exceeded)						
June 16, 2026	VIX overbought to oversold, SPX > 200ma	1-6 days	Bullish	1.68%	-1.12%	-2.44%

The Evidence

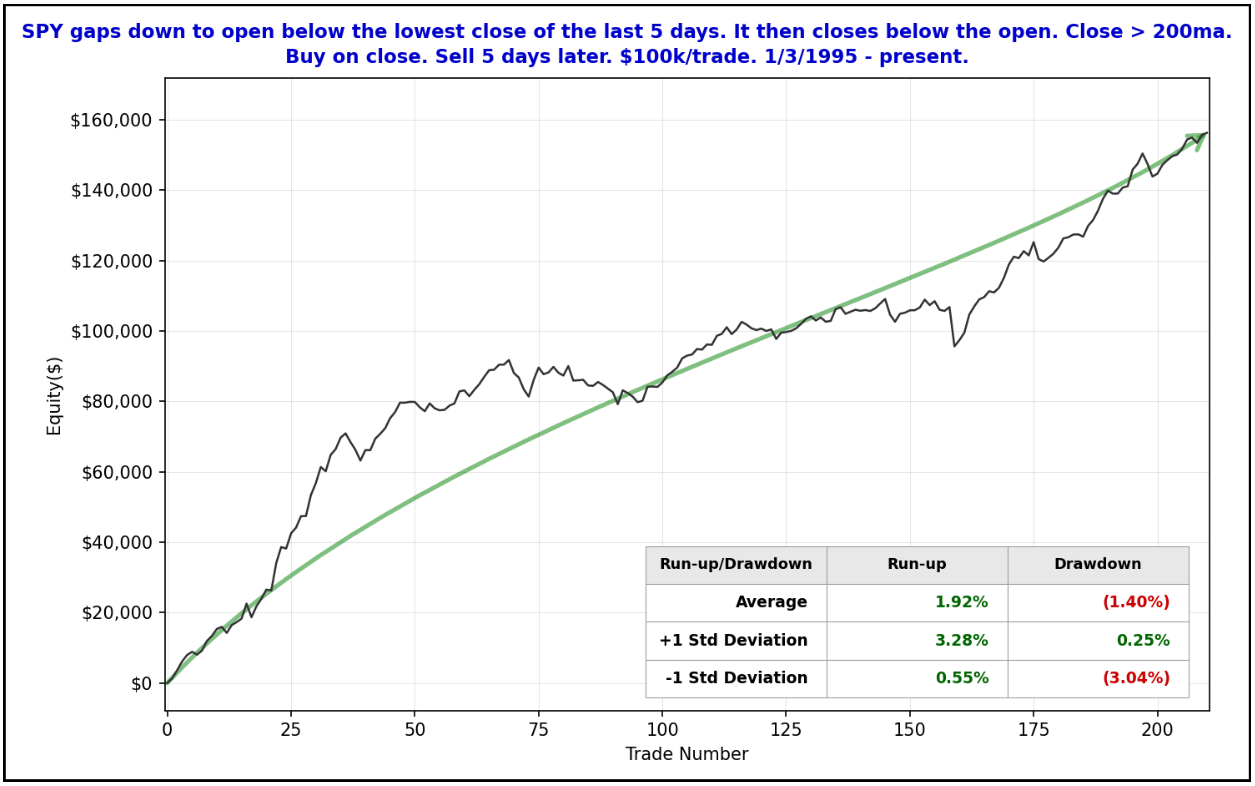
Stocks sold off sharply on Tuesday. SPX finished down 1.4%, the NASDAQ lost 2.2%, and the Russell 2000 declined 1.0%. But breadth was about even as the NYSE Up Issues % closed at 50% and the NYSE Up Volume % posted a 51% reading. NYSE total volume declined some from Monday's level.

The most compelling study that triggered on Tuesday is the one below. From the 11/1/24 letter, it looks at times that SPY gapped down to a short-term low, and then sold off further during the day, while in a long-term uptrend. I have updated the results.

SPY gaps down to open below the lowest close of the last 5 days. It then closes below the open. Close > 200ma.
Buy on close. Sell X days later. 1/3/1995 - present.

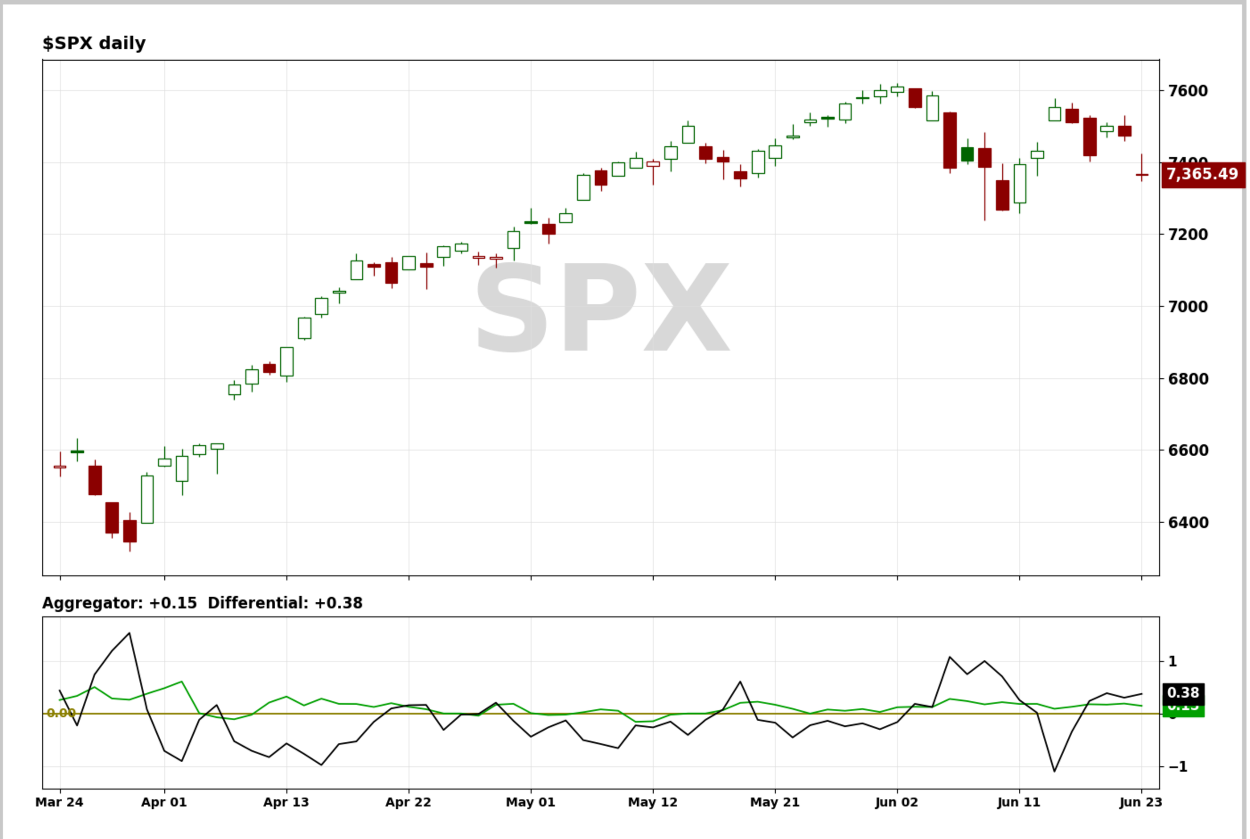
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
5	210	146	64	69.52%	7.81%	-11.16%	1.79%	1.63%	1.09	2.50	0.744%
4	222	147	75	66.22%	5.59%	-10.79%	1.69%	1.48%	1.14	2.24	0.621%
3	235	148	87	62.98%	5.01%	-6.59%	1.51%	1.21%	1.25	2.13	0.505%
2	251	158	90	62.95%	6.17%	-6.25%	1.24%	0.92%	1.35	2.37	0.452%
1	271	176	94	64.94%	5.81%	-4.18%	0.86%	0.80%	1.07	2.00	0.279%

The numbers here look fairly bullish. Here is the 5-day profit curve.



There were some flattish periods along the way, but the curve has made it way from lower left to upper right and is again at new highs.

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 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 Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7534.42. That is 2.3% above Tuesday's close. Therefore, SPX will need to close up a sizable 2.3% on Wednesday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish . We have some decent evidence and there is ample room to the upside before SPX would flip from oversold to overbought. I like the long side. I put a new trade idea down below to try and take advantage of the perceived upside edge if a favorable fill is available on Wednesday.

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

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

None

***Broad Market Large Cap CBI* – 0**

Additional New Trade Ideas

SPY – Buy ¼ index position @ $733.58 LIMIT. Based on the Short-Term outlook above, I will look to start building a long position if I can get filled at Tuesday's closing price or better.

Current Open Trade Ideas

None